



Montem Resources

Montem Resources Limited

ACN 623 236 831

Prospectus

Canadian Steelmaking Coal

For an initial public offer of 32,000,000 New Shares in Montem Resources Limited at an issue price of \$0.25 per New Share to raise \$8,000,000.

THE OFFER IS FULLY UNDERWRITTEN BY MORGANS CORPORATE LIMITED



IMPORTANT INFORMATION

The Shares offered by this Prospectus should be considered speculative.

This is an important document that should be read in its entirety. If you do not understand the contents or are in doubt as to the course you should follow, you should consult your professional advisor without delay.

2020

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Important Information

OFFER

This Prospectus is issued by Montem Resources Limited (ACN 623 236 831) (**Montem** or the **Company**). The Offer contained in this Prospectus is an invitation by the Company to apply for fully paid ordinary shares in the Company (**New Shares**).

LODGEMENT AND LISTING

This Prospectus is dated 31 July 2020 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date (**Prospectus Date**).

Neither ASIC, ASX or their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Securities allotted or issued pursuant to this Prospectus will be allotted or issued on the terms and conditions set out herein. No New Shares will be allotted or issued on the basis of this Prospectus later than the expiry date of this Prospectus being the date which is 13 months after the Prospectus Date.

The Company will apply to ASX within seven days of the Prospectus Date for admission to the Official List and for quotation on ASX of the Shares offered under this Prospectus.

EXPOSURE PERIOD

The Corporations Act prohibits the Company from processing Applications to subscribe for New Shares under this Prospectus in the seven days from the date of lodgement with ASIC. This Exposure Period may be extended by ASIC for a further period of up to seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. If this Prospectus is found to be deficient, applications received during the Exposure Period will be dealt with in accordance with Section 724 of the Corporations Act. Applications received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period. No preference will be conferred on Applications received during the Exposure Period.

NOT INVESTMENT ADVICE

The information contained in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. Before deciding to apply for New Shares, potential investors should read the entire Prospectus and each of the documents which are incorporated by reference and consider the risk factors that could affect the financial performance of the Company. In particular, you should consider the assumptions underlying the Pro Forma Historical Financial Information and other Financial Information (see Section 8) and the risk factors (see Section 7) that could affect the business, financial condition and financial performance of the Company. There may be risk factors in addition to these that should be considered in the light of your personal circumstances.

The Company is at the early stages of its maturity and the risks may therefore be significant. The New Shares offered pursuant to this Prospectus should be considered speculative. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from an accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Offer.

DISCLAIMER

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the Shares.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company, the Lead Manager and Underwriter or any other person in connection with the Offer.

FORWARD LOOKING STATEMENTS

This Prospectus may contain forward looking statements, which may be identified by words such as "may", "could", "believes", "estimates", "expects" or "intends" and other similar words that connote risks and uncertainties. Certain statements, beliefs, and opinions contained in this Prospectus, in particular those regarding the possible or assumed future financial or other performance, industry growth or other trend projections are only predictions and subject to inherent risks and uncertainties. No financial forecasts have been prepared by the Company.

Except as required by law, and only to the extent so required, neither the Company, its Directors nor any other person gives any assurance that the results, performance or achievements expressed or implied by any forward looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on such forward looking statements. Any forward looking statements are subject to various risk factors, many of which are beyond the control of the Company and its Directors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements.

Any forward looking statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the Prospectus Date, are expected to take place.

Forward looking statements should be read in conjunction with risk factors set out in Section 7 and other information in this Prospectus.

The Company has no intention to update or revise any forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

This Prospectus, including the industry overview in Section 2 and the Technical Assessment Report in Annexure 1, uses market data and third party estimates, assumptions and projections. There is no assurance that any of the third party estimates, assumptions or projections contained in this information will be achieved. The Company has not independently verified this information.

COMPETENT PERSON STATEMENT

The information in the JORC Reports that relate to Exploration Results and Mineral Resources is based on, and fairly represents, information and supporting documentation compiled by Mr. Bradley Ulry, Mr. John Gorham and Mr. Matthew Carter, Competent Persons and members of the Association of Professional Engineers and Geoscientists of Alberta (APEGA); a Recognized Professional Organizations (RPO) where they hold the accreditation of Professional Geologist and Mr. Nathan Schmidt, a Competent Person and a member of the Engineers and Geoscientists of British Columbia; a Recognized Professional Organizations (RPO) where he holds the accreditation of Professional Geologist.

Mr. Bradley Ulry, P. Geo., Mr. John Gorham, P. Geol., Mr. Matthew Carter, P. Geo., and Mr. Nathan Schmidt, P. Geo., of Dahrouge Geological Consulting are the Qualified Persons responsible for preparing this Competent Persons Report on the relevant Projects in accordance with the JORC Code.

Mr. Ulry, Mr. Gorham, Mr. Carter and Mr. Schmidt are employees of Dahrouge Geological Consulting Ltd. of Edmonton Alberta and are independent of Montem Alberta, and Montem.

Mr. Ulry, Mr. Gorham, Mr. Carter and Mr. Schmidt have sufficient experience that is relevant to the style of mineralization and type of deposit under consideration, and to the activity being undertaken to qualify as Competent Persons as defined in the JORC Code.

Mr. Ulry, Mr. Gorham, Mr. Carter and Mr. Schmidt have provided their prior written consent as to the form and context in which the Exploration Results and Mineral Resources information is presented in this Prospectus and have not withdrawn their consent before lodgement of the Prospectus with ASIC.

The information contained in the Technical Assessment Report that relates to JORC reserves statements for the Tent Mountain Mine are derived from the Feasibility Study completed in April 2020. The Technical Assessment Report is based on and fairly represents, the information and supporting documentation relating to, Mineral Resources and Ore Reserves compiled or reviewed by Mr. Robert McCarthy, who is an employee of SRK Consulting (Canada) Inc. Mr Robert McCarthy is a Professional Engineer registered with the Association of Professional Engineers and Geoscientists of Alberta and a Competent Person as defined in the JORC Code having sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken. Mr. Robert McCarthy has consented to the inclusion of the matters based on his information in the form and context in which it appears in the Prospectus and has not withdrawn his consent before lodgement of this Prospectus with ASIC.

The Coal Reserves at the Tent Mountain Mine, presented in the Technical Assessment Report, have been classified and reported in accordance with the JORC Code.

MINERAL RESOURCE ESTIMATES

All Exploration Targets, exploration results and estimates of Mineral Resources set out in this Prospectus have been prepared and reported in accordance with the JORC Code. Any exploration targets in this Prospectus cannot be considered as Coal Resources as defined in the JORC Code. Any Exploration Targets are conceptual in nature and there has been insufficient exploration carried out to define the relevant Coal Resource and it is uncertain if further exploration will result in the Exploration Targets being delineated as a Coal Resource.

OVERSEAS RESTRICTIONS

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus. No action has been taken to register or qualify the New Shares or the Offer, or to otherwise permit a public offering of the New Shares, in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus may not be released or distributed in the United States of America. The New Shares have not been registered under the US Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws.

See Section 6.19 for more details on selling restrictions that apply to the Offer and sale of Shares in jurisdictions outside Australia.

ELECTRONIC PROSPECTUS AND APPLICATIONS

The Company has issued both a printed and an electronic version of this Prospectus and the electronic version may be accessed on the Company's website, www.montem-resources.com.

The Offer pursuant to an electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. It is not available to persons in other jurisdictions (including the United States of America or US Persons). Persons who access the Prospectus in electronic form should ensure that they download and read the entire Prospectus.

Applications for Shares may only be made during the Offer Period on the Application Form attached to or accompanying this Prospectus in its hard copy form, or in its soft copy form which must be downloaded in its entirety from: www.montem-resources.com. The Corporations Act prohibits any person from passing to another person the Application Form unless it is attached to or accompanies the complete and unaltered version of this Prospectus in its hard copy form.

NO COOLING-OFF RIGHTS

Cooling-off rights do not apply to an investment in New Shares pursuant to the Offer. This means that in most circumstances, you cannot withdraw your Application once it has been accepted.

WEBSITE

Other than the JORC Reports which have been incorporated by reference into this Prospectus and have been made available on the website www.montem-resources.com for convenience only, the Company's website and its contents do not form part of this Prospectus and are not to be interpreted as part of, nor incorporated into, this Prospectus, which should form the basis of your investment decision.

PHOTOGRAPHS AND DIAGRAMS

Photographs used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

PROXIMATE STATEMENTS

The Letter from the Chairman and other Sections including Sections 1, 2 and 3 of this Prospectus may contain references to other parties either nearby or proximate to the Projects and include references to nearby coal production. It is important to note that such proximate production, discoveries or geological similarities do not in any way guarantee that the Company will have any success or similar successes in delineating further JORC resources on the Projects.

FINANCIAL AMOUNTS

All financial amounts shown in this Prospectus are expressed in Australian dollars, unless otherwise indicated. A reference to \$ or A\$ is to Australian dollars unless otherwise indicated.

DEFINED TERMS

Certain capitalised terms and abbreviations used in this Prospectus have defined meanings which are explained in Section 12.

PRIVACY

By filling out the Application Form to apply for New Shares, you are providing personal information to the Company through the Share Registry, which is contracted by the Company to manage Applications. The Company, and the Share Registry on its behalf, may collect, hold, use and disclose that personal information for the purpose of processing your Application, servicing your needs as a Shareholder, providing facilities and services that you need or request and carrying out appropriate administration.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Your personal information may be used from time to time to inform you about other products and services offered by the Company which it considers may be of interest to you. Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy and as authorised under the Privacy Act 1988 (Cth). The agents and service providers of the Company may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- (a) the Share Registry for ongoing administration of the register of members;
- (b) the Lead Manager and Underwriter in order to assess your Application;
- (c) printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- (d) market research companies for the purpose of analysing the shareholder base and for product development and planning; and
- (e) legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the New Shares and for associated actions.

You may request access to your personal information held by (or on behalf of) the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. You can request access to your personal information by writing to or by telephoning the Share Registry as follows:

Montem Resources Limited
c/- Automic Pty Ltd
Level 5, 126 Phillip St
Sydney NSW 2000

Phone: 1300 288 664 (within Australia) or +61 2 9698 5414 during business hours.

If any of your information is not correct or has changed, contact the Share Registry or the Company to update your information. In accordance with the requirements of the Corporations Act, information on the Share register will be accessible to members of the public.

OFFER MANAGEMENT AND UNDERWRITER

Morgans Corporate Limited, AFSL 235407, is the Lead Manager and Underwriter of this Offer.

The Lead Manager and Underwriter has not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by it or its affiliates, officers or employees. To the maximum extent permitted by law, the Lead Manager and Underwriter and each of its affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus (other than references to the Lead Manager and Underwriter's name) and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

CONTACTS

If you require assistance to complete the Application Form, require additional copies of this Prospectus, or have any questions in relation to the Offer, you should contact the Share Registry Automic Pty Ltd on 1300 288 664 (within Australia) or +61 2 9698 5414 during business hours or at corporate.actions@automic.com.au.

If you are uncertain as to whether obtaining Shares is a suitable investment for you, you should seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether or not to invest.

Key Offer Information

IMPORTANT DATES

Prospectus Date	31 July 2020
Opening Date of Offer	10 August 2020
Closing Date of Offer	26 August 2020
Allotment of Shares (Completion of Offer)	11 September 2020
Expected date for despatch of Holding Statements	14 September 2020
Shares expected to begin trading on ASX (on a normal settlement basis)	15 September 2020

The above dates are indicative only and may vary. The Company, in consultation with the Lead Manager and Underwriter, reserves the right to amend the indicative timetable, including by closing the Offer early or extending the Closing Date or accept late applications, without prior notice, subject to the requirements of the Listing Rules and the Corporations Act. The admission of the Company to the Official List of ASX and the commencement of quotation of the Shares are subject to confirmation from ASX.

KEY OFFER STATISTICS

Offer Price per New Share	\$0.25
Existing Shares on issue at date of Prospectus	137,695,203
Conversion Shares ¹	32,931,608
New Shares offered under this Prospectus	32,000,000
Total number of Shares on issue upon listing on ASX ²	202,626,811
Options on issue at the date of this Prospectus ³	6,315,133
Performance Rights on issue at the date of this Prospectus ³	8,719,710
Amount to be raised under the Offer	\$8,000,000
Undiluted market capitalisation at the Offer Price ⁴	\$50,656,703

1. This assumes the issue of Conversion Shares will occur on or about 11 September 2020. This number will increase if the Completion of the Offer is on a later date. Refer to Section 10.4 for further details.

2. The total number of Shares on issue on completion of the Offer includes Shares subject to escrow as described in Section 11.7.

3. Details of the Options and Performance Rights on issue are set out in Sections 5.2, 5.3, 5.5, 11.3 to 11.6.

4. Calculated as the total number of Shares on issue following the Offer multiplied by the Offer Price.

Applications for New Shares can only be made by completing and lodging the Application Form attached to or accompanying this Prospectus. Instructions on how to apply for New Shares are set out in Section 6 and on the back of the Application Form.

Letter from the Chairman

Dear Investor,

On behalf of the Board of Directors, I am pleased to offer you the opportunity to become a shareholder in Montem Resources Limited (**Montem** or the **Company**). Montem owns steelmaking coal properties in southern Alberta and British Columbia, Canada. These properties are located in Canada's premier steelmaking coal mining region, adjacent to key mines of Teck Resources, which is the major producer of Canada's steelmaking coal.

I would like to make it clear that what Montem intends to produce, beneficiate and transport to the marketplace is coking coal consumed by Asian steel mills to produce steel as opposed to thermal coal which is burnt by power stations to produce electricity.

Montem Resources plans to re-start mining at the Tent Mountain Mine which closed in 1983 due to poor market conditions. We will also progress development opportunities at the Chinook Project, as well as exploring our greenfield properties, including Isola and 4-Stack.

Montem's investment highlights include:

- High quality steelmaking coal, initially from the Tent Mountain Mine, which was previously exported to Japan;
- Significant resource including JORC compliant Mineral Resources 3.7Mt Measured, 151.9Mt Indicated and 53.7Mt Inferred Exploration and development potential from our large portfolio of assets;
- Experienced Board and management with extensive coal mining experience in Canada and Australia.

The Company's strategy is simple. We have recently completed a definitive feasibility study for the Tent Mountain Mine re-start and are raising funds to move the mine to construction ready. Furthermore, we have delineated development opportunities at the Chinook Project, and have a large portfolio of highly prospective exploration targets. Montem is poised to become a steelmaking coal producer in the next two years and has plans to grow a large steelmaking coal mining business in the Crowsnest Pass.

Under this Prospectus, the Company is seeking to raise \$8,000,000 via the issue of 32,000,000 Shares at an issue price of \$0.25 per Share. Morgans Corporate Limited is the Lead Manager and Underwriter to the Offer.

Funds raised in this Offer will be used to complete licencing of the Tent Mountain Mine. We have active mine permits and environmental approvals for the mine and require operating licences and an amendment to the environmental approval to re-start the mine. The infrastructure for the mine is in place, enabling a rapid re-start. We have secured the land for the rail loadout and secured port allocation at Westshore Terminals in Vancouver.

Funds raised in this Offer will also be used to conduct exploration of the Chinook Project and to continue to develop mine plans for the Chinook Project. The current JORC resource estimates for the Chinook Project are based on historical records, and we expect new drilling to modernise our knowledge. We have recently completed a conceptual mine study for the Chinook Project which showed encouraging results.

Finally, using funds from the Offer we will also investigate the Isola Project which shows outstanding potential, with a recently estimated Exploration Target of 900Mt. Please note the potential quantity and grade of the Exploration Target is conceptual in nature and there has been insufficient exploration carried out to define the relevant Coal Resource and it is uncertain if further exploration will result in the estimation of Mineral Resources. The Exploration Target is not reported as part of any Mineral Resource or Ore Reserve. We do however hope to explore Isola in the future and look forward to informing you on our progress.

I ask that prospective investors please take the time to review this Prospectus for a full appreciation of the quality of the Company's portfolio of assets, the risks associated with our activities and details of the team that steward the Company's strategy. We look forward to welcoming new shareholders on our journey as we seek to become Canada's next steelmaking coal exporter.

Yours faithfully



A handwritten signature in dark ink, appearing to read 'Mark Lochtenberg'.

Mark Lochtenberg
Chairman

SECTION 1

Investment Overview



This Section is not intended to provide all information that is relevant for investors intending to apply for New Shares. This Prospectus should be read and considered in its entirety, including the risk factors as set out in Section 7 and each of the documents incorporated by reference. The New Shares offered under this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or future value.

TOPIC	SUMMARY	REFERENCE
THE COMPANY AND BUSINESS OVERVIEW		
Who is the issuer of this Prospectus?	Montem Resources Limited (Montem or the Company) is a public company incorporated in Australia, ACN 623 236 831. The Company was incorporated on 5 December 2017.	Sections 2, 11
What is the nature of the Company's business and objectives?	The Company's objective is to become the operator of steelmaking coal mines in Canada by developing its properties in the Crowsnest Pass. The Company is planning an integrated mining complex in the Crowsnest Pass, focusing on low cost development of open-cut operations that leverage central infrastructure. The first component of this objective is to re-establish mining at the Tent Mountain Mine. The Company's Projects contain 209.2Mt* of Coal Resources (3.7Mt Measured, 151.9Mt Indicated and 53.7Mt Inferred) as described in Section 3. Two of the properties have been mined previously and three of the properties are greenfield exploration areas. The previously mined properties have had extensive exploration, whilst the greenfield properties have had minimal exploration. A brief description of each Project is: • The Tent Mountain Mine: The Tent Mountain Mine Restart Project has completed necessary exploration and engineering for the Feasibility Study which was completed in early 2020. The Feasibility Study analysed the re-start of an existing open cut mine containing 60.1Mt* of Coal Resources (3.7Mt Measured, 48.1Mt Indicated and 8.4Mt Inferred) and 13.1Mt of Reserves (2.2Mt Proved and 10.9Mt Probable), as described in Section 3 and Sections 3.1 and 3.2 of the Technical Assessment Report; • The Chinook Project: This Project is made up of Chinook South and Chinook Vicary, with a combined 149Mt of Coal Resources (103.8Mt Indicated, 45.3Mt Inferred) and an Exploration Target of 125-450Mt, as described in Section 3.4; • Greenfield Projects: The 4-Stack, Isola and Oldman properties are located north of the Chinook Project, and all three have the potential to host significant Coal Resources with 4-Stack hosting an Exploration Target of 65-125Mt, and Isola hosting an Exploration Target of 275-900Mt as described in Section 3.5. The Exploration Targets have been defined for the Chinook Project and Greenfield Projects in areas where there is insufficient data to estimate a Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Targets are not reported as part of any Mineral Resource or Ore Reserve. *The aggregate figures are slightly different to the individual figures due to rounding at two decimal places.	Sections 2, 3
What are the key strengths and competitive advantages of the Company?	• The Board and management team have extensive coal mine development and management experience, both in Canada and Australia. • Montem's assets are located in the coal mining district of south-western Canada, a major supply region of seaborne steelmaking coal, where significant infrastructure exists to support coal exports. Two of the properties (the Tent Mountain Mine and the Chinook Project) are brownfield sites, containing previous open-cut and underground mines. • The JORC Reports estimate 209.2Mt (3.7Mt Measured, 151.9Mt Indicated, and 53.7Mt Inferred) of coal resources at the Tent Mountain Mine and the Chinook Project. • The completion of the Feasibility Study for the Tent Mountain Mine produced strong economics. The Tent Mountain Mine Restart Project leverages the existing mine and environmental permits which is expected to result in a shorter period of time to granting mining licences in comparison to a greenfield project. Previous mining at the Tent Mountain Mine has left an access road, open-pits, and cleared/disturbed areas suitable for site facilities. • The Tent Mountain Mine Restart Project has secured relevant access to infrastructure, including required water for processing the coal. The rail loading site has been secured, with open access to rail, and port capacity has also been secured. Refer to Section 3.3 for further information regarding the Tent Mountain Mine Restart Project.	Sections 2, 3, 5

TOPIC	SUMMARY	REFERENCE
What are the key strengths and competitive advantages of the Company? (continued)	- Work to produce the Tent Mountain Mine Feasibility Study included extensive coal quality assessment. The Tent Mountain Mine product will be marketed as a Tier 2 Hard Coking Coal. The Tent Mountain product is known to coke makers in Japan, as coals from the Tent Mountain Mine and previous mines at the Chinook Project were successfully sold to Japanese steel mills in the 1970s and 1980s when the mines last operated. - Extensive local infrastructure in the Crowsnest Pass region provides a strong platform for rapid and low-cost development of Montem's Projects. All the properties are accessible by road, and the majority are within several kilometres from the main rail line linking to export ports on the west coast. Furthermore, power, highway and other urban facilities are located adjacent to the rail line in the Crowsnest Pass, and the area is a well-established mining district, with a skilled workforce.	
How did the Company obtain the Projects?	On 22 December 2017, the Company acquired all of the issued shares of Montem Resources Corp which owns the Projects (through its wholly owned subsidiary Montem Alberta). Montem Alberta purchased the Projects from a subsidiary of Westmoreland Coal Company, PMRU. The transaction was for a total consideration of C\$12,000,000: an initial payment of C\$1,000,000 has been paid, and additional amounts are payable to PMRU up to a maximum of C\$11,000,000. The terms of the Purchase Agreement and of the further payments due are detailed in Section 10.2.	Section 2
How does the Company generate revenue?	The Company is seeking to re-establish mining at the Tent Mountain Mine to sell coal used to produce steel. As at the date of this Prospectus the Company does not have any operating revenue and it is unlikely to generate operating revenue until the Tent Mountain Mine or one of the other Projects is successfully developed into an operating mine.	Sections 2, 6
Why is the Company seeking to raise funds?	The purpose of this Offer is to raise funds for: - completing the necessary work at the Tent Mountain Mine to prepare for construction. This work includes preparing and completing applications to the regulator to re-start the mine. Additional work in preparation includes additional exploration to produce a bulk sample for customers in Asia to trial the product, and paying a reservation fee for port access. - exploration at the Chinook Project, to facilitate further engineering studies. Environmental monitoring work will also be undertaken to facilitate mine applications in the future. - facilitating administration and general charges of the Company for a period of 18 months from the IPO.	Sections 2, 6
What is the Company's financial position?	Historical and pro forma financial information on the Group is contained in Section 8. Historical and pro forma financial information regarding the Company is also considered in the Investigating Accountant's Report contained in Section 9. The Company's audited financial statements for the period ended 31 December 2019 contained a note as to a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. For the purposes of preparing those financial statements the Directors were satisfied that the Company would be able to continue as a going concern. The Directors' opinion in relation to the Company's ability to continue as a going concern remains unchanged and as at the Prospectus Date they consider that if the Offer is completed the Company will have sufficient funds to carry out its near term objectives as set out in Section 6.6. Potential investors are cautioned that past performance is not a guide to future performance.	Sections 8, 9
What are the Company's future capital requirements?	The Company's growth and proposed operations will require substantial expenditure. The Company has no operating revenue and is unlikely to generate any operating revenue until production under the Tent Mountain Mine Restart Project. Section 10 of the Technical Assessment Report sets out the expected capital requirements for the Tent Mountain Mine Restart Project, subject to the assumptions set out in that report. In addition to the amounts raised pursuant to the Offer, the Company will need to seek additional capital, whether through equity, debt, offtake financing or joint venture financing, to fund the Tent Mountain Mine Restart Project, for exploration, evaluation and exploitation of the other Projects' properties and to meet the milestone payments under the Purchase Agreement (as described in Section 10.2).	Sections 2, 3 and 6
What is the industry that the Company operates in?	The Tent Mountain Mine and the Chinook Project contain metallurgical coal. Metallurgical coal is used in steelmaking. Recent growth in steel use has been driven by industrialisation in China. Future growth is expected to be driven by developing countries, particularly India.	Section 2

TOPIC	SUMMARY	REFERENCE
Will the Company pay dividends?	The Directors do not envisage that the Company will be in a position to declare dividends for the immediately foreseeable future.	Section 6
Who is the Lead Manager and Underwriter and what are the fees payable to the Lead Manager and Underwriter?	Morgans Corporate Limited is the Lead Manager and Underwriter of the Offer. In consideration for acting as Lead Manager and Underwriter to the Offer, Morgans Corporate Limited will receive a total of 5% (excluding GST) on all amounts received by the Company under the Offer.	Section 6
What are the Lead Manager and Underwriter's interests in the Securities of the Company?	As at the date of this Prospectus, the Lead Manager and Underwriter (and its nominees) does not hold an interest in the Company.	Section 6

RISK FACTORS

What are the key investment risks?	The business, assets and operations of the Group are subject to certain risk factors that have the potential to influence operating and financial performance in the future. These risks can impact on the value of an investment in the New Shares.	Section 7

The ongoing effect of COVID-19 and any possible future outbreaks of this or other viruses may have a significant adverse effect on the industries and economies in which the Company operates and therefore on the Company's operations, such as the Company's ability to raise capital, the Company's ability to implement planned activities, disruptions to the Company's supply chains and access to equipment, employees or contractors.

The following summary, which is not exhaustive, represents some of the other major risk factors of which potential investors need to be aware.

SPECIFIC RISK FACTORS

Accuracy of resource and reserve estimates

Any resource delineated is an estimate only, and the estimates may be subject to change. This may result in alterations to development and mining plans which may affect the Group's operations.

Additional capital requirements

The Company will require further funds to re-establish mining at the Tent Mountain Mine, for exploration and development of the other Projects and potentially to meet the milestone payments under the Purchase Agreement. The Directors can give no assurances as to the availability or level of future borrowings or further capital raisings that will be required. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities. In addition, under the terms of the Purchase Agreement the Company requires PMRU's prior consent before using the Projects as security for debt financing. The Company believes that for any project financing PMRU would provide its consent as project financing of the development of Tent Mountain would substantially add to the Company's ability to meet the deferred payments under the Purchase Agreement.

Approvals and licences

Montem Alberta does not have some key approvals necessary to recommence mining at the Tent Mountain Mine, and future potential mines at the Chinook Project and other Projects. Amendments to the environmental approval will be required for the Tent Mountain Mine to re-start mining operations, as well as obtaining other operating licences. Obtaining necessary regulatory and environmental approvals may be delayed, more expensive than expected or not obtained at all. This may materially adversely affect the Group's activities.

Coal prices and commercialisation

Substantial changes to coal markets, coal prices and other macroeconomic factors including foreign exchange rates, could have an adverse impact on the commercial viability of exploiting coal resources. Variations in capital or operational expenditure may result in material impacts on future profitability.

TOPIC	SUMMARY	REFERENCE
What are the key investment risks? (continued)	Environmental risks There is a risk of an adverse environmental event occurring which could impact production or delay future development timetables and may subject Montem Alberta to substantial penalties including fines, damages, clean-up costs or other penalties. Further, Montem Alberta will require an amendment to the existing environmental approval in order to re-establish mining activities at Tent Mountain. Failure to obtain such amendment will prevent the Group from re-establishing mining at Tent Mountain. Following the closure of the Tent Mountain mine in 1983, the Albertan Government issued reclamation certificates covering the disturbed lands. As a requirement for the transfer of the various mine permits and leasehold titles from PMRU to Montem Alberta, Montem Alberta was required to post an environmental bond to the Alberta Government. Montem Alberta has provided a cash deposit to the Alberta Energy Regulator of C\$138,042 to cover the estimated cost of completing the reclamation of the shop/office area and the access road. This reclamation cost is based on estimates of the cost of the final reclamation work and Montem Alberta will be responsible for the final cost of that reclamation net of the security deposit. Title risk Other than the freehold titles that it owns, the Group's proposed exploration, development and mining activities are dependent upon the maintenance (including renewal) of the crown coal lease agreements and mining permits in which the Company has an interest in. The British Columbia coal lease has expired but a renewal application has been submitted. There is no assurance that any requisite renewals will be given, and without new conditions. Exploration resource definition stage The business of mineral exploration, project development and mining, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors. There can be no assurance that activities will result in the discovery of an economic mineral deposit. Indigenous Peoples considerations The Projects may now or in the future be the subject of Indigenous Peoples land claims. The legal nature of these potential land claims is a matter of considerable complexity. The impact of any such claim on Montem Alberta's ownership interest in the Projects cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of indigenous rights in the area in which the Projects are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on Montem Alberta's activities. Even in the absence of such recognition, Montem Alberta may at some point be required to negotiate with Indigenous Peoples to facilitate exploration and development work on the Projects. Land and infrastructure access The Projects are accessible by road which requires negotiation of access deeds. An existing road access agreement is in place for access to the Tent Mountain Mine which may need to be renegotiated in the future. To date, no definitive agreements have been entered into for rail access and there is a risk that the Group may not be able to enter into arrangements with rail providers for use of services on terms acceptable to the Company or that a future requested rail or port capacity increase may not occur. Coal product risk There is a risk that any coal identified may not be of sufficient quality to develop commercial mining operations, which could have an adverse impact on the Company. There are also risks that actual coal products produced and sold will differ from the Company's expectations. Coal regulation The coal industry is extensively regulated. From time to time, regulatory agencies have imposed price controls and limitations on production. Compliance with existing and anticipated regulation may increase costs.	Section 7

TOPIC	SUMMARY	REFERENCE
What are the key investment risks? (continued)	Contractual and counterparty risk As with any contract, there is a risk that the business of the Group could be disrupted in situations where there is a disagreement or dispute in relation to terms of a material contract that the Group has entered into. Further, financial failure, default or contractual non-compliance on the part of third parties, may have a material impact on the Group's operations and performance. Foreign exchange rate risk Australian dollar reported revenue will be directly impacted by movements in the US dollar coal price, the Canadian Dollar coal price and the USD/AUD and CAD/AUD exchange rates. Movements in exchange rates and/or the US dollar coal price or Canadian Dollar coal price may adversely or beneficially affect the Company's results or operations and cash flows. Inclement weather Inclement, severe or adverse weather could temporarily suspend or reduce the Company's activities and productivity. Key personnel risk The Company may be adversely affected if any of the Directors or management leave the Company. Occupational health and safety There is potential liability for the Company under occupational health and safety regulations under normal business operations, and in the case of accident(s). Operating risks The Group's operations may be affected by various factors, including operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated mineralogical problems which may affect costs, seasonal or adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, beyond the control of the Company. Provincial parks Changes in the boundaries of the Provincial parks, as well as increased restrictions on activities within or adjoining them may affect the Company's operations. Seismic activity The Vancouver region has been identified as being at risk for seismic activity. There is a risk that a major seismic event in the Vancouver region could impact rail or terminal infrastructure making it inoperable or inaccessible. Selenium risk The rocks surrounding coal seams in the Projects contain selenium. Current open-cut coal mines in the Elk Valley in British Columbia are required to have stringent selenium leachate management plans. The portion of the Tent Mountain Mine permit area which is in British Columbia drains into the Elk Valley and will be subject to stringent selenium leachate management when mining is re-established. The Projects which occur in Alberta are also likely to require a comprehensive selenium leachate management plan as part of their mine licence conditions of consent. Operational impacts may occur due to implementation of selenium leachate management plans for the Projects, and these may increase the cost of coal production. Shortage of skilled labour There is a risk that the Group may not be able to identify and employ the skilled workers required for its future operations and this may adversely impact the Company's financial performance.	Section 7
SUMMARY OF THE OFFER		
What is being offered?	Pursuant to this Prospectus, Montem will issue 32,000,000 New Shares to investors at an issue price of \$0.25 per New Share, to raise \$8,000,000 before costs of the Offer. All New Shares issued pursuant to this Prospectus will be fully paid and will rank equally in all respects with the Shares currently on issue. The Offer consists of a Broker Firm Offer and an Institutional Offer. The Offer is to be conducted in Australia and only residents of Australia are eligible to participate in the Broker Firm Offer. The Institutional Offer will only be open by invitation to certain Institutional Investors in Australia, New Zealand, Canada, the UK, Hong Kong and Singapore, and in a number of other authorised jurisdictions.	Section 6

TOPIC	SUMMARY	REFERENCE																				
How can Applications be made?	An Application for New Shares can be made by completing and submitting a valid Application Form, a blank copy of which accompanies and forms part of this Prospectus (including the electronic version of this Prospectus), in accordance with the instructions set out on the Application Form.	Section 6, Application Form																				
What is the allocation policy?	The allocation of New Shares between the Broker Firm Offer and the Institutional Offer will be determined by the Lead Manager and Underwriter in consultation with the Company having regard to the allocation policy outlined in Sections 6.13 and 6.14. With respect to the Broker Firm Offer, it will be a matter for the Brokers as to how they allocate New Shares among their retail clients.	Section 6																				
Is the Offer underwritten?	Yes. The Offer is fully underwritten by the Lead Manager and Underwriter. Refer to Section 10.7 for a summary of the Underwriting Agreement.	Section 10.7																				
Will the New Shares be listed?	The Company will apply to the ASX for admission to the Official List and for official quotation of the Shares under the code MRI. Completion of the Offer is conditional on the ASX approving the Company's application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.	Section 6																				
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable at the front of this Prospectus.	Page 4																				
What is the minimum investment size under the Offer?	Applications under the Offer must be for a minimum of \$2,000 worth of New Shares in aggregate (8,000 New Shares) and thereafter in multiples of \$500 worth of New Shares (2,000 New Shares).	Section 6																				
How will the proceeds of the Offer be used?	It is intended that the funds raised from the issue of the New Shares under the Offer will be applied as set out in Section 6.6. The Company believes that the proceeds of the Offer (being \$8,000,000 before costs) and its available cash as at the date of this Prospectus should be adequate to fund the Company's business objectives in the near term as stated in Section 6.6.	Section 2, 6																				
What are the key offer statistics?	The key terms of the Offer are set out below. <table><tr><td colspan="2">Key Offer Terms</td></tr><tr><td>Offer Price per New Share</td><td>\$0.25</td></tr><tr><td>Existing Shares on issue at date of Prospectus</td><td>137,695,203</td></tr><tr><td>Convertible Shares¹</td><td>32,931,608</td></tr><tr><td>New Shares offered under this Prospectus</td><td>32,000,000</td></tr><tr><td>Total number of Shares on issue upon listing on ASX²</td><td>202,626,811</td></tr><tr><td>Options on issue at the date of this Prospectus</td><td>6,315,133</td></tr><tr><td>Performance Rights on issue at the date of this Prospectus³</td><td>8,719,710</td></tr><tr><td>Amount to be raised under this Offer</td><td>\$8,000,000</td></tr><tr><td>Undiluted market capitalisation at the Offer Price⁴</td><td>\$50,656,703</td></tr></table> Notes: 1. This assumes the issue of Conversion Shares will occur on or about 11 September 2020. This number will increase if the Convertible Notes convert on a later date. Refer to Section 10.4 for further details. 2. The total number of Shares on issue on completion of the Offer includes Shares subject to escrow as described in Section 11.7. 3. Details of the Options and Performance Rights on issue are set out in Sections 5.2, 5.3, 5.5 and 11.3 – 11.6 (inclusive). 4. Calculated as the total number of Shares on issue following the Offer multiplied by the Offer Price.	Key Offer Terms		Offer Price per New Share	\$0.25	Existing Shares on issue at date of Prospectus	137,695,203	Convertible Shares ¹	32,931,608	New Shares offered under this Prospectus	32,000,000	Total number of Shares on issue upon listing on ASX ²	202,626,811	Options on issue at the date of this Prospectus	6,315,133	Performance Rights on issue at the date of this Prospectus ³	8,719,710	Amount to be raised under this Offer	\$8,000,000	Undiluted market capitalisation at the Offer Price ⁴	\$50,656,703	Section 6
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What are the costs of the Offer?	The total costs of the Offer are estimated at approximately \$1,100,000 (exc. GST).	Section 11.10																				

TOPIC	SUMMARY	REFERENCE
Is there any brokerage, commission or stamp duty payable?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.	Section 6
What are the tax implications of investing in the New Shares?	The tax consequences of any investment in Shares will depend upon an investor's circumstances. Applicants should obtain their own tax advice prior to investing.	Section 11.13
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be despatched by standard post on or around 14 September 2020.	Section 6
Can the Offer be withdrawn?	Yes. With the consent of the Lead Manager and Underwriter the Company may withdraw the Offer at any time.	Section 6
Where can I find more details about this Prospectus and the Offer?	Further information can be obtained by reading this Prospectus, together with each of the documents incorporated by reference, in its entirety. For advice on the Offer you should speak to your stockbroker, accountant or other professional adviser. If you require assistance or additional copies of this Prospectus please contact the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 during business hours. If you would like to obtain a copy of any of the documents incorporated by reference into this Prospectus, copies may be obtained from the Company website at www.montem-resources.com. Please contact the Company Secretary, Melanie Leydin on +61 3 9692 7222, if you would like to be provided with a copy free of charge.	Section 6
Contact Details	For further contact details refer to the Corporate Directory, located inside the back cover of the Prospectus.	Corporate Directory
DIRECTORS AND THE SENIOR MANAGEMENT TEAM		
What is the expertise of Directors and Senior Management?	The Board and management possess significant experience in ASX-listed coal companies, and in the development and operation of coal mining assets. The Board comprises: • Peter Doyle, Managing Director and CEO • Mark Lochtenberg, Independent Chairman and Non-Executive Director • Rob Tindall, Non-Executive Director • Susie Henderson, Independent Non-executive Director • Will Souter, Independent Non-executive Director • Melanie Leydin, Company Secretary The management team comprises: • Alan Ahlgren, Chief Financial Officer • Bob Bell, Chief Commercial Officer Please refer to Section 5.1 for a summary of each of the Directors', the Company Secretary's and management personnel's biographies.	Sections 5 and 5.1

TOPIC	SUMMARY			REFERENCE	
Who are the existing Substantial Shareholders of the Company at the Prospectus date and what will be their interest in the Company at Completion of the Offer?		% holding as at the date of this Prospectus	% holding at Completion ²	Section 6	
	Shareholder				
	Merrill Lynch (Australia) Nominees Pty Ltd ATF Regal Emerging Companies Fund II, and CS Third Nominees Pty Ltd <HSBC Custody Nominees Au Ltd 13 A/C> ¹	23.75%	20.00%		
	Ilwella Pty Ltd	11.00%	9.26%		
	JLNEC3 Pty Ltd ATF The Tindall Family Trust No.3; Robert James Tindall; Robert, Carolyn, Christine Tindall ATF The Tindall Family Superannuation Fund.	[8.23%	6.93%		
	M & A (CS) Pty Ltd ATF M & A Cleaning Services Pty Limited Superannuation Fund; Aliro Olave.	7.52%	6.33%		
Notes:					
1. Based on the information available to the Company as at the date of this Prospectus, Merrill Lynch (Australia) Nominees Pty Ltd ATF Regal Emerging Companies Fund II, CS Third Nominees Pty Ltd <HSBC Custody Nominees Au Ltd 13 A/C> has indicated to the Board that it intends to participate in the Offer. If it participates further and subject to allocations, based on its shareholding six months before 11 September for the purposes of Section 611(9) of the Corporations Act, it could increase its holding up to a maximum of 25.52% (including its Conversion Shares). See Section 6.9 for further details. 2. Assumes that no new Shares have been issued prior to Completion, none of the substantial shareholders participate in the Offer, and includes the issue of the Conversion Shares which will convert at or prior to Completion. Refer to Section 10.4 for further details. 3. This assumes that 32,931,608 Conversion Shares will be issued on or about 11 September 2020, however this percentage may increase if Completion occurs at a later date. Refer to Section 10.4 for a summary of the terms of the Convertible Notes.					
What significant benefits and interests are payable to Directors and other persons connected with the Company or the Offer?		Annual remuneration including statutory entitlements	Options (issued in accordance with the EIP)	Performance Rights ⁵ (issued in accordance with the EIP)	Section 5
	Director				
	Peter Doyle	C\$476,342	1,762,889 ²	3,200,389	
	Mark Lochtenberg	\$35,000 ¹	175,097 ³	525,097	
	Robert Tindall	\$60,000	466,926 ⁴	716,926	
	William Souter	\$45,000 ¹	175,097 ³	425,097	
Susie Henderson	\$45,000 ¹	175,097 ³	425,097		
Notes:					
1. Each Messrs Lochtenberg, Souter and Ms Henderson, receives \$30,000 for their director fees and an additional \$5,000 in committee fees for each committee they serve on and an additional \$5,000 for each committee they chair. The Audit and Risk Committee comprises Ms Henderson and Messrs Lochtenberg and Souter. The Nomination and Remuneration Committee comprises Messrs Souter, Tindall and Ms Henderson. Following quotation of the Company's Shares on the ASX it has been agreed that Mr Lochtenberg's fee will increase to \$100,000 including committee fees. 2. Please refer Sections 5.2 and 11.4 for the terms of Mr Doyle's Options. 3. Comprising 58,366 Options exercisable at \$0.63 and expiring 12 January 2023, 58,366 Options exercisable at \$0.75 and expiring 31 December 2023 and 58,365 Options exercisable at \$1.00 and expiring 31 December 2024. Please refer to Section 11.4 for a summary of the terms of the Options. 4. Comprising 155,642 Options exercisable at \$0.63 and expiring 12 January 2023, 155,642 Options exercisable at \$0.75 and expiring 31 December 2023, 155,642 Options exercisable at \$1.00 and expiring 31 December 2024. Please refer to Section 11.4 for a summary of the terms of the Options. 5. For a summary of the vesting conditions of the Performance Rights please refer to Section 11.6. *The total holding of Shares by Directors as at the Prospectus Date are set out in the table below.					

TOPIC	SUMMARY	REFERENCE																								
What significant interests are held by Directors	The Directors' direct and indirect interest in Shares and Conversion Shares (exc. Options and Performance Rights) as at the date of this Prospectus and the expected holdings following completion of the Offer are below. <table><thead><tr><th>Director</th><th>Shares held at date of Prospectus</th><th>% Shares held at date of Prospectus</th><th>% Shares held at Completion</th></tr></thead><tbody><tr><td>Peter Doyle¹</td><td>3,569,728</td><td>2.09%</td><td>1.76%</td></tr><tr><td>Mark Lochtenberg²</td><td>6,382,154</td><td>3.74%</td><td>3.15%</td></tr><tr><td>Robert Tindall³</td><td>14,036,864</td><td>8.23%</td><td>6.93%</td></tr><tr><td>William Souter⁴</td><td>341,763</td><td>0.20%</td><td>0.17%</td></tr><tr><td>Susie Henderson⁵</td><td>368,431</td><td>0.22%</td><td>0.18%</td></tr></tbody></table> Notes: - Peter Doyle's interest in Shares is held through Armarna Too Pty Ltd ATF <Armarna Too Trust>. - Mark Lochtenberg's interest in Shares and Conversion Shares (to be issued) is held through Mark and Michael Lochtenberg ATF Rigi Super Fund A/C, Rigi Investments Pty Ltd ATF Cape Trust A/C. - Robert Tindall's interest in Shares is held under his name and through JLNEC3 Pty Ltd ATF The Tindall Family Trust No.3 and Robert, Carolyn, Christine Tindall ATF The Tindall Family Superannuation Fund. - William Souter's interest in Shares is held through Souter Family Holdings Pty Ltd ATF Trustee for the Souter Family Trust. - Susie Henderson's interest in Shares is held through Please Murray Pty Ltd ATF The Henderson Ashton Family Trust. Directors' interests and remuneration are set out in more detail in Sections 5.3 and 5.4. Advisers and other service providers are entitled to fees for services as disclosed in Sections 11.7 and 11.8.	Director	Shares held at date of Prospectus	% Shares held at date of Prospectus	% Shares held at Completion	Peter Doyle ¹	3,569,728	2.09%	1.76%	Mark Lochtenberg ²	6,382,154	3.74%	3.15%	Robert Tindall ³	14,036,864	8.23%	6.93%	William Souter ⁴	341,763	0.20%	0.17%	Susie Henderson ⁵	368,431	0.22%	0.18%	Section 5
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Susie Henderson ⁵	368,431	0.22%	0.18%																							
What important contracts with related parties is the Company party to	On admission to the ASX, the Company will be party to the following related party agreements: • Deeds of Access, Insurance and Indemnity with each of the Directors; • Escrow Agreements with each related party that holds restricted securities; • Executive Services Agreement with Mr Peter Doyle; • Non-Executive Director Agreements with Messrs Mark Lochtenberg, Robert Tindall, William Souter and Ms Susie Henderson; • Chief Financial Officer Consultancy Agreement with Mr Alan Ahlgren; and • Chief Commercial Officer Employment Agreement with Mr Robert Bell.	Section 5.2																								
What Share escrow arrangements are in place?	Subject to the Company being admitted to the Official List, certain Shares, Options and Performance Rights on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for periods of up to 24 months from listing on ASX. During this period the holders of the restricted securities will be restricted from dealing with the escrowed Shares, Options and Performance Rights. As a result trading in the Shares may be less liquid during this period. It is estimated that 53,635,552 Shares (comprising approximately 26.47% of Shares and Conversion Shares at Completion) will be subject to escrow arrangements. See further details in Section 11.7. It is estimated that all of the Options and Performance Rights issued to Directors will be subject to escrow arrangements until 24 months from the date of admission to the ASX. The Company will announce to the ASX full details (quantity and duration) of the Shares held in escrow prior to the Shares commencing trading on ASX.	Section 11.7																								

SECTION 2

Company Overview



Tent Mountain
Mine

No Unauthorized Entry

2.1 MONTEM

Montem's Projects are located in the Crowsnest Pass of south-western Alberta, Canada. The Projects contain 209.2Mt* of Coal Resources (3.7Mt Measured, 151.9Mt Indicated and 53.7Mt Inferred) as described in Section 3. Two of the projects have been mined previously and the remaining projects are greenfield exploration areas. The previously mined properties have had extensive exploration, whilst the greenfield properties have had minimal exploration. A brief description of each Project is:

- The Tent Mountain Mine: The Tent Mountain Mine Restart Project has completed necessary exploration and engineering for the Feasibility Study which was completed in early 2020. The Feasibility Study analysed the re-start of an existing open cut mine containing 60.1Mt* of Coal Resources (3.7Mt Measured, 48.1Mt Indicated and 8.4Mt Inferred) and 13.1Mt of Reserves (2.2Mt Proved and 10.9Mt Probable), as described in Section 3 and the Technical Assessment Report;
- The Chinook Project: This Project is made up of the Chinook South and Chinook Vicary properties, with a combined 149Mt of coal resources (104Mt Indicated, 45Mt Inferred) and an Exploration Target of 125-450Mt, as described in Section 3.4;
- Greenfield Projects: The 4-Stack, Isola and Oldman properties are located north of the Chinook Project, and all three have the potential to host significant coal resources with 4-Stack hosting an Exploration Target of 65-125Mt, and Isola hosting an Exploration Target of 275-900Mt, as described in Section 3.5.

The Exploration Targets have been defined for the Chinook Project and Greenfield Projects in areas where there is insufficient data to estimate a Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Targets are not reported as part of any Mineral Resource or Ore Reserve.

*The aggregate figures are slightly different to the individual figures due to rounding at two decimal places.

2.2 CORPORATE HISTORY AND STRUCTURE

Montem Resources Corp was established in 2016 with the purpose of investing in the Canadian coal industry. Montem acquired its Projects from PMRU, a subsidiary of Westmoreland Coal Company, pursuant to the Purchase Agreement. The transaction was for a total consideration of C\$12,000,000 (applying an AUD/CAD exchange rate of A\$1.00: C\$0.96, as at 29 July 2020, being the last practicable date before the date of this Prospectus), the amount is equal to approximately A\$12,500,000: comprising an initial payment of C\$1,000,000 which has been paid, and additional amounts are payable to PMRU up to a maximum of C\$11,000,000. The Purchase Agreement is summarised at Section 10.2.

On 22 December 2017 the Company acquired all of the issued shares of Montem Resources Corp by issuing ordinary shares to the then shareholders of Montem Resources Corp.

Over the course of the last four years Montem has successfully raised approximately \$25,000,000, including \$5,200,000 under the Convertible Notes (as described in Section 10.4) and \$1,900,000 under a recent rights issue in May 2020. These funds have been utilised to conduct exploration and assessment of the Tent Mountain Mine and Chinook Project, including commissioning the preparation of the Feasibility Study and the JORC Reports.

The Company owns 100% of the issued shares (directly or indirectly) in Montem Resources Corp., a company incorporated in British Columbia, Canada and Montem Resources Alberta Operations Ltd., a company incorporated in Alberta, Canada.

The Group structure chart is as follows:



2.3 CORPORATE OBJECTIVE

The Company's objective is to become the operator of steelmaking coal mines in Canada by developing its Projects in the Crowsnest Pass. We are planning an integrated mining complex in the Crowsnest Pass, focusing on low cost development of open-cut operations that leverage central infrastructure.

The first component of this objective is to re-establish mining at the Tent Mountain Mine.

Coal mines in Canada require approval from both the Federal and Provincial regulators to begin coal mining. In April 2020 Montem received written notice from the Federal regulator (Impact Assessment Agency of Canada), that the Tent Mountain Mine Re-start Project does not meet the thresholds for coal production capacity as described in the Physical Activities Regulations under the Impact Assessment Act (the Act).

Therefore the Tent Mountain Mine Restart Project is not a designated activity under the Act requiring Federal approval. Hence the approval to restart the Tent Mountain Mine rests solely with the Provincial Government, which consists of amendments to the existing Provincial approvals and new operating licences. For further detail, please refer to section 7 of the Solicitor's Tenement Report at Section 4.

In Q3 2020, the Company plans to file relevant applications to the Alberta Energy Regulator (AER), having regulatory jurisdiction in Alberta over coal mine permits, to amend the Tent Mountain Mine permit and associated Environmental Protection and Enhancement Act (EPEA) approval, and apply for associated licenses to allow the re-start of the Tent Mountain Mine.

If the necessary approvals are obtained in anticipated timeframes, and the additional capital needed for development is raised, the Company is aiming to re-establish mining at the Tent Mountain Mine in late 2021, and first coal shipments in the first half of 2022. This timeline may also be influenced by other risk factors as set out in Section 7.

The Company is also planning exploration and project evaluation activities at the Chinook Project. This work is aimed at bringing this potentially large open-cut mining complex into production as rapidly as possible. During 2018-2020 the Company has undertaken an upgrade to the JORC resource estimate and a Preliminary Economic Assessment (PEA) of the Chinook Project. The PEA is at a conceptual level of confidence, and there is no certainty that this study will be realised. The economic conclusions are preliminary in nature and includes Inferred Mineral Resource that is considered lower geological confidence. The PEA concluded that, based on information available and the assumptions used within the study at the time, further study of the Chinook Project was justified. The Board considers that the results of the PEA are very positive and support the Company's planned further exploration and mining studies to target completing a preliminary feasibility study in 2021.

By re-establishing production at the Tent Mountain Mine, the Company aims to achieve revenue and an associated increase in value sooner than traditional greenfield projects.

2.4 BUSINESS STRENGTHS

Assets

- Montem's assets are located in the coal mining district of south-western Canada, a major supply region of seaborne steelmaking coal, where significant infrastructure exists to support coal exports. Two of the Projects (the Tent Mountain Mine and the Chinook Project) are brownfield sites, containing previous open-cut and underground mines.
- The JORC Reports estimate 209.2Mt (3.7Mt Measured, 151.9Mt Indicated and 53.7Mt Inferred) of coal resources at the Tent Mountain Mine and the Chinook Project.
- The completion of the Feasibility Study for the Tent Mountain Mine produced strong economics. The Tent Mountain Mine Restart Project leverages the existing mine and environmental permits which is expected to result in a shorter period of time to granting mining licences in comparison to a greenfield project. Previous mining at the Tent Mountain Mine has left an access road, open-pits, and cleared/disturbed areas suitable for site facilities.
- The Tent Mountain Mine Restart Project has secured relevant access to infrastructure, including required water for processing the coal. The rail loading site has been secured, with open access to rail, and port capacity has also been secured. Refer to Section 3.3 for further information regarding the Tent Mountain Mine Restart Project.
- Work to produce the Tent Mountain Mine Feasibility Study included extensive coal quality assessment. The Tent Mountain Mine product will be marketed as a Tier 2 Hard Coking Coal. The Tent Mountain product is known to coke makers in Japan, as coals from the Tent Mountain Mine and previous mines at the Chinook Project were successfully sold to Japanese steel mills in the 1970s and 1980s when the mines last operated.
- Extensive local infrastructure in the Crowsnest Pass region provides a strong platform for rapid and low-cost development of Montem's Projects. All the properties are accessible by road, and the majority are within several kilometres from the main rail line linking to export ports on the west coast. Furthermore, power, highway and other urban facilities are located adjacent to the rail line in the Crowsnest Pass, and the area is a well-established mining district, with a skilled workforce.

Team

The Company has brought together a team of technical and management specialists with extensive experience in coal mining in Canada and Australia. Additionally, the independent Board members and founding Director have considerable business experience across a range of disciplines, predominantly finance focussed. To support them are executives and key advisors with the depth of knowledge needed to grow the Company and deliver shareholder returns. See Section 5 for further information regarding the Board's qualifications and experience.

2.5 WORK PROGRAM

2020-2021 Planning

The Company's primary objective is to develop its assets into export steelmaking coal mines. The investments below are intended to further reduce project risk and increase the value of these assets.

Initially we will re-establish mining at the Tent Mountain Mine. Investments over the past two years have prepared the project for re-start, and the next step is to complete the permitting and licencing.

As described in Section 6.5, Offer proceeds will be used to complete the applications required to re-start the Tent Mountain Mine to obtain full operating licences and permit amendments.

Tent Mountain Mine work will include:

- Permitting; environmental work and engagement plans
 - Environmental monitoring to support licence applications for mine and infrastructure (road access and haulage, rail loop and coal handling and processing plant)
 - EPEA amendment application
 - Mining licence application
 - CHPP application
 - Stakeholder, Government and Indigenous Peoples engagement to facilitate permitting
- Completion of land purchase required for access to rail infrastructure (see Section 10.5 for a summary of the contract terms)
- Payment of port reservation fee as per the agreement with Westshore Terminals (see Section 10.6 for a summary of the contract terms)
- Pre-production drilling for mine planning purposes and a bulk sample for customer trial

Montem's exploration focus is now switching to the Chinook Project. We are planning works to provide information to support a preliminary feasibility study.

Chinook Project work will include:

- Exploration drilling to improve the resource definition and update coal quality evaluation
- Continued environmental baseline monitoring to support an EIA
- Strategic infrastructure investment
- Preliminary feasibility study to evaluate mining at the Chinook Project

Montem is also planning to conduct additional exploration on the Greenfield Projects. Initial Exploration Targets have been established for Isola and 4-Stack, and it is intended that drilling will be conducted over the next two years to determine the long-term potential of these Projects.

2.6 INDUSTRY OVERVIEW

Montem's Projects contain steelmaking coal, a key input in the production of steel. Around 70% of global steel is produced from blast furnaces, with approximately 780kg of such coal required for each 1000kg of crude steel (World Steel Association "Fact Sheet – Steel and raw materials", February 2019).

Recent growth in global steel use has been driven by industrialisation in China. Future growth is expected to be driven by developing countries, with rapidly expanding infrastructure and manufacturing programs, particularly India.

Global steel production is dominated by China, at over 900Mt crude steel in 2019 (Commonwealth Department of Industry, Innovation and Science "Resources and Energy Quarterly June 2020" (IIS)). Although China is largely self-sufficient in thermal coal supply it is still a major importer of steelmaking coal, forecast at ~60Mtpa through 2018-2021 (IIS).

India is the second largest steel producer (IIS), with most steel consumed domestically, underpinned by urban development, government investment and manufacturing expansion. India has abundant iron ore but limited steelmaking coal deposits, which are mostly of poor quality. Hence, India relies on steelmaking coal imports which are forecast to grow in line with plans to double steel production capacity by 2030 (IIS).

Australia is the largest exporter of steelmaking coals (~55%), with USA and Canada also important (IIS). Canada exports a little over 30Mtpa of coal, primarily hard coking coal, with the key markets being: Japan (22% in 2018); South Korea (26% in 2018); and, India (13% in 2018) (Natural Resources Canada, Coal Facts, November 11, 2019).

The continued growth of steel production, combined with resource depletion of existing supply of steelmaking coal, provides the opportunity for new steelmaking coal projects, especially in Australia and Canada. Please see Section 11.1 of the Technical Assessment Report for detail on the significant market opportunity for further steelmaking coal supply.

2.7 THE REGION

Montem's Projects are located approximately 230km southwest of Calgary in the Crowsnest Pass region in southern Alberta along the border with British Columbia. The municipality of Crowsnest Pass is made up of several small towns along a 30km corridor running east-west with a combined population of approximately 6,000.

2.8 HISTORY OF MINING IN THE CROWSNEST PASS

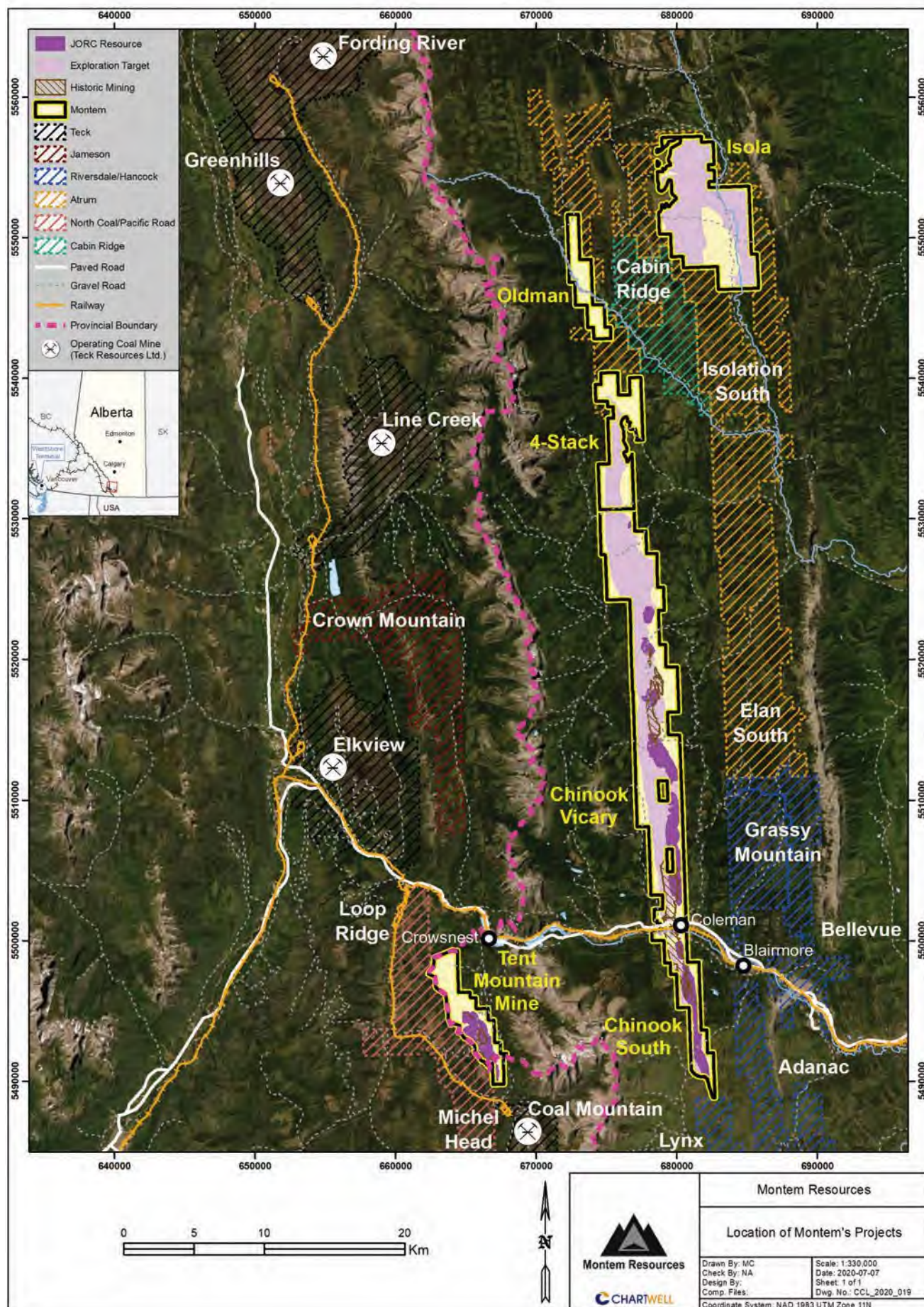
The Canadian Pacific Railway (CP) built its southern main line from Lethbridge Alberta through the Crowsnest Pass into British Columbia in 1898. A number of coal mines in the region both in Alberta and British Columbia commenced operations immediately afterward. A series of small coal mining towns were built through the Crowsnest Pass from Frank in the east to Sparwood in the west along the railway line. Today, those towns have been consolidated into the Municipality of Crowsnest Pass on the Alberta side of the border and the District of Sparwood on the British Columbia side of the border.

Coal mining remains a major employer in the region with mines from south to north being Elkview (7km north-west of Tent Mountain, and adjacent to Sparwood), Line Creek, Greenhills and Fording River all owned and operated by Teck Resources Limited (Teck) on the British Columbia side of the border.

Figure 2.1 - Location



Figure 2.2 – Location Of Montem's Projects



Teck Resources dominates the steelmaking coal mining sector in Canada. In 2019 it declared a C\$2.9 billion EBITDA (C\$5.5 billion revenue) on approximately 26Mt of production (Teck Resources 2019 Unaudited Annual and Fourth Quarter Results for 2019). Teck Resources' mines are mostly in southeast British Columbia, in the Elk Valley, adjacent to the Crowsnest Pass.

2.9 COAL PROPERTIES OF THE CROWSNEST PASS

The Crowsnest Pass region contains several steelmaking coal developers, and is recognised as a focal point for international investment in coking coal developments in Canada.

Riversdale Resources Limited (Riversdale) owns and operates the Grassy Mountain Project in the Crowsnest Pass region. Hancock Corporation Pty Ltd purchased Riversdale in May 2019 for a reported A\$744 million. The Grassy Mountain Project is located 4km east of Montem's Chinook Project. Grassy Mountain is a proposed open-cut coking coal mine with peak production of 4.5Mtpa over a 23-year mine life. The Grassy Mountain Project has completed a Feasibility Study and has applied for a mine permit and associated operating licences.

Atrum Coal Limited (ASX: ATU) (Atrum) owns the Elan Hard Coking Coal Project (Elan) in the Crowsnest Pass region. Elan is directly north of Grassy Mountain, and 4km east of the Chinook Project. As part of its April 2020 investor presentation, Atrum announced Elan possesses a JORC Resource estimate of 454Mt (142Mt Indicated and 312Mt Inferred). On 16 April 2020, Atrum announced it had completed a scoping study on potential mines at Elan.

Jameson Resources Limited (ASX:JAL) (Jameson) is majority owner, and operator of the Crown Mountain Project (Crown Mountain) in BC. Crown Mountain is located 10km north of the Tent Mountain Mine. In July 2020 Jameson announced the completion of a feasibility study for an open-cut mine at Crown Mountain producing 1.7Mtpa over a mine life of 15 years. Crown Mountain contains a JORC Resource estimate of 90Mt (51Mt Measured, 15Mt Indicated and 24Mt Inferred).

North Coal Limited owns the Michel Coal Project in BC, which is adjacent to the Tent Mountain Mine. The Michel Coal Project is targeting 2Mtpa of high-quality steelmaking coal.

The reserve numbers stated in this Section are not indicative of coal resources on the Tent Mountain Mine. The Company has not independently verified any of the production figures or any reserve/resource information for the adjacent properties to the Projects.

2.10 INFRASTRUCTURE

Power & Roads

Major power lines run through the east-west infrastructure corridor of the Crowsnest Pass, generally parallel to the rail line and highway, including the 500kV interprovincial line. A 138kV transmission line also runs along the highway and passes 6km north from the Tent Mountain Mine permit boundary, and directly through the Chinook Project. A 69kV BC transmission line runs 3km to the south of the Tent Mountain Mine permit boundary.

Rail and Port

The majority of Canada's export coal is shipped through coal terminals on the Pacific coast. At Vancouver are the terminals of Westshore and Neptune, while further north at Prince Rupert is the Ridley terminal. Canadian Pacific (CP) and Canadian National (CN) are the rail carriers.

Combined, the Pacific coast coal terminals have sufficient capacity to allow for significant expansion of coal exports. In 2018 they handled 45Mt with a capacity of 64Mt.

CP's southern main line runs east-west through the Crowsnest Pass. It is approximately 1,150km to Vancouver from Crowsnest Pass, via Sparwood and Kamloops. This is the mainline that services all of Teck's export steelmaking coal mines in the region.

Alternative routings to either Vancouver and/or the Ridley Island Terminal in Prince Rupert, BC are also available.

Interprovincial railways in Canada, which include CP and CN, are Federally regulated under the Canada Transportation Act (CTA). This includes a common carrier obligation to provide access to the rail network whereby the railways are required to furnish adequate and suitable accommodation for the carriage, unloading and delivering traffic as defined in the act. That statute also provides a rate remedy where "A shipper who is dissatisfied with the rate or rates charged or proposed to be charged by a carrier for the movement of goods..." can submit the matter to arbitration as set out in the act (Section 161(1) of the CTA).

Discussions with CP regarding hauling Montem's future coal to Vancouver have been held. CP indicates it has the network capacity, and have supplied pricing for Montem's future haulage business at market competitive rates and terms and conditions.

Westshore Terminals is located within the Port of Vancouver and has recently completed a capital upgrade and replacement program that is expected to lift capacity from 33Mtpa to 35-36Mtpa. The facility comprises four stacker reclaimers, two ship loading berths (capsize), and two tandem barrel rotary gondola car dumpers on 54 hectares of reclaimed land.

Montem has entered into a five-year contract with Westshore Terminals to secure capacity to ship up to 1.25Mtpa through the facility, commencing as early as Q1 2022, at market competitive rates and terms and conditions. Please refer to Section 10.6 for a summary of the terms of the Shipping Agreement.

There are additional ports in Vancouver and north at Ridley Terminal in Prince Rupert which provide potential export alternatives for Montem's coal if required.

SECTION 3

Our Projects



3.1 INTRODUCTION

Montem's properties are located in the Crowsnest Pass of southwest Alberta and southeast British Columbia, Canada. The properties contain 209.2Mt* of coal resources (3.7Mt Measured; 151.9Mt Indicated and 53.7Mt Inferred). A brief description of each property is:

- The Tent Mountain Mine: The Tent Mountain Mine Restart Project has completed necessary exploration to support the Feasibility Study. The Feasibility Study analysed the re-start of an existing open-cut mine containing 60.1Mt* Coal Resources (3.7Mt Measured, 48.1Mt Indicated and 8.4Mt Inferred) and 13.1Mt of Reserves (2.2Mt Proved and 10.9Mt Probable);
- The Chinook Project: The Chinook Project is made up of the Chinook South and Chinook Vicary properties, with an approximate combined 149Mt Coal Resources (104Mt Indicated; 45Mt Inferred) and an Exploration Target of 125-450Mt;
- Greenfield Projects: The 4-Stack, Isola and Oldman projects are located north of the Chinook Project, and all three have the potential to host significant coal resources with 4-Stack hosting an Exploration Target of 65-125Mt and Isola hosting an Exploration Target of 275-900Mt.

Exploration Targets have been defined for the Chinook Project and the 4-Stack and Isola Projects in areas where there is insufficient data to estimate a Mineral Resource. The potential quantity and grade of the Exploration Targets are conceptual in nature and it is uncertain if further exploration will result in the estimation of Mineral Resources. The Exploration Targets are not reported as part of any Mineral Resource or Ore Reserve.

*The aggregate figures are slightly different to the individual figures due to rounding at two decimal places.

Summaries of the Tent Mountain Mine and Chinook Project JORC Reports and Table 1 information can be found in Annexure 2. The JORC Reports can be found in their entirety on the Company's website at www.montem-resources.com. The JORC Reports have been lodged with ASIC on the Prospectus Date and the information contained in them is incorporated by reference in accordance with s712(3) of the Corporations Act. If you would like a copy of the JORC Reports during the Offer Period please contact Melanie Leydin on +61 3 9692 7222 and the Company will arrange to provide you with a copy, free of charge.

Summary reports of the 4-Stack property and Isola property JORC Exploration Targets can be found in Annexure 2.

An analysis of the Feasibility Study for the Tent Mountain Mine Restart Project is set out in the Technical Assessment Report in Annexure 1. Both the Feasibility Study and the Technical Assessment Report were prepared by SRK. For a statement of SRK's independence please review section 1.4 of the Technical Assessment Report. For a statement of the fees received by SRK in relation to the preparation of the Technical Assessment Report and the Feasibility Study please see Section 11.9. A summary of the tenement status and approvals pathway can be found in the Solicitor's Tenement Report in Section 4.

3.2 THE TENT MOUNTAIN MINE, CHINOOK PROJECT AND GREENFIELD PROJECTS

The Company's near-term development is to re-start the Tent Mountain Mine, with nearby exploration and development potential at the Chinook Project and future exploration potential at the 4-Stack, Isola and Oldman properties. The Projects are all located in the Crowsnest Pass area of south-western Alberta, Canada, with the Tent Mountain Mine and Chinook Project being brownfield projects, which hosted prior mining, and have some remaining infrastructure, such as roads and power.

Mineral Resource estimates have been completed for both the Tent Mountain Mine and Chinook Project (inclusive of Chinook Vicary and Chinook South). Each of these Projects contains Coal Resources as defined in the JORC Code.

The Projects are located within the Front Ranges of the Canadian Rocky Mountains in southwestern Alberta, Canada (with the Tent Mountain Mine also partially located in British Columbia) (Figure 3.1). The Projects contain coal seams of the Mist Mountain Formation of the Late Jurassic – Early Cretaceous Kootenay Group.

Dahrouge has assessed the technical inputs pertaining to the JORC classified Coal Resources at the Tent Mountain Mine and Chinook Project. The Coal Resources, as at the date of the JORC Reports, are summarised in the Table 3.1.

Table 3.1 – The Tent Mountain Mine and Chinook Project Coal Resource Estimates (JORC Code)

PROJECT	MEASURED (Mt)	INDICATED (Mt)	INFERRED (Mt)	TOTAL RESOURCE (Mt)
Tent Mountain	3.7	48.1	8.4	60.1*
Chinook Vicary		52.6	32.2	84.8
Chinook South		51.2	13.1	64.3
Total	3.7	151.9	53.7	209.2*

*The aggregate figures are slightly different to the individual figures due to rounding at two decimal places.

3.3 TENT MOUNTAIN MINE

The Group acquired the Tent Mountain Mine in 2016. Since then work has involved exploration, environmental studies, and Indigenous Peoples and community engagement and consultation. This work culminated in the Feasibility Study completed in early 2020. This section is based on the Feasibility Study work, of which a summary is provided in the Technical Assessment Report in Annexure 1.

The Tent Mountain Mine is a surface mineable metallurgical coal deposit in southwest Alberta/southeast British Columbia (Figure 3.2). It will be operated as a conventional truck-and-shovel open cut mine, targeting an overall life-of-mine run of mine (ROM) strip ratio of approximately 8.8:1 (BCM/ROM t). The mine plans to produce 1.8 million tonnes of ROM coal per year, resulting in approximately 1.1 million tonnes of product coal annually. The Tent Mountain Mine product will be marketed as a high-quality Tier 2 hard coking coal (HCC).

Economics

The project has robust economics (post-tax NPV = C\$129M (A\$137M), IRR = 17.3%, payback = 5 years), at the Base Case coal price of US\$130/t. At the Empirical Case coal price of US\$156/t, project economics improve significantly (post-tax NPV = C\$351M (A\$373M), IRR = 33.3%). Project economics are summarized in Table 3.2 and Figure 3.3.

Table 3.2 – Tent Mountain Mine Feasibility Study – Summary

PARAMETER	UNITS	AMOUNT	
Coal Resource	Mt	60.1	
Coal Reserve	Mt	22.0	ROM
Coal Reserve	Mt	13.3	Saleable
First Coal		Q1 2022	
Strip Ratio, LOM (ROM)	bcm:t	8.8	
Processing Yield, LOM	%	59.7%	
Production	Mtpa	1.1	Saleable
Mine Life	Years	14	
Development Capital Cost	C\$M	223.9	First Coal
Cash Operating Cost (FOB)	C\$/t	117.7	
	US\$/t	88.2	
Cost Competitiveness	percentile	47th	
Benchmark HCC Coal Price	US\$/t	150	Forecast
TentMtn Coal Price Base Case	US\$/t	130	13.3% discount
Base Case – NPV	C\$M	194.5	@8% real\$, pre-tax
	A\$M	206.9	@8% real\$, pre-tax
Base Case – NPV	C\$M	128.7	@8% real\$, post-tax
	A\$M	136.9	@8% real\$, post-tax
IRR	%	20.6%	(pre-tax)
IRR	%	17.3%	(post-tax)
Payback	years	5.3	

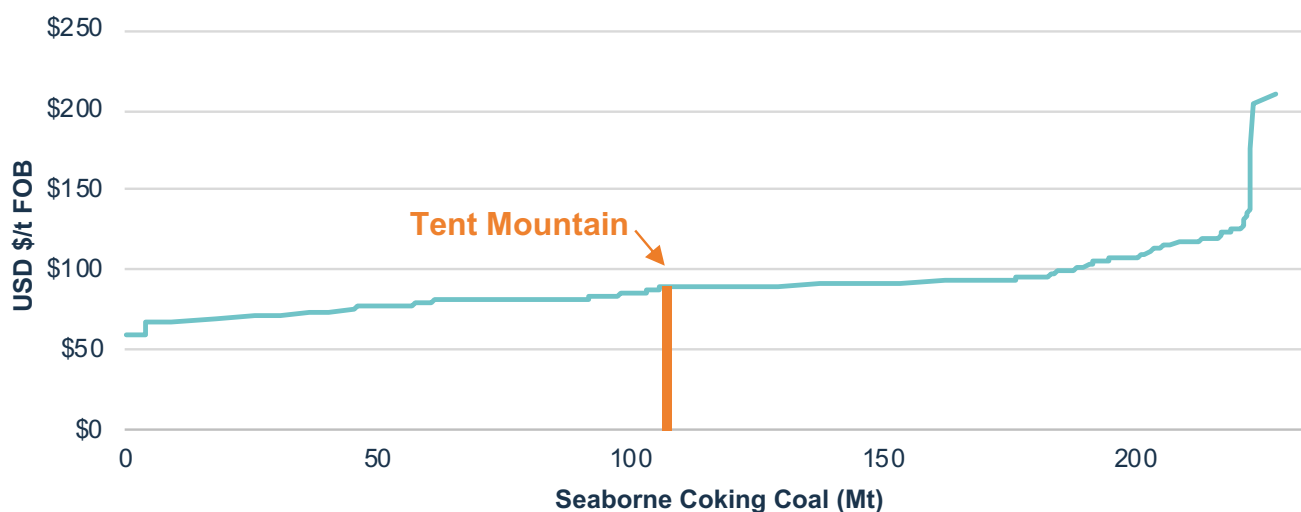
Exchange Rates:

1 C\$ = 0.75 US\$; 1 A\$ = 0.94 C\$

Average life of mine operating cash costs in US\$/t are US\$88.2/t, which places Tent Mountain at the 47th percentile of coking coal export mines globally, refer to Figure 3.3.

The Definitive Feasibility Study of the Tent Mountain Mine Restart Project was prepared during 2019 and 2020, with the Technical Assessment Report (contained in Annexure 1) completed on 20 April 2020. The re-start of the Tent Mountain Mine is an ongoing process, and the planning of the Tent Mountain Mine Restart Project will continue to be updated using proceeds of the Offer.

Figure 3.3 – Seaborn Export HCC Cost Curve 2020



Source: Wood Mackenzie Ltd. Dataset: February 2020; Tent Mountain costs from Montem's Tent Mtn Feasibility Study 2020

Figure 3.1 - Location of Montem's Projects

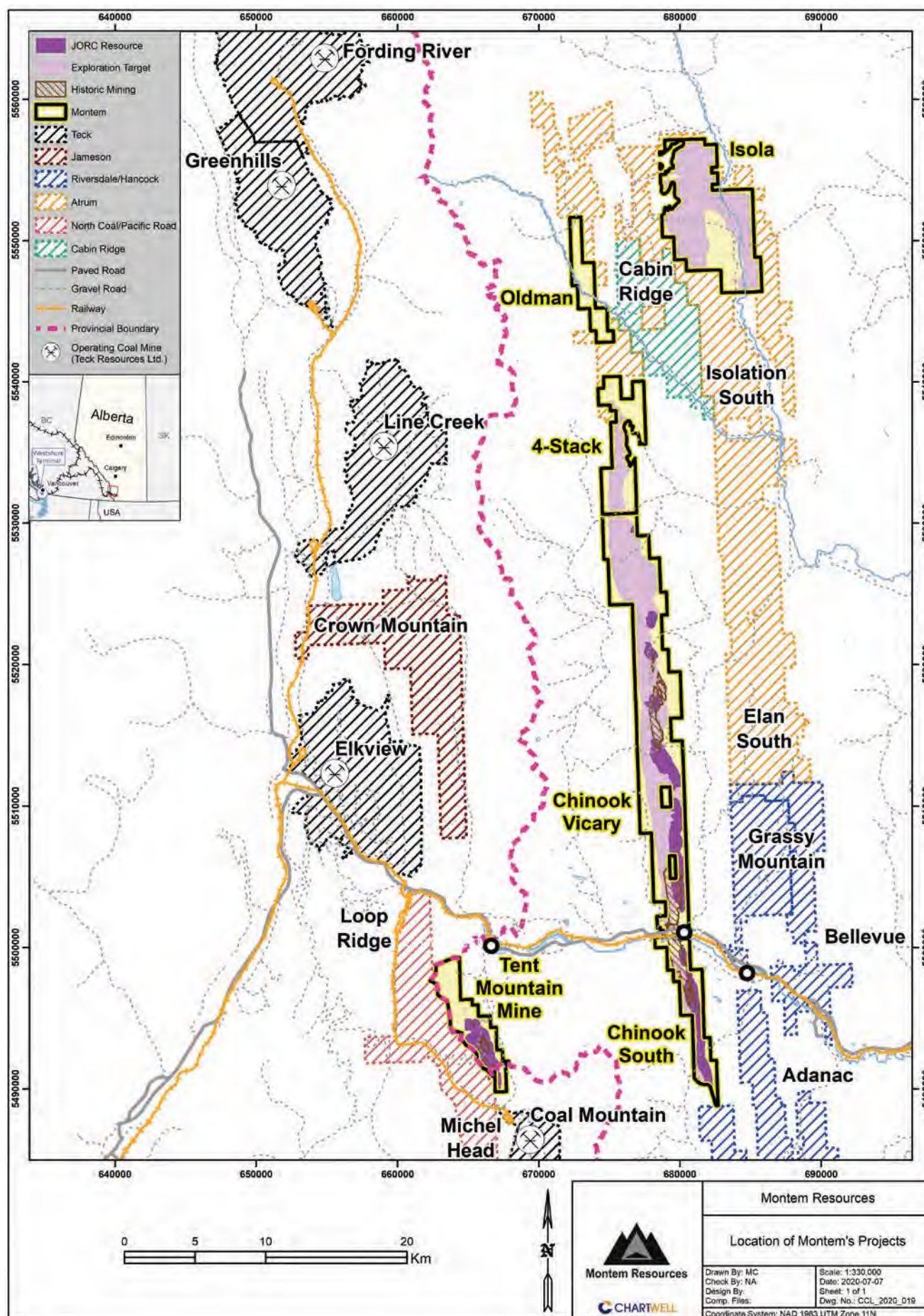
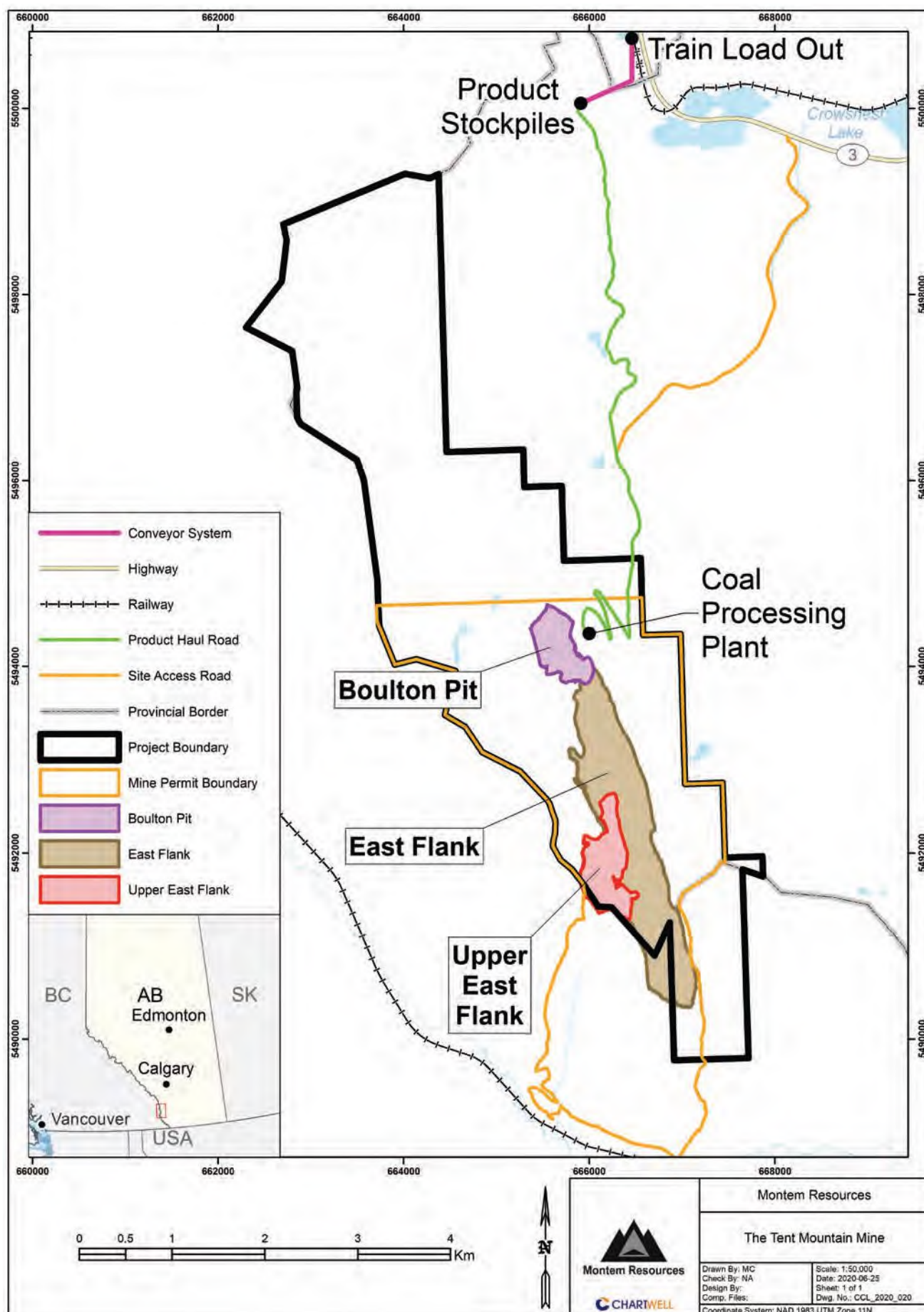


Figure 3.2 – The Tent Mountain Mine



Location

The Tent Mountain Mine straddles the Alberta-British Columbia border about 16km southwest of the town of Coleman, in the Crowsnest Pass. The project is 6km south of the southern main rail line of the Canadian Pacific Railway (CP), which provides access to coal export terminals in Vancouver, and north at Ridley Terminals in Prince Rupert.

Vehicular access to Tent Mountain is provided by a 9.7km gravel road from the interprovincial Crowsnest Highway.

Exploration and Mining History

Coal was discovered at the Tent Mountain Mine by prospectors in the early 1900s, and small-scale underground mining was carried out in the 1920s. In 1948 the first open-cut mine was opened at Tent Mountain, and various phases of open-cut mining occurred until the early 1980s when operations of the Coleman Collieries were suspended.

Geology, Resources and Reserves

A summary of regional and local geology, mining and exploration history, and Resource and Reserve estimates pertaining to the Tent Mountain Mine is contained in the Technical Assessment Report at Annexure 1. The Resource estimate is contained in the relevant JORC Report which can be found in its entirety on the Company's website at www.montem-resources.com. A summary of the JORC Report is at Annexure 2.

The Mist Mountain Formation of the Late Jurassic – Early Cretaceous Kootenay Group is the main coal bearing formation. Coals of the Mist Mountain Formation outcrop at Tent Mountain in a general north-south direction for a strike length of approximately 5km.

Coal seams range in average composited coal thickness from 1.96m (Seam 7) to 8.08m (Seam 5).

The Tent Mountain Mine contains total Measured, Indicated and Inferred in-situ resources of 60.1Mt of coal resource estimated by Dahrouge, and 13.1Mt of saleable Reserves estimated by SRK. Both the Resource and Reserve estimates are compliant with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012), the JORC Code. The Tent Mountain Mine Resources and Reserves are summarized in Table 3.3.

Table 3.3 – The Tent Mountain Mine Coal Resource & Reserve Estimate (JORC 2012)

RESOURCES	MEASURED (Mt)	INDICATED (Mt)	INFERRED (Mt)	TOTAL RESOURCE (Mt)
Tent Mountain	3.7	48.1	8.4	60.1*
RESERVES	PROVED (Mt)		PROBABLE (Mt)	TOTAL RESERVES (Mt)
Tent Mountain	ROM	3.6	18.4	22.0
Tent Mountain	Saleable	2.2	10.9	13.1

*The figure is not 60.2Mt due to rounding at two decimals places.

Coal Quality

The Company plans to produce a single coal product from Tent Mountain. The target blend is a coking coal product that will be marketed as a Tier 2 Hard Coking Coal. The quality results of the blends in the small-scale oven exceeded a CSR of 50 (range 51 to 55) while the calculated CSR result of 62 (range 60 to 65) demonstrates that a semi-hard to hard coking coal similar to other Canadian hard coking coal products can be produced from the Tent Mountain Mine. The Tent Mountain Mine product coal parameters are summarized in Table 3.4.

Table 3.4 – Tent Mountain Mine Coal Quality (indicative) – Tier 2 Hard Coking Coal

TOTAL MOISTURE % AR	ASH % AD	VOLATILE MATTER % AD	TOTAL SULPHUR % AD	PHOS. IN COAL % AD	CSN	ROMAX	CSR
9.0	9.8	25.6	0.50	0.089	5.5	1.07	51-55 (small oven) 60-65 (calculated)

Mining

Mining at the Tent Mountain Mine is planned as a conventional open pit, truck-and-shovel operation as a result of the deposit's topography, and coal seam thickness and geometry. The design targets high value, low strip ratio areas of the deposit early in the schedule while also incorporating the project's water management plans and water storage requirements throughout the mine life. Mine design parameters are summarized in Table 3.5.

Table 3.5 – The Tent Mountain Mine Plan – Physicals

PARAMETER	UNITS	AMOUNT
Overburden, Life of Mine (LOM)	Mbcm	195
Run of Mine (ROM) Coal Produced	Mt	22.0 1.8Mtpa average
Processing Yield, LOM	%	60%
Product Coal, LOM	Mt	13.1 1.1Mtpa average
Mine Life	Years	14
Strip Ratio, LOM (ROM)	bcm:t	8.8

Site Infrastructure, Coal Processing & Handling

The coal handling and processing plant (**CHPP**) for the Tent Mountain Mine will employ the proven technologies found in modern metallurgical coal plants, including dense media separation, reflux classifiers and flotation. The design uses a pre-assembled modular approach for the CHPP and tailings dewatering areas, as compared to the traditional stick build construction methodology. The pre-assembled modular strategy offers numerous benefits, such as faster, safer and cheaper on-site assembly, and is readily expandable and relocatable if required.

Access to the coal handling and processing plant/mine infrastructure area (CHPP/MIA) will be achieved using the pre-existing road that branches off from Crowsnest Highway. The route between the highway and the CHPP/MIA covers 9.7 km. For transport of product coal to the train loadout area, an existing forestry road between the main access road and the train loadout area will be upgraded to enable all-weather transport of product coal.

Power supply is available near to the site and a 25kV network will be available at the CHPP and MIA. Diesel supply will be hauled to site and stored in 25,000 L tanks. Raw and fire water will be supplied from existing site water. While potable water will be trucked from nearby facilities.

B-Double trucks will haul the coal down the mountain from the CHPP to the train loadout (TLO) area, a distance of 8.3 km. The trucks will dump the coal onto a product stockpile, which will have a capacity of approximately 45,000 t. Product coal from this stockpile will be reclaimed and conveyed to train loadout bins, that will be located in the rail yard, along with a new ladder track, adjacent to the main line.

Coal Transport & Sales

Montem expects to export 100% of product from the Tent Mountain Mine to the seaborne market. The planned approach for the export of Tent Mountain Mine coal is via rail to Westshore Terminals at Roberts Bank, BC within the Port of Vancouver. The total length of the Vancouver-destined route is approximately 1,150 km (Crowsnest Pass – Golden – Kamloops – Vancouver). Ridley Terminals in the Port of Prince Rupert, British Columbia (BC), can serve as an alternate port if required.

Montem has entered into the Shipping Agreement with Westshore Terminals to reserve up to 1.25Mtpa of throughput capacity for Tent Mountain. Throughput charges are market competitive (see Section 10.6 for a summary of the terms of the Shipping Agreement).

Montem is also engaged in ongoing discussions with the Canadian Pacific Railway regarding coal transportation to Westshore.

Tent Mountain Mine's coal product will be marketed as a Tier 2 HCC. Montem's marketing focus will be to develop sales as a high-quality blending coal to north Asian customers that rely on seaborne steelmaking coal, who are relatively close to Vancouver and that place a priority on source diversification.

Development Strategy & Permitting

The property is comprised of Freehold Tenements and Coal Leases that encompass an area of approximately 1,683.1 ha; it includes 11 Alberta Coal Leases, 1 BC Coal Lease and 10 Alberta Freehold (all minerals except gold and silver) Tenements. In addition, Montem holds 5 Alberta Freehold (surface only) Tenements.

Four of these overlap Coal Leases owned by Montem and one is northeast of the main property covering a portion of the access road. These are described further in Section 4.

Crown coal leases in Alberta provide the right to exclusively explore the land within the boundaries of the lease and are granted for a term of 10 to 15 years (with an option to extend). Freehold Titles in Alberta have mineral rights registered with the land ownership. A crown coal lease does not grant surface rights. A surface license of occupation is required in the form of a Mineral Surface Lease (**MSL**).

The Tent Mountain Mine has been granted mine permits for both Alberta and BC (C85-16G and BC C-108, respectively). Tent Mountain has a current Environmental Protection and Enhancement Act approval. In its current state the EPEA does not allow active mining and requires amendment to allow mining activities to re-start at the Tent Mountain Mine.

Montem is in the process of preparing an amendment application to the EPEA, along with several other licences which are required to undertake mining. These licence applications require a review at a provincial level by the AER who govern coal mining in Alberta. Montem has also applied for an Alberta MSL to occupy the areas of Alberta Crown land within the overall project area including the haulage corridor.

The Impact Assessment Agency of Canada has confirmed that a Federal review of the application to re-start mining will not be required.

If the necessary approvals are obtained in anticipated timeframes, and the additional capital needed for development is raised, the Company is aiming to re-establish mining at the Tent Mountain Mine in late 2021, and first coal shipments in the first half of 2022. This timeline may also be influenced by other risk factors as set out in Section 7.

Project Costs and Economics

The total estimated cost of bringing the Project into production is C\$223.9 Million (equal to A\$233.2 Million applying an exchange rate of A\$1.00:C\$0.96, as at 29 July 2020 being the last practicable date before the Prospectus Date), which is inclusive of capitalised development of C\$9.7 Million.

Total production-related operating costs are estimated to average C\$35.0/t ROM (US\$26.2/t ROM) for mining and C\$8.4/t ROM (US\$6.3/t ROM) for processing and product loading over the life of the project. Total ex-mine (FOR) costs are estimated to be C\$77.7/t product (US\$58.2/t product). Total rail/port/marketing costs add an additional estimated C\$40.0/t product (US\$30.0/t product) to the cost, for total FOB costs of C\$117.7/t (US\$88.2/t).

Tent Mountain Mine product is expected to be priced at a discount of 13.33% to the Feasibility Study Base Case coal price of US\$150/t HCC headline price (i.e., Tent Mountain at US\$130/t in Dec 2019 real\$).

This coal price outlook is essentially a conservative trend line for the market and assumes relatively stable market behaviour. In practice, however, the market is expected to continue to exhibit volatility as seen over the past decade or more. The average historical coal price through this period of US\$180/t for Premium HCC is well above the Base Case price outlook.

A second coal price scenario (Empirical Case) is used in the Feasibility Study, using an Index price of US\$180/t, which translates to US\$156/t (Dec 2019 real\$) for Tent Mountain's product coal.

The project has robust economics (post-tax NPV = C\$129M (A\$137M), IRR = 17.3%, payback = 5 years), at the Base Case coal price of US\$130/t. At the Empirical Case coal price of US\$156/t, project economics improve significantly (post-tax NPV = C\$351M (A\$373M), IRR = 33.3%). Tent Mountain economics are summarized in Table 3.6.

Table 3.6 - The Tent Mountain Mine Feasibility Study - Financials

PARAMETER	UNITS	AMOUNT	
Development Capital Cost	C\$M	223.9	
Operating Costs		ROM	Product
Mining	C\$/t	35.0	
	US\$/t	26.2	
Processing & Loading	C\$/t	8.4	
	US\$/t	6.3	
Other Site Costs	C\$/t		4.9
	US\$/t		3.7
Ex-Mine (FOR)	C\$/t		77.7
	US\$/t		58.2
Rail/Port/Marketing	C\$/t		40.0
	US\$/t		30.0
Cash Cost (FOB)	C\$/t		117.7
	US\$/t		88.2
Cost Competitiveness	percentile		47th
Benchmark HCC Coal Price, Base Case	US\$/t	150	
Tent Mtn Coal Price Base Case	US\$/t	130	13.3% discount
Base Case - NPV (@8% real, post tax)	C\$M	129	
	A\$M	137	
IRR	%	17.3%	
Payback	years	5.3	
Empirical Case - NPV (@8% real, post tax)	C\$M	351	
	A\$M	373	
IRR	%	33.3%	

Exchange Rates:

1C\$ = 0.75 US\$; 1 A\$ = 0.94 C\$

3.4 CHINOOK PROJECT

The Chinook Project is located within the Front Ranges of the Canadian Rocky Mountains, near the township of Coleman in the Crowsnest Pass of southwest Alberta. The project is made up of two large areas, Chinook South (south of Coleman) and Chinook Vicary (north of Coleman), that covers approximately 40km of strike length (Figure 3.4).

Access to Chinook South is via the York Creek Road, which runs south from Coleman, with a second access via the Sartoris Road, which runs southwest from the town of Blairmore. Access to Chinook Vicary is via numerous unpaved roads that run west from Highway 40 and intersect the Project. Chinook Vicary is also accessed via the Prospect Road, which intersects Highway 3 and runs north into the Project.

The Chinook Project covers an area of approximately 9,746 ha, and contains a number of historical open cut and underground mines that include, at Chinook South, the International Mine, the York Creek Mine and the Broun Mine, and, at Chinook Vicary, the McGillivray Mine, the Vicary Mine, Vicary North and the Racehorse Mine. Combined, these mines were in production from the early 1900's until the late 1970's.

The main rail line, operated by Canadian Pacific Railway, travels through the project connecting to export terminals in Vancouver and Prince Rupert.

Montem has utilized historical information from the previous mines and associated extensive exploration on the Chinook Project to update resource estimates and complete preliminary engineering studies. A concept study for the development of this large open-cut complex has been completed, showing compelling results for shallow, open-cut mining.

Geology and Resources

A summary of regional and local geology, mining history and exploration history pertaining to the Chinook Project is contained in the relevant JORC Report, a summary of which is set out in Annexure 2 and which can be found in its entirety on the Company's website at www.montem-resources.com.

Stratigraphy in the area has been subjected to extensive folding and faulting, resulting in a number of major westward dipping faults. The faulting and folding have affected coal seam thickness, lateral continuity, geometry and quality.

The Chinook Project Resources are contained in the Jurassic-Cretaceous S2, S3, S4, S4A and S5 coal seams. Seam thickness is variable and range in average composited coal thickness from 2.57 m (Seam 4A at Chinook South) to 22.60 m (Seam 5 at Chinook Vicary). Generally, structural thickenings of coal seams occur around the hinge of folds, whereas elsewhere coal seam thinning may occur.

Exploration data and reports for the Chinook Project from 1964 to 1991 have been reviewed and modelled. Dahrourge have estimated total Indicated and Inferred Resources (in situ) of 149.1Mt and an Exploration Target of 125-450Mt for the Chinook Project in accordance with the JORC Code, as summarised in Table 3.7 and Table 3.8.

The Resources have been reported separately for Chinook South and Chinook Vicary.

Table 3.7 – The Chinook Project Coal Resource Estimates (JORC 2012)

PROJECT	MEASURED (Mt)	INDICATED (Mt)	INFERRED (Mt)	TOTAL RESOURCES (Mt)
Chinook Vicary	–	52.6	32.2	84.8
Chinook South	–	51.2	13.1	64.3
Total	–	103.8	45.3	149.1

Table 3.8 – The Chinook Project Exploration Target (JORC 2012)

PROJECT	EXPLORATION TARGET (Mt) – 20:1 SR, 300M DEPTH CUTOFF	EXPLORATION TARGET (Mt) – 20:1 SR, NO DEPTH CUTOFF
Chinook Vicary	125	450

An Exploration Target has been defined for the Chinook Project in areas where there is insufficient data to estimate a Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target is not reported as part of any Mineral Resource or Ore Reserve.

Coal Quality

The Chinook Project coal quality assessment is based on historical drillholes, adit bulk samples, trench bulk samples and wash plant reports. The Project's coal quality dataset is limited and additional data is needed. Proximate analysis from the core samples confirms that coal on the Property is a medium volatile bituminous coking coal.

Coal quality varies from south to north and from seam to seam. Relative to the Chinook South area, the Chinook Vicary area coal has lower volatile matter, increased fluidity, and higher mean maximum vitrinite reflectance.

Figure 3.4 – The Chinook Project

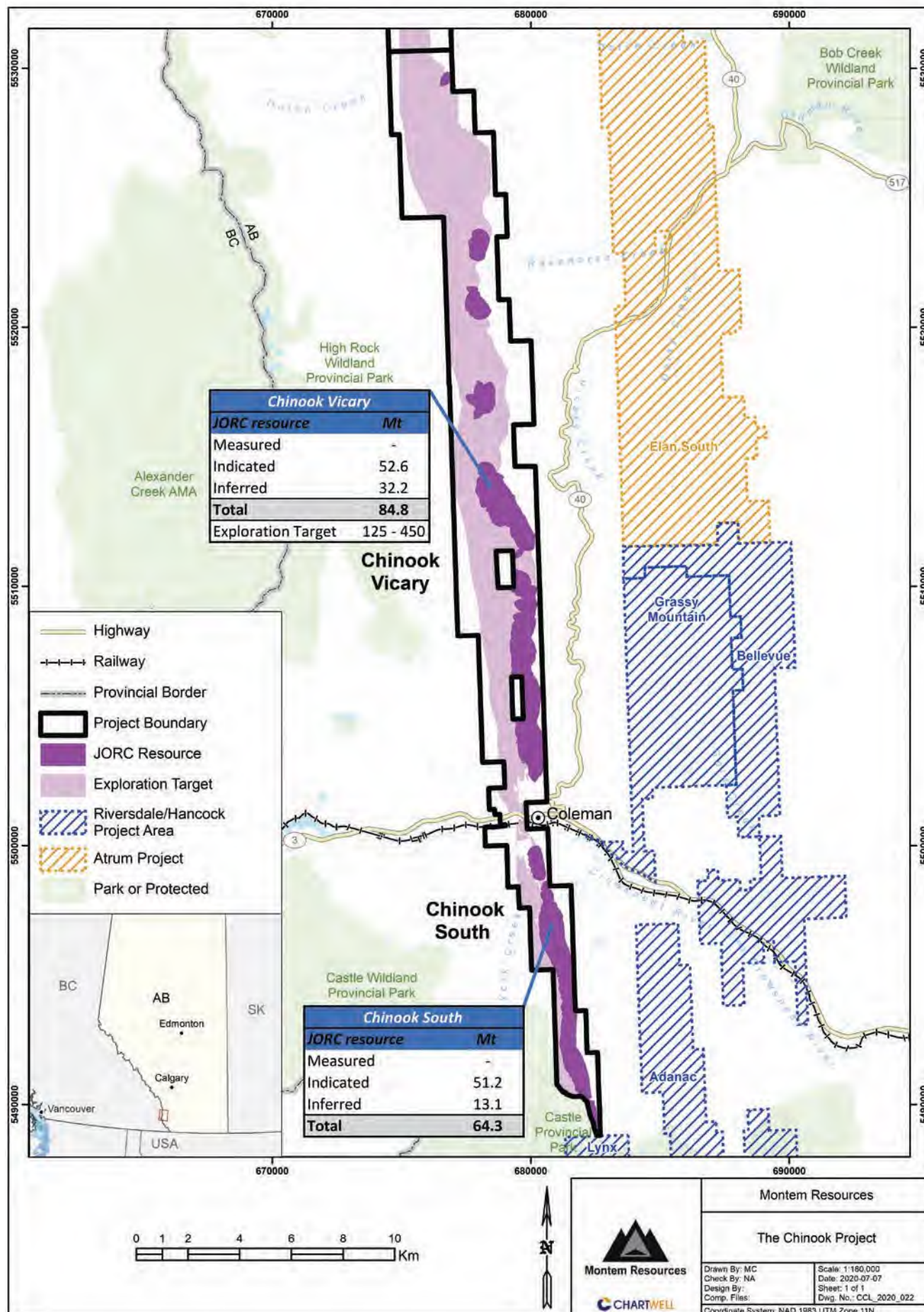
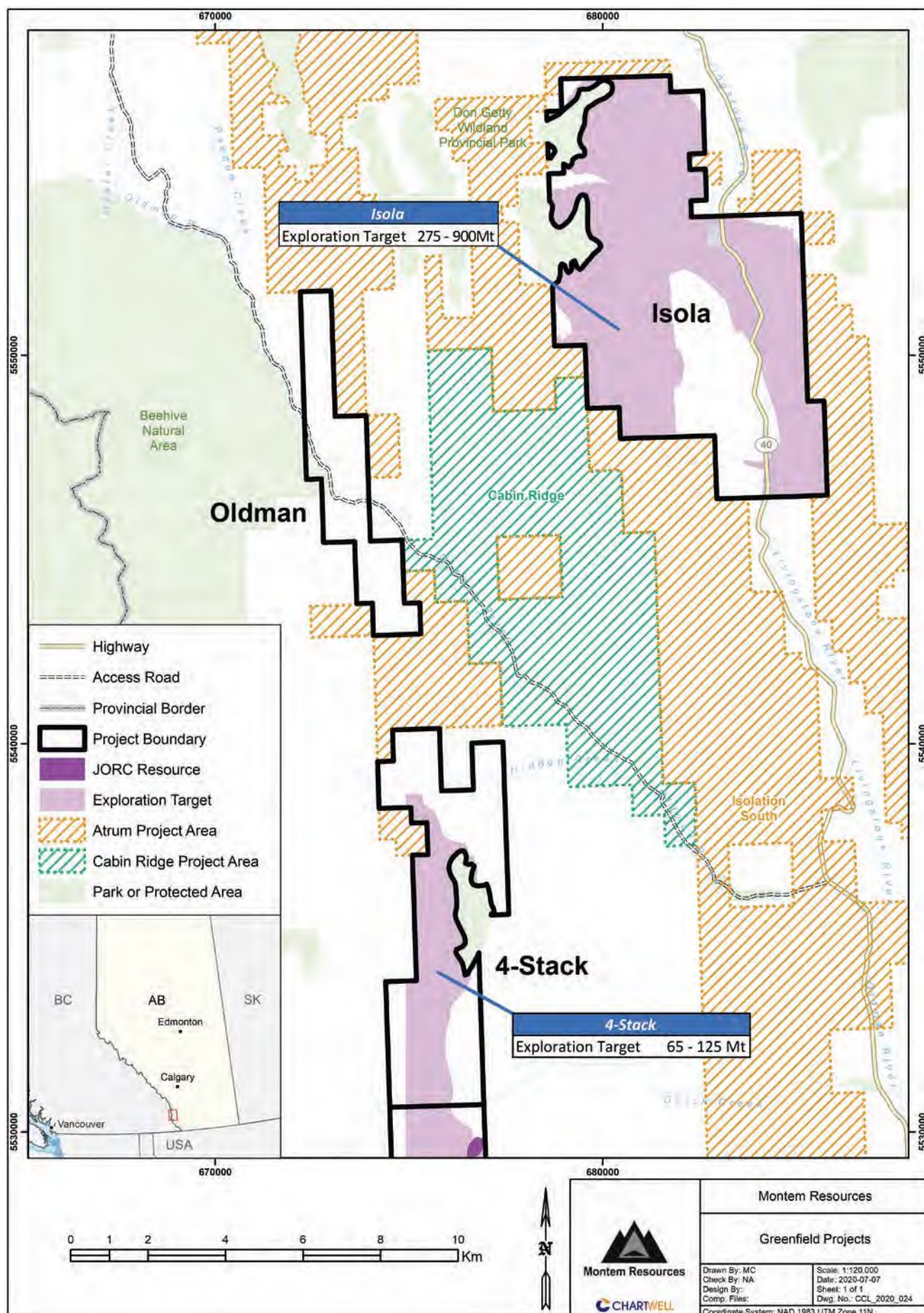


Figure 3.5 – Greenfield Projects



Kobie Koornhof Associates Inc reviewed the historical clean coal quality data, and found:

"The majority of the coal at Chinook Vicary was found to be good quality Hard Coking Coal, with FSI of 6 – 7 and CSR above 55. Minor portions of the resource, limited to seam S4/4A, report FSI below 6 and CSR below 50. Most of the coal at Chinook South is classified as a Semi Hard Coking Coal, with less than 10% deemed suitable as a Hard Coking Coal." (Koornhof, 2020).

Chinook product coal quality parameters are summarized in Table 3.9.

Table 3.9 – The Chinook Project Product Coal Quality Parameters

PROJECT	ASH % (AD)	VOLATILE MATTER % (AD)	TS % (AD)	CSN / FSI	PHOS IN COAL % (AD)	VITRINITE (ROMAX) % (AD)	CSR (%)
Chinook Vicary	8.0-12.5	21-24	0.50-0.58	4-7	0.020-0.090	1.25-1.30	Up to 65
Chinook South	9.0-10.0	25-27	0.35-0.60	4-5.5	0.025-0.065	1.00-1.06	Up to 60

Development Strategy

Over the next two years, Montem plans to undertake extensive drill programs at both Chinook South and Chinook Vicary. The exploration will be designed to facilitate a preliminary feasibility study. Concurrent to the exploration, Montem is conducting engineering and environmental studies that will guide the strategic development of the project.

Baseline environmental studies will be undertaken to provide a thorough understanding of the existing environmental conditions of the project. Assessments will include air quality, noise, surface and ground water, local vegetation, soil, land resources, recreational infrastructure and opportunities. Local fish and wildlife and their habitats are part of the focus.

Tenements and Permitting

The Chinook Project is comprised of 53 Alberta Coal Leases and 58 Alberta Freehold Tenements (all minerals except gold, silver) that encompass an area of approximately 9,746 ha.

Montem has an active Coal Exploration Permit (CEP) and ancillary Deep Drilling Permit to support the planned exploration programs at Chinook South and Chinook Vicary. First Nations engagement, Historical Resources Review and stakeholder consultations are underway.

3.5 GREENFIELD PROJECTS

The 4-Stack, Isola and Oldman properties are located north of the Chinook Project (Figure 3.5). These properties all have the potential to host significant steelmaking coal resources.

Future plans include further analysis of the potential steelmaking coal resources across these properties. Exploration planning is underway for drilling at 4-Stack and Isola in 2021.

Exploration Targets have been defined for the 4-Stack and Isola properties in areas where there is insufficient data to estimate a Mineral Resource. The potential quantity and grade of the Exploration Targets are conceptual in nature and it is uncertain if further exploration will result in the estimation of Mineral Resources. The Exploration Targets are not reported as part of any Mineral Resource or Ore Reserve.

4-Stack

The 4-Stack property is located 30 km north of the township of Coleman. It adjoins the northern extent of the Chinook Project and hosts an Exploration Target of 65 – 125Mt. To date, exploration on the property has been limited to surficial geological mapping and hand trenching. This historical exploration shows a northward continuation of the Kootenay Group (host to the coal bearing Mist Mountain Formation) seen at Chinook. The geological interpretation of the property indicates that the coal measures are fault repeated in some areas.

The 4-Stack Exploration Target, as determined by Dahrouge, has been summarized in Table 3.10.

Table 3.10 – 4-Stack Exploration Target

PROJECT	EXPLORATION TARGET (Mt) – 20:1 SR, 300M DEPTH CUTOFF	EXPLORATION TARGET (Mt) – 20:1 SR, NO DEPTH CUTOFF
4-Stack	65	125

Isola

The Isola property is located 45 km north-northeast of the township of Coleman. It is directly north and adjoining to Atrium Coal Ltd's Isolation South Project and hosts an Exploration Target of 275 – 900Mt.

Historical exploration on the property includes surficial geological mapping and trenching as well as three drillholes completed in 1971 and two coal bed methane (CBM) wells completed in 2001 and 2002.

The geology of the property is made up of a major north-south trending synclinal structure that exposes the Kootenay Group (host to the coal bearing Mist Mountain Formation) along the eastern and western edges of the property. The property hosts both open pit mining potential, where coal seams subcrop at the edges of the syncline, and underground mining potential along the down dip extensions of the 10-20° dipping limbs of the syncline.

Table 3.11 summarizes the clean coal quality results from the 1971 drilling campaign.

Table 3.11 – Isola Clean Coal Quality

DRILLHOLE ID	APPARENT THICKNESS (M)	SEAM	S.G.	ASH %	FSI	S %	VOL %
I-1	4.3	S3	1.58	5.2	7.5	0.31	22.1
I-2	8.7	S3	1.60	10.3	5	–	21.1
I-3	2.7	S2	1.58	10.8	7.5	0.96	20.6
I-3	4.6	S3	1.58	9.8	4	0.37	20.1
I-3	5.3	S3	1.58	10.8	5	0.53	20.1

The range of volatile matter between 20.6% and 22.1% (Table 3.11) indicates a rank on the threshold between low- and medium-volatile bituminous coal for Isola. The log from CBM well 13-13-013-04W5, located on the property, lists RoMax values of 1.35% and 1.38% for seam S4, 1.33% for seam S3 and 1.25% for seam S2, indicating a rank of medium-volatile bituminous coal. Based upon these results, the Isola coal seams appear to be low-volatile to medium-volatile bituminous coal with a reasonable possibility of producing a coking coal product after beneficiation in a wash plant.

The Isola Exploration Target, as determined by Dahrouge, has been summarized in Table 3.12.

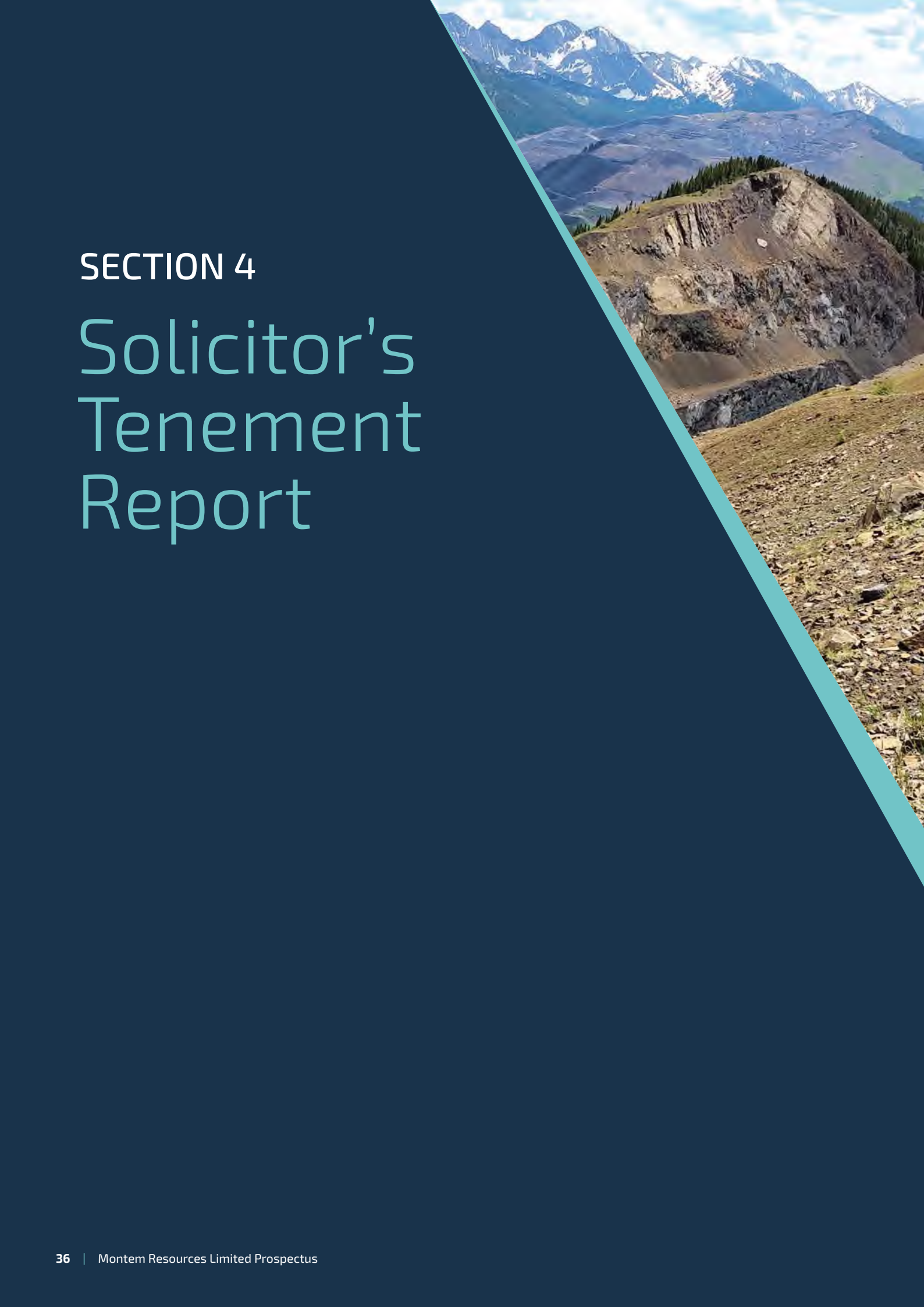
Table 3.12 – Isola Exploration Target

PROJECT	EXPLORATION TARGET (Mt) – 20:1 SR, 250M DEPTH CUT-OFF	EXPLORATION TARGET (Mt) – 600M DEPTH CUT-OFF
Isola	275	900

A significant amount of drilling and coal quality analysis is required to properly characterize a resource on the Isola Property.

Oldman

The Oldman property is located 42 km north of the township of Coleman and covers the northward extension of the Kootenay Group (host to the coal bearing Mist Mountain Formation) seen at Chinook and 4-Stack. To date, exploration has been limited to surface geological mapping. No recorded information exists with respect to seam presence and development although a continuation of the coal horizons encountered at the 4-Stack property are anticipated. The relationship between the Mist Mountain Formation and the topography at Oldman demonstrates the property hosts open pit dip-slope mining potential.



SECTION 4

Solicitor's Tenement Report

Our File Reference: 180792

July 29, 2020

PLEASE REPLY TO EDMONTON OFFICE

Montem Resources Limited
Level 4, 96-100 Albert Road
South Melbourne
Victoria 3205 Australia

Dear Sirs:

Re: Soli citor's Report on Tenements

This Report is prepared for inclusion in a prospectus prepared by Montem Resources Limited (the “**Company**”) for the initial public offer of ordinary shares in the capital of the Company (the “**Prospectus**”).

1. SCOPE

We have been requested to report on certain mining tenements and titles in which Montem Resources Alberta Operations Ltd. (“**Montem Alberta**”) has an interest (the “**Tenements**”). We have also been requested to report on surface titles related to the Tenements in which Montem Alberta has an interest (“**Surface Lands**”) and on ancillary titles to the Tenements in which Montem Alberta has an interest (“**Ancillary Lands**”).

The Tenements relate to the Tent Mountain Mine and Chinook Project, 4-stack, Oldman and Isola projects and are located in the Province of Alberta, Canada, in the Municipality of Crowsnest Pass and in the Kootenay Land District in the Province of British Columbia.

Details of the Tenements are set out in Parts I, II and III of this Report, details of the Surface Lands are set out in Part I, and details of the Ancillary Lands are set out in Part IV.

Edmonton Office

600 McLennan Ross Building
12220 Stony Plain Road
Edmonton, AB T5N 3Y4

Calgary Office

1000 First Canadian Centre
350 – 7th Avenue SW
Calgary, AB T2P 3N9

Yellowknife Office

301 Nunasi Building
5109 – 48th Street
Yellowknife, NT X1A 1N5

Visit our website at www.mross.com

We have also been requested to confirm the corporate existence and standing of Montem Alberta and its shareholder Montem Resources Corp, incorporated in British Columbia, Canada.

This Report is limited to the Searches (as defined below) set out in Section 2 of this Report.

2. SEARCHES

For the purposes of this Report, we have conducted searches and made enquiries in respect of the Tenements and corporate matters as follows (“**Searches**”):

- (a) we have obtained mining tenement register searches of:
 - (i) the Tenements in respect of freehold interests from the registers maintained by the Registrar of Land Titles in the Province of Alberta (the “**Alberta Freehold Tenements**”);
 - (ii) the Tenements in respect of leasehold interests issued by the Crown in Right of Alberta (the “**Alberta Crown**”) from the registers maintained by the Government of the Province of Alberta (the “**Alberta Leasehold Tenements**”); and
 - (iii) the Tenements in respect of leasehold interests issued by the Crown in Right of British Columbia (the “**B.C. Crown**”) from the registers maintained by the Government of the Province of British Columbia (the “**B.C. Leasehold Tenements**”);

(together, the “**Tenement Searches**”). These searches were conducted over the course of June 25, 2020 to July 6, 2020. Key details on the status of the Tenements are set out in Part I of this Report;
- (b) we have obtained land title register searches of the Ancillary Lands in respect of freehold interests from the registers maintained by the Registrar of Land Titles in the Province of Alberta and British Columbia. These searches were conducted as of June 25, 2020.
- (c) for each of Montem Alberta and Montem Resources Corp., we have obtained searches conducted between June 25, 2020 to July 21, 2020 in respect of:
 - (i) the corporate standing of Montem Alberta, as evidenced by a Certificate of Status dated July 20, 2020 and issued by the Registrar of Corporations (Alberta);
 - (ii) the corporate standing of Montem Resources Corp., as evidenced by a Certificate of Good Standing dated July 21, 2020 and issued by the BC Registry Services (British Columbia);

- (iii) the Personal Property registries in each of the Province of Alberta and British Columbia;
- (iv) litigation matters registered in the Court of Queen's Bench and the Provincial Court (Alberta);
- (v) litigation matters registered in the courts of the Province of British Columbia; and
- (vi) the report of the Canadian Securities Registrations Systems for notices of intention to register security in the Provinces of Alberta and British Columbia under the *Bank Act* (Canada).

Searches conducted for Montem Resources Corp. were also conducted in the name of 1090931 B.C. Ltd., the name of this corporation prior to February 17, 2017.

- (d) for each Alberta Freehold Tenement, we have reviewed the certificate of title issued by the Registrar of Land Titles in the Province of Alberta for such Tenement, to identify any registrations, claims or encumbrances issued thereupon. Details of any such registrations, claims or encumbrances are set out in Section 4.1 of this Report and Part I of this Report;
- (e) for each Alberta Leasehold Tenement, we have reviewed the search verifications issued by the Minister of Energy for such Tenement, to identify any registrations, claims or encumbrances issued thereupon. Details of any such registrations, claims or encumbrances are set out in Section 4.2 of this Report and Part II of this Report;
- (f) for the B.C. Leasehold Tenement, we have reviewed the online summary issued by the Chief Gold Commissioner (British Columbia) for such Tenement, to identify any registrations, claims or encumbrances issued thereupon. Details of any such registrations, claims or encumbrances are set out in Section 4.3 of this Report and Part III of this Report;
- (g) we have reviewed agreements relating to the Tenements provided to us by Montem Alberta or its representatives or registered as dealings against the Tenements as at the date of the Tenement Searches;
- (h) for Surface Lands owned by Montem Alberta, we have reviewed the certificate of title issued by the Registrar of Land Titles in the Province of Alberta for such Tenement, to identify any registrations, claims or encumbrances issued thereupon. Details of any such registrations, claims or encumbrances are set out in Part I of this Report. Montem Alberta's Surface Lands are identified in Part I as those lands where Montem Alberta has an interest in "Title Surface"; and

- (i) for each of the Ancillary Lands, we have reviewed the certificate of title issued by the Registrar of Land Titles in the Province of Alberta and British Columbia for such lands, to identify any registrations, claims or encumbrances issued thereupon, along with the agreements relating to the Ancillary Land transactions. Details of any registrations, claims, encumbrances, material outstanding items, or transactional conditions, are set out in Part IV of this Report.

3. EXECUTIVE SUMMARY

Subject to the qualifications and assumptions in this Report, we consider the following to be material items for noting in relation to the Tenements:

- (a) **(Alberta Freehold Tenements):** The Alberta Freehold Tenements are held 100% by Montem Alberta and are issued by way of the issuance of a mineral certificate issued by the Registrar of Land Tiles with the Province of Alberta (“**Alberta**”). A summary of the terms of the Alberta Freehold Tenements is provided in Section 4.1 and Part I.
- (b) **(Alberta Leasehold Tenements):** The Alberta Leasehold Tenements are held 100% by Montem Alberta and are issued by way of a series of lease agreements with the Alberta Crown. A summary of the terms of the Alberta Leasehold Tenements is provided in Section 4.2 and Part II.
- (c) **(B.C. Leasehold Tenements):** The B.C. Leasehold Tenements are held 100% by Montem Alberta and are issued by way of a series of lease agreements with the Province of British Columbia (“**B.C.**”). A summary of the terms of the B.C. Leasehold Tenements is provided in Section 4.3 and Part III.
- (d) **(Alberta Surface Lands):** The Alberta Surface Lands are held 100% by Montem Alberta and are issued by way of the issuance of a certificate issued by the Registrar of Land Tiles with the Province of Alberta. A summary of the terms of the Alberta Freehold Tenements and the Surface Lands is provided in Part I.
- (e) **(Company’s interest):** The Company’s interest in the Tenements is subject to the following interests:
 - (i) the right of Prairie Mines and Royalty ULC to register a security interest (“**PMRU Security**”) in the Alberta Freehold Tenements and the Alberta Leasehold Tenements, under an agreement related to the purchase of those assets. A summary of this purchase agreement is provided in Section 10.2 of the Prospectus; and
 - (ii) those certain interests set out in Parts I and II hereof in relation to historical Crown royalty agreements and utility rights-of-way and as

summarized in paragraphs 4.1(e), 4.2(i) and paragraph 6.2 respectively.

Other than the PMRU Security, none of the registrations lodged against the Tenements provide for, or could result in, a legal ownership interest in the Tenements or a claim to ownership by any registrant. Other than provided for in certain utility rights-of-way registered in respect to surface lands for which the Tenements relate (see Section 6.2), the Searches did not reveal any material restrictions affecting the Tenements.

- (f) **(Expenditure):** None of the Tenements are subject to forfeiture in respect of obligations to conduct or carry out a specified amount of expenditure.
- (g) **(Corporate Existence)** Montem Alberta was incorporated in the Province of Alberta on January 12, 2017 and is in good standing. Except in respect of the PMRU Security, no record of any insolvency or material security was revealed in the corporate searches relating to it and Montem Resources Corp. as incorporated in the Province of British Columbia on September 27, 2016 as 1090931 B.C. Ltd., and is in good standing. No record of any insolvency or security was revealed in the corporate searches relating to it.

4. DESCRIPTION OF THE TENEMENTS

The Tenements comprise:

- (a) **(Alberta Freehold Tenements)** certificates of title issued in the name of Montem Alberta in all mines and minerals, and the right to work the same, issued by the Registrar of Land Titles in the Province of Alberta under the *Land Titles Act*;
- (b) **(Alberta Leasehold Tenements)** agreements with the Alberta Crown under the *Mines and Minerals Act* (Alberta) granting Montem Alberta the right to win, work and recover coal from specified lands; and
- (c) **(B.C. Leasehold Tenements)** a lease granted by the B.C. Crown under the *Coal Act* (British Columbia) granting Montem Alberta the exclusive right, in accordance with the Act and the lease, to explore for, develop and produce coal on the specified lease location

A list of the Tenements noted above and a summary of their terms is provided in Parts I, II and III of this Report, respectively.

4.1 Alberta Freehold Tenements

The following provides a description of the nature and key terms of the Alberta Freehold Tenements held by Montem Alberta and issued by the Registrar of Land Titles in the Province of Alberta under the *Land Titles Act* (Alberta)

- (a) **(Rights):** The owner of a freehold interest and estate in fee simple in mines and minerals (including coal) has the right to explore, remove and dispose of all such mine and minerals, and to transfer or mortgage or encumber the estate. Where ownership in the surface lands expressly excepts out the mines and minerals in the registered title certificate for the surface lands, ownership in freehold mines and minerals is established by the issuance of a mineral certificate by the Registrar of Land Titles under the *Land Titles Act* (Alberta). Where ownership in the surface lands does not except out the mines and minerals in the registered title certificate for the surface lands, the registered owner of the surface lands is the owner of the mines and minerals.
- (b) **(Term and Retention status):** Ownership in freehold mines and minerals remains with the registered owner as set out in the mineral certificate until the ownership is transferred in accordance with the *Land Titles Act* (Alberta).
- (c) **(Conditions):** Ownership in freehold mines and minerals is not absolute, and is subject to any valid interests and claims against the estate such as a lien or encumbrance. Rights to the estate are also subject to restrictions which may be applied by government for the greater good of the municipality, province or country (for example, expropriation of private property for valid purposes).
- (d) **(Transfer):** Ownership in freehold mines and minerals may be transferred by the registered owner in accordance with the *Land Titles Act* (Alberta).
- (e) **(Registrations):** As set out in Part I there are instruments and encumbrances registered against certain Freehold Tenements. The Instrument registrations relate to historical Dominion (Federal) Crown grants of coal rights, which provided for an obligation of the lessor (grantee) to pay a royalty. These grants predated constitutional changes in 1930, when the power to grant both surface and mineral rights was transferred from the Dominion Government to the Government of Alberta. The titles then devolved to freehold coal titles. The registration does not affect the legal titles to the coal under the applicable Freehold Tenement and no royalties are payable to the Federal authorities pursuant to these registrations. The Caveat registrations relate to a registration by PMRU to register its interest in the Alberta Leasehold Tenements and the Surface Lands, under an agreement related to the purchase of those assets.

4.2 Alberta Leasehold Tenements

The following provides a description of the nature and key terms of the Alberta Leasehold Tenements held by Montem Alberta with the Alberta Crown under Part 2 of the *Mines and Minerals Act* (Alberta).

- (a) **(Rights):** Montem Alberta has the right to:

- (i) win, work and recover coal within the location (meaning the subsurface area or areas underlying the surface area of the tract or tracts of land); and
 - (ii) remove the same.
- (b) **(Term):** An initial term of fifteen (15) years from the Commencement Date, with renewal rights for further terms of fifteen (15) years as provided for in the regulations to the *Mines and Minerals Act* (Alberta) and to any terms and conditions prescribed by order of the Minister.
- (c) **(Conditions):** The agreements provide that the grant is subject to various conditions and obligations, including:
 - (i) the payment of prescribed rent and royalties (as described below)
 - (ii) compliance with provisions of the *Mines and Minerals Act* (Alberta); and the *Coal Conservation Act* (Alberta) or any other acts that prescribe, apply to or affect the rights and obligations of a lessee of coal rights, or that relate, apply to or affect the lessee in the conduct of its operations;
 - (iii) the indemnification of the Alberta Crown in prescribed cases;
 - (iv) the payment of compensation to the Alberta Crown for the Crown's royalty share of the coal, in the event any coal obtained or produced from the location is lost or cannot be accounted for;
 - (v) restrictions, without the Alberta Crown's consent, upon the recovery of coal underlying any bridge, railway, pipeline, public road or highway whether constructed before or after the Commencement Date; and
 - (vi) any special provisions listed in the appendix of the agreement. See Part II.
- (d) **(Royalty):** Computed at the rate prescribed, and payable in accordance with, the *Coal Royalty Regulation* issued under the *Mines and Minerals Act* (Alberta). Currently, the royalty is payable as an amount of money equal to the product of the volume of the Crown's royalty share so sold, consumed or otherwise disposed of and the mine mouth price of that volume, as defined in the regulation. The Crown's royalty share is, in the case of each month up to and including that containing the date of project payback, as defined in the regulation, for that project, 1% of that marketable coal, as defined in the regulation, or, in the case of each month following the date of project payback for that project, the aggregate of 1% of marketable coal, and the proportion of that marketable coal that is the same as 13% of the net revenue, as defined in the regulation, of the coal project, as defined in the

regulation, for the production year, as defined in the regulation, is of the product revenue, as defined in the regulation, of the coal project for the production year.

- (e) **(Rent):** Computed at the rate prescribed, and payable in accordance with, the *Mines and Minerals Act* (Alberta). See Part II.
- (f) **(Road Allowances):** A road allowance is land where a public road could be constructed if the need arose. The land is reserved for future use and is administered by the Province of Alberta pursuant to the *Public Lands Act* (Alberta). Part 3 of the *Mines and Minerals Act* (Alberta) governs coal mining in road allowances. The Alberta Leasehold Tenements, issued under Part 2 of the *Mines and Minerals Act* (Alberta), do not include the rights to the coal in any road allowances overlapping or adjacent to Montem Alberta's leased areas. A separate coal lease with the Alberta Crown is required to mine in a road allowance. Such leases have a 15 year term and are renewable. A coal lease in a road allowance is only available to the holder of a mine permit or license in that location. Upon issuance of a mining licence in respect to specific areas covered by an Alberta Leasehold Tenement, a lease to mine coal in a road allowance could be obtained by Montem Alberta.
- (g) **(Termination):** Under the *Mines and Minerals Act* (Alberta), the Minister may cancel a lease agreement if:
 - (i) there is a breach of any condition contained in the agreement and the breach by its nature is not capable of being remedied;
 - (ii) the lessee has not complied with a notice given under the Act with respect to the agreement or with a notice given under the agreement;
 - (iii) subject to remedy within the thirty (30) day period following notice from the Minister, if the lessee has not complied with a covenant in the agreement, with the Act or the regulations in relation to the agreement, or with a condition contained in the agreement, where the default in complying with the condition is by its nature capable of being remedied.

The right of the Minister to cancel an agreement pursuant to the terms of the agreement is in addition to any power of the Minister to cancel the agreement under the Act.
- (h) **(Transfer):** Provided there are no restrictions on transfer, the transfer of an interest in a coal lease agreement is made upon compliance with the regulations and the approval and registration of the Minister, and subject to any conditions which may be established in connection with such approval. There are no restrictions upon transfer in the Alberta Leasehold Tenements.

- (i) **(Registrations):** Some of the Alberta Leasehold Tenements have a registered encumbrance against them as set out in Part II. One encumbrance is a registration of a security interest by PMRU to register a security interest in the Alberta Leasehold Tenements, under an agreement related to the purchase of those assets. The registrations on any surface title which corresponds with the Alberta Leasehold Tenements, if any, are provided for reference only to identify other potential third party interests, aside from the third party owner of those surface lands, and relate to matters such as the historical Dominion (Federal) Crown grants of coal rights, which provided for an obligation of the lessor (grantee) to pay a royalty, or other registrations against the corresponding surface title. As noted above, the federal grants predated constitutional changes in 1930, when the power to grant both surface and mineral rights was transferred from the Dominion Government to the Government of Alberta. The titles then devolved to freehold coal titles. The registration does not affect the legal titles to the coal under the applicable Alberta Leasehold Tenement and no royalties are payable to the Federal authorities pursuant to these registrations.

4.3 B.C. Leasehold Tenements

The following provides a description of the nature and key terms of the B.C. Leasehold Tenements held by Montem Alberta with the B.C. Crown under the *Coal Act* (British Columbia).

- (a) **(Rights):** the right to enter, occupy and use and explore for, develop and produce coal in, on or under the lands specified in the lease.
- (b) **(Term):** an approval of a renewal term of fifteen (15) years commencing May 4, 2017, is pending with the Chief Gold Commissioner; with renewal rights for further terms of fifteen (15) years upon expiry, as provided for in the *Coal Act* (British Columbia); and to any terms and conditions prescribed by order of the Minister.
- (c) **(Conditions):** the lease provides that the grant is subject to various conditions and obligations, including:
 - (i) the payment of prescribed rent and royalties (as described below);
 - (ii) performance, observance and compliance with provisions of the *Coal Act* (British Columbia), any substitutions and amendments thereof, and any regulations made thereunder;
 - (iii) the indemnification of the B.C. Crown in prescribed cases;
 - (iv) mining operations shall be commenced on the specified lands in accordance with the provisions of the plan of operations approved by the Minister pursuant to the provisions of the *Coal Act* (British Columbia).

Columbia) and thereafter prosecuted in accordance with the *Coal Act Regulation* (British Columbia);

- (v) the B.C. Crown reserves the right to withdraw any part of the specified lands; and
 - (vi) any special provisions listed in the appendix of the agreement. See Part III.
- (d) **(Royalty):** rate as prescribed by the *Coal Act* (British Columbia) and payable, free and clear of and from all deductions, on each and every ton of coal mined from the specified lands. While mine capital costs are being recovered, a royalty (mineral tax) of 2% of the mines Net Current Proceeds is payable to the BC Crown. Upon recovery of the mine capital costs, a royalty (mineral tax) of 13% of the mines Net Current Proceeds is payable to the BC Crown.
- (e) **(Rent):** a lessee must pay to the government, in advance of the year for which it is payable, a prescribed rent in respect of the location.
- (f) **(Termination):** Under the *Coal Act* (British Columbia), the Minister may cancel a lease if the lessee (registered holder) has not complied with the Act, the lease, the *Mines Act* (British Columbia) or a permit issued under it, subject to remedy within the period specified in notice provided by the Minister.
- (g) **(Transfer):** Under the *Coal Act* (British Columbia), a disposition of a lease, or of an interest in it, is not enforceable and must not be recorded by the Chief Gold Commissioner, unless the disposition is in writing and signed by the transferor or by the transferor's agent as authorized in writing. A grantee under a disposition of a lease, or part of it, must record the document effecting the disposition with the Chief Gold Commissioner, and pay for the recording a fee the Lieutenant Governor in Council may prescribe.

4.4 Alberta Surface Lands

In terms of Montem Alberta's rights as they relate to freehold surface lands, the owner of a freehold interest and estate in fee simple in a surface title, as is the case of Montem Alberta in the Surface Lands, has broad rights to own, use, and enjoy property, subject to common law restrictions and to legislation enacted by the government which may regulate private property.

5. RIGHTS AND TITLE OF INDIGENOUS PEOPLES

This section of the Report examines the effect of the rights and title claims of Indigenous peoples on the Tenements.

The *Constitution Act, 1982* (Canada) recognizes three groups of Indigenous peoples: “Indians”, Inuit and Métis. “Indigenous peoples” is a collective term that encompasses these groups, and is the preferred term today. The term “Aboriginal” was commonly used up until recently and is found in the *Constitution Act, 1982* as well as in many of the court cases considering the rights and title of Indigenous peoples.

“First Nations” is a term that encompasses those peoples previously referred to as “Indians” under Canada’s *Indian Act*. First Nations people in Canada generally identify themselves by the local nation or band to which they belong, for example, “Piikani Nation”. They may also identify themselves by the larger ethnic group e.g. the “Mohawk” or “Cree”. There are 643 First Nations in Canada.

Aboriginal and treaty rights are constitutionally protected rights under Section 35 of the *Constitution Act, 1982* (Canada). The Crown (federal and provincial governments) are under an obligation to consult with, and possibly accommodate, Indigenous peoples when making decisions that potentially impact their Aboriginal and treaty rights. This obligation arises when federal and provincial governments are considering granting approvals or land permits for resource development (discussed further below).

Aboriginal title is one type of Aboriginal right and refers to an Indigenous group’s inherent right to the land within its traditional territory. In 1997, the Supreme Court of Canada rendered its decision in *Delgamuukw v. British Columbia*, (SCC, 1997) recognizing Aboriginal title as “a right to the land itself”, which derives from Indigenous peoples’ original occupation and possession at the time the Crown asserted sovereignty. Aboriginal title is a unique, collective and exclusive right. The 2014 *Tsilhqot’in* case was the first time a Canadian court made a clear declaration that an Indigenous community owned specifically defined lands in Aboriginal title. There remains some uncertainty as to the legal scope of Aboriginal title however, generally, Aboriginal title brings with it the jurisdiction for the First Nation to manage its own land, resources and the environment.

For the purposes of a risk assessment of possible Aboriginal title claims in southwestern Alberta and southeastern British Columbia, significant differences exist between First Nations land claims in Alberta and British Columbia, and are therefore discussed separately below.

5.1 Alberta Tenements

Alberta is made up of Treaty 6, 7 and 8 lands. Treaty 8 covers portions of Northern Alberta, British Columbia, Saskatchewan and part of the Northwest Territories. Treaty 6 covers Central Alberta and Saskatchewan (Enoch, Lac La Biche, Cold Lake, Rocky Mountain House, etc.) and Treaty 7 covers Southern Alberta.

With respect to the mining properties of Montem Alberta, such properties are located wholly in Southern Alberta within lands covered by Treaty 7.

Historically, beginning in 1701, on lands in what was to eventually become Canada, the British Crown entered into treaties to encourage peaceful relations with First Nations. Some early treaties, like the Peace and Friendship Treaties in the Atlantic region, were strategic alliances. Other later treaties, such as the Numbered Treaties including those covering Alberta, involved First Nations ceding or surrendering title and rights to the land in exchange for treaty rights. While no two treaties are identical, examples of treaty rights obtained by First Nations for ceding lands included reserve lands, farming equipment and animals, annual payments, ammunition, and certain rights to hunt and fish. The 1930 *Natural Resources Transfer Act* (Alberta) amended treaty rights in Alberta to allow for hunting, trapping and fishing for food during all seasons of the year on any unoccupied Crown lands.

In Alberta, Aboriginal title to lands and minerals is generally thought to have been ceded in exchange for treaty rights including the right to hunt, fish and trap on unoccupied Crown land vis-à-vis the historical treaties, in this particular case, Treaty 7. Treaty 7 was signed in 1877. There are five Alberta First Nations located within Treaty 7 territory:

- the Blood Tribe (Kainai Nation),
- Piikani Nation,
- Siksika Nation,
- Stoney Nakoda First Nation; and
- the Tsuu T’ina Nation.

The approximate area of the mining properties of Montem Alberta is located within the traditional territories of all five Treaty 7 Nations, particularly the Piikani Nation territory and the Blood Tribe territory.

Our review indicates that the Stoney Nakoda Nations has filed claims for Aboriginal rights and title that cover the majority of southern Alberta and portions of southern British Columbia and southern Saskatchewan. The Stoney Nakoda Nations’ current reserve lands are located along the foothills of Alberta to the north at Big Horn, Morley and Eden Valley. The Stoney Nakoda Nations’ land claim for Aboriginal title in Alberta is consistent with the location of these reserves and runs the full length along the Alberta side of the Rocky Mountains from Grande Cache to the USA border and includes the lands and minerals under the Alberta Tenements.

We assess the risk of a successful title claim by the Stoney Nakoda Nations to the lands and minerals where the Alberta Tenements are located to be “low” for two reasons. First, in order to establish Aboriginal title, the claimant must be able to establish that it had sufficient, continuous and exclusive occupation prior to European sovereignty. At the time of European sovereignty, the entire southern part of Alberta was under the exclusive occupation and control of the Blackfoot

Confederacy (i.e. the Piikani Nation, the Blood Tribe and the Siksika Nation). Accordingly, it would be very difficult for the Stony Nakoda Nations to meet this test.

The second reason is that, even if the Stoney Nakoda Nations could establish Aboriginal title, Treaty 7 contains clear language that the Nations “do hereby cede, release, surrender, and yield up to the Government of Canada for Her Majesty the Queen and her successors forever, all their rights, titles, and privileges whatsoever to the lands...”. The courts have interpreted similar cession language in other historical treaties to mean a clear extinguishment of Aboriginal title.

Finally, it should be noted that a portion of Montem Alberta’s mining properties are located on unoccupied Crown land where First Nations may exercise their treaty rights to hunt, fish and trap, which may give rise to the Crown’s duty to consult and accommodate. Our understanding is that Montem Alberta’s restart of the Tent Mountain mine has already triggered a consultation obligation on the part of the Crown with respect to Montem Alberta’s proposed activities. The procedural aspects of the consultation have been delegated to Montem Alberta as the proponent of the project.

5.2 British Columbia

The regime for First Nations and other Indigenous (e.g. Metis) interests in British Columbia is markedly different than in Alberta. B.C. is mostly unsettled and unceded territory, with the exception of Treaty 8 in the northeast corner of the province, and a handful of modern treaties on the northwest and southwest coast. All other land in B.C. is currently subject to multiple and often overlapping land claims, many of which are progressing through the BC treaty claim process. Several treaty negotiations are underway between Canada, BC, and First Nations in an attempt to settle these land claims.

In terms of assessing the risk of a claim being made for Aboriginal title to the lands and minerals on which Montem Alberta’s mining properties are situated, the risk is notionally higher in B.C. than in Alberta, given the uncaded nature of the territory.

The Ktunaxa Kinbasket Treaty Council is negotiating with Canada and BC in the BC treaty process on behalf of the Ktunaxa Nation’s four member bands. The Ktunaxa Nation is at Stage 5 of 6 stages in the process, which is the stage of negotiating an Agreement-in-Principle. An Agreement-in-Principle is the agreement that will form the basis of the treaty including setting out the defined area of Aboriginal title. It is meant to contain the essential points of agreement among the parties.

The BC Treaty Commission website includes maps of the land claims under negotiation. In addition, the Ktunaxa Nation has published a number of maps in which their claim to the “Ktunaxa Area” is well-defined. The Ktunaxa traditional territory is large and extends to the east into Alberta, however the “Ktunaxa Area”

subject to the Aboriginal land claim ends at the provincial border between B.C. and Alberta.

Assuming the accuracy of these maps, a cross-reference of the map with the location of the B.C. Leasehold Tenements indicates that the B.C. Tenements are located within the “Ktunaxa Area”, the claimed Aboriginal title area, of the Ktunaxa Nation.

The southeastern part of BC, in the Crowsnest Pass area in particular, is the home of the St. Mary's Indian Band, part of the Ktunaxa Nation. The reserve of this Nation is located quite a distance west from Crowsnest Pass however, it is likely that members of the band exercise their Aboriginal rights into the mountains in the Crowsnest Pass area, and possibly on the Alberta side of the provincial border. To the south, there is the Tobacco Plains Indian Band, which is also a member of the Ktunaxa Nation.

Both of these Nations have forestry and economic development agreements with the B.C. Crown, but none directly relating to mining.

Finally, many First Nations in BC have incremental treaty agreements (“ITA”) which allow First Nations and the Province of B.C. to enjoy shared benefits in advance of a Final Agreement under the BC Treaty Process. An ITA is a legally-binding pre-treaty agreement negotiated, under a B.C. generated process, by the Province and First Nation or First Nations at a treaty negotiation table. Currently, it does not appear that the two First Nations in the areas of southeastern BC in closest proximity to the B.C. Tenements have any ITA in place.

Based on the area of the Ktunaxa Nation land claim and their almost exclusive use of the area, we assess the risk of the BC Tenements being subject to an Aboriginal title claim as “high”. The implications of a successful Aboriginal title claim in BC are not entirely clear as there remains some uncertainty as to the legal scope of Aboriginal title. Generally, however, Aboriginal title brings with it exclusive use and control of the title lands as well as the legal jurisdiction for the First Nation to manage its own land, resources and the environment. In addition, the final scope of title is subject to the negotiated land claim settlement agreement, which is, in effect, a modern treaty. In the context of settlement negotiations, the Crown in right of British Columbia will often negotiate for third party interests to be recognized and remain intact.

Accordingly, Ktunaxa Nation may take title and there would be no change to Montem Alberta's leasehold rights in terms of term, royalty, etc. It is possible however, that they take title and attempt to renegotiate the terms of the leasehold interests with Montem Alberta. In this scenario, we think that the Ktunaxa Nation would be highly motivated to maintain the lease terms for the stability of the revenue stream.

Regardless of the outcome of Ktunaxa Nation's land claim, the development of the B.C. and Alberta Tenements may give rise to the Crown's duty to consult and accommodate as there is potential impact to Ktunaxa Nation's existing Aboriginal rights. Our understanding is that this obligation to consult has already been triggered

and that Montem Alberta is providing information to the BC Ministry of Environment to support its consultation process as well as engaging directly with the Ktunaxa.

6. ACCESS ON CROWN OR THIRD PARTY OWNED LANDS

6.1 Introduction

This section of the Report examines the ways and means for access to and use of the surface lands comprising the Tenements. Except for the Surface Lands, Montem Alberta will have to access the Tenements through surface lands that are owned by other parties, including the Crown.

6.2 Alberta

Rights to use surface lands for access to mining properties are established in Alberta on the basis of the ownership of lands.

Crown Lands

Access to and use of Crown lands is governed by the *Public Lands Act* (Alberta) and is administered by the Alberta Energy Regulator (“AER”) for energy projects.

Access to and use of Crown lands specified within in a coal lease agreement with the Alberta Crown requires a mineral surface lease (“MSL”), obtained through application to the AER. Applicants for MSLs for coal exploration and coal mines are currently encouraged to complete First Nations consultation and obtain consent before making an application. However the AER is considering mandating up-front completion of First Nations consultation and third party occupant consent requirements for all *Public Lands Act* dispositions prior to the filing of disposition applications.

Further, in instances where public lands are subject to prior interests registered by third parties that spatially overlap with a proposed MSL, the applicant is required to obtain consent from the holder of those prior rights (e.g. oil and gas facility, forest permit holder). The grant of an MSL does not grant the MSL holder any special treatment or priority over any other previously registered interests. Accordingly, when Montem Alberta elects to pursue obtaining an MSL, Montem Alberta will need to seek the consent of those third parties. This may involve accommodating or compensating the third party for the potential impact to its interests. Where Montem Alberta is unable to secure consent from a third party, a third party may file a statement of concern to the AER and the AER will make a decision as to whether to grant the MSL in the public interest and may, if circumstances warrant, hold a public hearing to make its decision (see section 7.5 below).

In regard to current interests registered by third parties on Crown lands in the Tent Mountain mine, we have examined the Public Land Standing searches dated January 23, 2020, which contain information specific to any surface interest and/or activity

on a given quarter section of Crown land. We note that there are a number of third party interests as well as specific provincial land management policy objectives that may need to be addressed by Montem Alberta as part of the MSL application (accommodation and/or compensation). The applicable requirements will depend on whether or not the proposed mining activities potentially impact those third party interests. We have limited information with respect to how these impacts may potentially impact third parties and are therefore unable to determine whether the proposed mining activities will lead to concerned or objecting third parties. As noted above, in the event statements of concerns are filed by potentially impacted third parties, the AER may decide to hold a public hearing before it makes a determination as to whether to approve the MSL application.

In the future, when Montem Alberta elects to pursue obtaining additional MSLs for the properties other than the Surface Lands (e.g. the Chinook properties), Montem Alberta will need to seek the consent of any third parties potentially impacted by the its surface activities. This may involve accommodating and/or compensating the third party for the potential impact to its interests. Where Montem Alberta is unable to secure consent from a third party, a third party may object to the AER and the AER will make a decision as to whether to grant the MSL in the public interest. Given the lack of certainty as to which specific Chinook properties, or where, may be developed in the future, we are unable to determine today whether or not there will be an issue with third parties at any point in the future.

Use and occupancy of Crown lands for road access is obtained by the issuance of a License of Occupation (“**LOC**”), also issued by the AER. Applicants for LOCs are also subject to the First Nations consultation process identified above.

Montem Alberta has entered into a road access agreement with 770538 Alberta Ltd, the holder of a subsisting LOC, which licenses Montem Alberta to use the main access road (a public road) to the Tent Mountain mine area. This agreement is for a term of one (1) year, and is renewable annually for one (1) year extensions at the option of Montem Alberta, provided that the term has not then expired, the licensee is not in default, and the annual rent has been paid in advance. The annual rent is to be reviewed in advance of a renewal for the fifth (5th) renewal year, which would commence on January 1, 2024.

Montem Alberta has also entered into a road access agreement with Pat Dwyer Const. Inc. and Great Excavations Inc., the holder of a subsisting LOC, licensing Montem Alberta to use the main access road to the Chinook Project area. This agreement is for a term of one (1) year, and is renewable annually for one (1) year extensions at the option of Pat Dwyer Const. Inc. and Great Excavations Inc., with the rent for any such one (1) year extension to be determined solely by Pat Dwyer Const. Inc. and Great Excavations Inc. at their discretion.

If, for any reason, these road access agreements are terminated or not renewed, Montem Alberta will have the right to negotiate for use of the roads. Under Section 98 of the *Public Lands Administration Regulation and the Specified Enactments (Jurisdiction) Regulation*, the AER has the authority to consider a request by a

commercial user to use a road licensed in relation to an energy resource activity. A commercial user that requires the use of a licensed road for its commercial or business activities may file an application with the AER if it has been unsuccessful in reaching an agreement with the holder of the licence of occupation (the licensee).

Access to lands other than Crown lands is available through a Right of Entry Order issued by the Alberta Surface Rights Board, as discussed below.

Freehold Lands

Access to and use of freehold lands not owned by Montem Alberta is subject to negotiating and reaching an agreement with the owner or occupant of the freehold lands.

In the event such agreement is not reached, a right of entry order may be obtained by an operator as defined under the *Surface Rights Act* (Alberta), meaning a person having the right to a mineral (including coal) or the right to work it.

The right to work a mineral is established by the person/operator holding any required license or permit in respect of the activity to which entry and occupation is required.

If an operator fails to obtain the consent of a landowner/occupant regarding access to freehold land, the Alberta Surface Rights Board may grant a Right of Entry Order. Right of Entry Orders will specify the portion of land they apply to and may be subject to any conditions the Board considers appropriate. A Right of Entry Order grants the operator all rights to the surface to conduct its operations other than a right to a certificate of title, or the right to take sand, gravel, clay, or any substance forming part of the surface of the land. The operator also has the right to excavate or disturb any minerals in the land granted as necessary for the operations.

Operators who exercise a Right of Entry Order must pay an entry fee (on freehold land only) prior to entry which is in addition to any compensation payable. If the operator and landowner/occupant cannot agree on a rate of compensation, the Board will hold proceedings to assist the parties in resolving the dispute. If the parties agree on a rate of compensation after a Right of Entry Order has been issued, they may ask the Board to issue an order confirming their agreement.

Utility Rights of Way

Certain of the Tenements located in Alberta have a utility right of way or utility easement (“UROW”) registered upon the certificated surface land associated with the Tenement. The rights of way have generally been granted to energy companies and utilities (for Leasehold Tenements) and to an electric utility (Freehold Tenements). See Parts I and II. The general terms of a UROW permit or do not prohibit free access to and use of lands comprising the UROW by the Grantor or any person having a right through the Grantor (Montem Alberta in the case of Freehold and Leasehold Tenements, respectively), provided that such access and use shall not

impede, hinder, obstruct, interrupt or interfere with the Grantee in the exercise of its rights under the UROW or upon its work, equipment or apparatus located within the UROW, and provided further in certain cases the prior written consent of the Grantee is required.

By its terms, the effect of Grantor's restrictions and obligations under a UROW may be to restrict the mining method to underground methods, or to require temporary relocation of utility infrastructure by the Grantor in the conduct of mining operations. However, the registered UROWs upon the Tenements are for future utility use on the affected lands, which in turn is tied to the use of the lands for mining by Montem Alberta, such that the utility infrastructure would be placed and operated having regard for the mining operations. Accordingly, mining operations would not likely be materially affected or disrupted by the presence of future utility infrastructure on lands related to the Tenements.

6.3 British Columbia

The B.C. Leasehold Tenements are located on lands which are contiguous with and adjacent to Alberta Tenement locations connected with the Tent Mountain mining area. As such, access to the mining area is assumed to be obtained via the current access road located in Alberta and addressed in Section 6.2 above.

The *Mineral Tenure Act* (British Columbia) sets out the authority of the B.C. Surface Rights Board to settle matters of dispute arising from rights acquired under the *Mineral Tenure Act* in respect of entry, taking of right of way, use or occupation, security and rent and compensation. The *Mining Right of Way Act* (British Columbia) provides for the authority of the Surface Rights Board to settle disputes arising from the use of access roads for mining purposes.

7. ENVIRONMENTAL AND REGULATORY MATTERS

Montem Alberta operations will encompass activities that will trigger requirements for regulatory approvals, licences and permits (“**Regulatory Approvals**”). While resource development generally falls under provincial jurisdiction, environmental matters are regulated by both provincial and federal governments and therefore federal environmental regulation also applies.

The main Regulatory Approvals required are the same regardless of whether the subject lands are owned by the Provincial Crown or by freehold title. Regulation of resource development and the environment are generally the same on Crown and private lands, as would be relevant to the operations of Montem Alberta.

The following is a non-exhaustive overview of the key environmental and regulatory requirements for Alberta, British Columbia, and Canada.

7.1 Regulatory Process in Alberta

The following is a general outline of the Provincial regulatory scheme applicable to coal projects in Alberta.

In Alberta, coal projects are regulated by the Alberta Energy Regulator (“AER”) which administers a number of environmental and resource-related statutes including the *Responsible Energy Development Act* (“REDA”), the *Environmental Protection and Enhancement Act* (“EPEA”), the *Water Act*, the *Coal Conservation Act* (“CCA”), the *Public Lands Act* (“PLA”), and the associated regulations.

- (a) **(CCA):** The starting point for Regulatory Approvals in Alberta is to obtain a mine permit under the CCA. Section 10 of the CCA requires an operator to hold a permit prior to commencing any exploration or development activities. Once issued, a permit will define a geographical area where mining activities can occur, subject to obtaining the required Regulatory Approvals.

After, or in conjunction with, obtaining a mine permit, an operator is required to hold a mine licence prior to commencing any mining operations or resuming previously suspended operations (CCA section 11). Often an operator will apply for a licence at the same as they apply for a mine permit to streamline the regulatory process. The licence often incorporates detailed mine plans submitted with the licence application. An application for a licence may trigger a public hearing under REDA section 34, or an appeal hearing under REDA section 40 (if there was no hearing when the licence was initially issued). In the event, statements of concern are received, the application may go through a full, public hearing process, which can take 12 to 18 months from the time of application to the AER decision report.

- (b) **(EPEA):** A Regulatory Approval for a coal project is also required under EPEA, Alberta’s primary environmental statute. Section 60 of EPEA provides that an approval is required for activities designated under the regulations. Schedule 1, Division 3, sections (a) and (g) of the *Activities Designation Regulation* list the construction, operation or reclamation of a mine or coal processing plant, respectively, as designated activities requiring an EPEA approval.

Also under EPEA, an Environmental Impact Assessment (“EIA”) is required for any mandatory activities, as identified in the regulations, or other non-mandatory activities as determined by the designated director or Minister under sections 45 or 47, respectively (based on whether the potential environmental impacts warrant further consideration). The *Environmental Assessment (Mandatory and Exempted Activities) Regulation* lists a surface coal mine producing more than 45,000 tonnes per year, and a coal processing plant as mandatory activities requiring an EIA.

- (c) **(Water Act):** An approval under the *Water Act* is required for any activity that may impact a water body or groundwater. This is a broad requirement that covers many things such as removing wetland vegetation, and excavating below the water table. In addition to an approval, a licence under the *Water Act* would be required for any diversion of water, including activities such as pit dewatering.
- (d) **(PLA):** We understand that Montem Alberta's operations will be on both Provincial Crown and private lands. The PLA applies to most Provincial Crown lands, subject to a few exceptions. Under PLA section 3, title to the beds and shores of all permanent and naturally occurring bodies of water including wetlands, rivers, streams, watercourses and lakes, is vested in the Government of Alberta. As discussed above, water and the use of water is managed under the *Water Act*. Operations on public lands may require surface dispositions under the PLA authorizing entry and ground disturbance activities, and subject to leases issued pursuant to the *Mines and Minerals Act*. Reclamation and other environmental requirements under PLA dispositions would likely be reflected in other Regulatory Approvals. Further discussion on considerations under the PLA are provided above in section 6.2 of this opinion.

7.2 Regulatory Process in British Columbia

The following is a general outline of the Provincial regulatory scheme applicable to coal projects in British Columbia.

In British Columbia, coal projects are regulated by the Ministry of Energy, Mines and Petroleum Resources ("MEMPR"), the Ministry of Environment and Climate Change Strategy ("ENV") and the Environmental Assessment Office ("EAO"). These agencies are responsible for overseeing a number of environmental and resource-related statutes including: the *Mineral Tenure Act*, the *Coal Act*, the *Mines Act*, the *Environmental Management Act* ("EMA") and the *Environmental Assessment Act* (the "BCEAA").

The *Mineral Tenure Act*, the *Coal Act* and regulations under these acts apply to free miners and recorded holders of mineral titles, and coal licensees and lessees as well as any person operating on a mineral or coal title. MEMPR's regulatory authority under these acts applies on all "mineral lands" and "coal lands". Under section 1 of the *Coal Act*, "coal land" is defined as "land in which the coal or the right to explore for, develop and produce coal is vested in or reserved to the government".

- (a) **(Mines Act):** The Mines Act and the accompanying *Health, Safety and Reclamation Code for Mines in British Columbia* (the "Code") protect workers, the public and the environment through provisions for minimizing the health, safety and environmental risks related to mining activities. The *Mines Act* and the Code apply to all mines in British Columbia.

Proposed major mines (e.g., metal and coal), major expansions/upgrades to existing mines, and some large-scale exploration/development projects require approval under the Mines Act as per part 10 of the Code.

The *Mines Act* provides that a permit is required prior to undertaking any work in, on or about a mine. Section 10 of the *Mines Act* provides that to obtain a permit a proponent must submit a Notice of Work as prescribed by an inspector. An inspector is the statutory decision maker for *Mines Act* permits. The details to be included in the Notice of Work are set out under section 10 of the *Mines Act*.

Section 9.2.1 of the Code provides that prior to undertaking proposed exploration activities, a Notice of Work must be submitted to the inspector. Only proposed exploration activities, which involve mechanical disturbance of the surface require a permit under the *Mines Act*. Mechanical disturbance is defined as activities including drilling, blasting, disturbance of the ground by mechanical means, construction, modification, deactivation and reclamation of an exploration access, induced polarization surveys using exposed electrodes, and site reclamation. A permit is not required for exploration activities that generally do not involve mechanical disturbance of the surface, such activities include: prospecting using hand-held tools, geological and geochemical surveying, airborne geophysical surveying, ground geophysical surveying without the use of exposed, energized electrodes, hand trenching without the use of explosives, and establishment of grid lines that does not require the felling of trees unless permitted under the definition.

Section 10.1.2 of the Code provides that a permit under section 10(1) of the *Mines Act* is required for either: surface or underground development or production for coal and mineral mines, or major expansions or major modifications of existing producing coal and mineral mines; or underground exploration requiring excavation, large pilot projects, bulk samples, trial cargos or test shipments. Section 10.1.3 of the Code sets out the requirements for application for proposed coal and mineral mines, which include: detailed designs for all project components and phases of mine life, detailed engineering designs, management plans, and monitoring programs. Planning needs to be sufficiently detailed to ensure the health and safety of mine personnel and the public as well as the protection and reclamation of the land and watercourses affected by mining activities.

Applications for *Mines Act* permits, including applications for exploration programs, are typically referred by MEMPR to other agencies and First Nations to review and provide comments that inform the inspector when making a decision on whether to issue a permit. Depending on the complexity of the proposal, an application is reviewed by either the relevant regional Mine Development Review Committee or a project-specific Mine Review Committee before the inspector makes a decision. The referral

process to First Nations is the Crown process that helps to satisfy any duty to consult obligations.

- (b) **(Coal Act):** The *Coal Act* authorizes the registration of coal titles with the Province and provides the policy framework for Mineral Titles administration. After, or in conjunction with, obtaining a mine permit, an operator is required to hold a coal licence prior to commencing any exploration for and development of coal. Section 9 of the *Coal Act* provides that the licensee has the exclusive rights to explore and develop coal on the licence location. This exploration tenure has a production limited to 100,000 tonne sample for testing purposes, subject to approval under the *Mines Act*. The term for a coal license is 1 year.

Once a coal license has been issued by the Mineral Titles Branch, the operator may apply pursuant to section 18 of the *Coal Act* for a coal lease. A coal lease grants the exclusive right to explore for, develop and produce coal on the lease location. The initial term for a coal lease is 30 years followed by 15 years upon renewal.

- (c) **(Environmental Management Act):** The EMA regulates industrial and municipal waste discharge, pollution, hazardous waste and contaminated site remediation. The EMA provides the authority for introducing wastes into the environment, while protecting public health and the environment. The EMA enables the use of permits, regulations and codes of practice to authorize discharges to the environment and enforcement options, such as administrative penalties, orders and fines to encourage compliance. Guidelines and objectives for air and water quality are developed under the EMA.

An authorization under the EMA may include: a registration or notification under a regulation or code of practice, a permit, approval, waste management plan or operational certificate. Authorizations for mining under EMA are issued by the Ministry of Environment's Environmental Protection Division Mining Authorizations team.

The *Waste Discharge Regulation* (the "WDR") defines what industries, activities and operations require authorizations to discharge or release waste to the air, water, and land under the EMA. Waste discharge authorizations are required for the following:

- Effluent discharges (e.g., tailings pond supernatant, mine-influenced run-off and sewage);
- Air emissions (e.g., refuse incinerator emissions, emissions from large power-generating plants, emissions from milling processes, etc.); and

- Solid wastes (e.g., mill tailings, water-treatment plant sludge, municipal and industrial refuse, etc.).

The industries, activities and operations requiring waste discharge authorizations are set out in the two schedules within the WDR. Schedule 1 list the “mining and coal mining industry”, which is defined as establishments engaged in the mining of, or activities related to the mining of, metals, non-metals, coal, gemstones or industrial mineral ores or in beneficiating mineral ores but does not include: establishments located in areas or places defined as "exploration sites" in section 65 of the Act, or gravel, sand, crushed rock or dimensional stone quarries;

A permit under section 14 of the EMA authorizes an ongoing/long term discharge of waste to the environment to ensure protection of human health and the environment. Some of the terms and conditions include limiting the quantity and quality of waste discharge contaminants, monitoring the discharge and the receiving environment, and reporting information to the ENV.

An approval issued under section 15 of the EMA is similar to an EMA permit, but it is issued for short-term discharges, up to a maximum of 15 months duration. An approval may be amended, suspended, cancelled or transferred and will automatically expire at the end of its term. If a discharge is expected to go beyond the maximum 15-month discharge period, a permit is required.

- (d) **(BCEAA):** Proposed major mines and major expansions to existing mines in British Columbia typically require environmental assessment (“EA”) certificates. The EAO manages the assessment of proposed major projects in British Columbia as required by the BCEAA. The environmental assessment process in British Columbia evaluates the potential environmental, economic, social, heritage and health impacts of proposed projects, as well as potential impacts to First Nations interests.

Section 6 of the BCEAA provides that no person may: undertake or carry on any activity that is a reviewable project; or construct, operate, modify, dismantle or abandon all or part of the facilities of a reviewable project without first obtaining an environmental assessment certificate or an exemption order.

Section 6 of BCEAA provides that an environmental assessment certificate is required for any reviewable project, as identified in the regulations, or that is designated as a reviewable project as determined by the Minister or the Chief Executive Assessment Officer under section 11 or 12, respectively.

The *Reviewable Projects Regulation* lists a new coal mining facility producing more than 250,000 tonnes/year of clean coal or raw coal or a combination of both. A reviewable project also includes a proposed

modification to an existing coal mining facility that will result in the disturbance of at least 750 hectares of land that was not previously permitted for disturbance or an area of land that was not previously permitted for disturbance and that is at least 50% of the area of land that was previously permitted for disturbance at the existing facility. The Regulation defines “facility” as “one or more physical works or structures that have been or will be constructed as part of a project”.

- (e) **(MEMPR Regulatory Authority):** MEMPR’s regulatory authority applies to all metal mines, including precious and base metal mines, coal mines, industrial mineral (e.g. silica, limestone) mines, rock quarries, sand and gravel (aggregate) operations, and placer mines.

MEMPR’s regulatory activities take place during all phases of the mining life cycle including exploration, development, construction, production, reclamation, closure and post-closure. Regulation includes approving mining activities (including reclamation programs) through the issuance of permits under the *Mines Act* and establishment of site specific requirements (e.g., permit conditions). Regulation also includes compliance verification activities (e.g., reviews, audits, and inspections) and enforcement.

7.3 Federal Law and Regulations

On August 28, 2019, the *Impact Assessment Act*, the *Canadian Energy Regulator Act*, and the *Canadian Navigable Waters Act* came into force. These new acts are the primary federal statutes that may apply to the operations of Montem Alberta.

- (a) **(*Impact Assessment Act*):** The *Impact Assessment Act* (“**IAA**”) creates the new Impact Assessment Agency of Canada (the “**Agency**”) and repeals the *Canadian Environmental Assessment Act*, 2012. The IAA sets out the process for conducting an Impact Assessment in relation to certain projects. The *Physical Activities Regulations*, also known as the “Project List”, identifies the types of projects that may require an impact assessment under the IAA, because they have the greatest potential for adverse effects in areas of federal jurisdiction related to the environment. If the proposed project is described on the Project List, it will go through an initial planning and engagement phase where potential impacts are discussed and reviewed with the public and Indigenous peoples at the outset. The planning and engagement phase begins with the Proponent submitting an Initial Project Description to the Agency. Designated projects under the *Physical Activities Regulations* includes the construction, operation, decommissioning and abandonment of a new coal mine with a coal production capacity of 5,000 t/day or more (section 18(b)); and the expansion of an existing coal mine, if the expansion would result in an increase in the area of mining operations of 50% or more and the total coal production capacity would be 5,000 t/day or more after the expansion (section 19(a)).

In addition, the Minister of Environment and Climate Change has the ability to designate a physical activity as a designated project under section 9(1) of the IAA, either by request or under his or her own initiative, if he or she is of the opinion that either the carrying out of that physical activity may cause adverse effects within federal jurisdiction or adverse direct or incidental effects, or public concerns related to those effects warrant the designation. The ability of the Minister to make the designation continues until such time as the carrying out of the physical activity has substantially begun (section 9(7) of the IAA).

The federal impact process includes a planning and engagement phase where the public and Indigenous peoples are invited to provide information and contribute to planning the assessment. The proponent is then provided with clear requirements for the information and studies needed for the Impact Statement. The impact assessment considers potential environmental, health, social and economic impacts of proposed projects, including benefits and potential impacts on Aboriginal and treaty rights. The final Impact Assessment Report and Crown consultation outcomes informs the Minister or Governor in Council decision on whether a project's adverse impacts are in the public interest.

The IAA sets out legislated timelines for the impact assessment process. The Agency must finalize its Impact Assessment Report and submit it to the Minister no later than 300 days after it determined that the proponent provided all required information. The Minister may also refer the impact assessment to a review panel if in the Minister's opinion doing so is in the public interest. If an assessment is referred to a review panel, the Agency sets the timelines for the review panel to submit its report and recommendations. This can be up to a maximum of 600 days. These timelines may be extended where circumstances warrant.

There are provisions in the new IAA that allow for coordination between a federal and a provincial impact process however, notwithstanding new measures to improve the timing of a specific impact assessment process, these joint processes can be extensive and can potentially take several years to complete.

On April 28, 2020, Montem Alberta received e-mail correspondence from the Agency confirming that, based on the information provided, the Tent Mountain Mine Expansion Project (the "**Project**") does not appear to meet the thresholds for coal production capacity as described in the *Physical Activities Regulations* under the IAA. As such, the Agency has determined that the Project, as presented, is not a designated physical activity under the IAA and that the submission of an initial project description is not required.

The email correspondence from the Agency also notes the Minister's power under section 9(1) of the Act to designate the Project, if, in the Minister's opinion, the carrying out of Project activities may cause adverse

environmental effects or public concerns related to those effects warrant the designation.

Accordingly, the restart of Tent Mountain has passed the first (and significant) regulatory hurdle with the Agency's confirmation that it is not a designated physical activity under the *Physical Designation Regulations* and therefore, not subject to a mandatory federal impact assessment.

The Project, however, still carries the risk of a federal impact assessment in the event the Minister exercises his or her discretion and forms an opinion that the adverse environmental effects or public concerns warrant the designation. A federal impact assessment could mean that obtaining the necessary regulatory and environmental approvals may be delayed, more expensive than expected or not obtained at all. This risk can be mitigated by a comprehensive and effective Indigenous and stakeholder relations program and by reducing any new, adverse environmental effects from the Project to as few as possible.

With respect to the construction of a new coal mine with a coal production capacity of 5,000 t/day or more at one of the other Chinook properties will likely trigger both a federal and a provincial environmental impact assessment. As described above, there are provisions in the new IAA that allow for coordination between a federal and a provincial impact process however, notwithstanding new measures to improve the timing of a specific impact assessment process, these processes can be extensive and can potentially take several years to complete. Accordingly, a new coal mine carries the risk that obtaining the necessary regulatory and environmental approvals may be delayed, more expensive than expected or not obtained at all.

- (b) **(Fisheries Act):** The *Fisheries Act* applies to all fish and fish habitats. Under section 2 “fish” includes all parts of fish, shellfish, crustaceans and marine animals, in all life stages (eggs, sperm, spawn, larvae, spat juvenile and adult stages); and “fish habitat” is defined as “water frequented by fish and any other areas on which fish depend directly or indirectly to carry out their life processes, including spawning grounds and nursery, rearing, food supply and migration areas”. The *Fisheries Act* prohibits the carrying out of work or an activity that results in the death of fish, other than by fishing under section 34.4(1) and the harmful alteration, disruption or destruction of fish habitat under section 35(1). A person may carry on a work, undertaking or activity without contravening section 34.4(1) or 35(1) if authorized by the Minister.

The *Authorizations Concerning Fish and Fish Habitat Protection Regulations* (the “**Regulations**”), provides the process for the submission and review of applications for *Fisheries Act* authorizations, as well as a scheme to support applications to amend, suspend or cancel previously issued authorizations. Section 36(3) prohibits any person from depositing or

permitting the deposit of a deleterious substance of any type in water frequented by fish or in any place under any conditions where the deleterious substance may enter such water. “Deleterious substance” means any substance that degrades or alters the water and makes it harmful to fish or fish habitat. Depositing a deleterious substance is allowed if authorized under the regulations.

- (c) **(MBCA):** The *Migratory Birds Convention Act*, 1994 (“**MBCA**”) and *Migratory Birds Regulations* are the result of a Convention signed between the United States and Canada directed at the protection and preservation of migratory birds and migratory bird habitats. Under the MBCA, it is prohibited to disturb, destroy or take a nest, egg or nest shelter of a migratory bird or have in one’s possession a live migratory bird, carcass, skin, nest or egg of a migratory bird except under authority of a permit issued pursuant to section 6 of *Migratory Birds Regulations*. It is also prohibited to deposit or permit to be deposited oil, oil wastes or any other substances harmful to migratory birds in any waters or any area frequented by migratory birds. There are no permits, other than scientific permits, for disturbing, destroying, or taking a nest, egg, or nest shelter of a migratory bird, nor for depositing or permitting to be deposited oil, oil wastes or any other substances harmful to migratory birds in any waters or any area frequented by migratory birds; these activities are strictly prohibited by the legislation.
- (d) **(Canadian Navigable Waters Act):** The *Canadian Navigable Waters Act* applies to anyone, who is an owner of work on navigable waters; dealing with interferences to navigation in navigable waters; or planning something that will affect navigation in navigable waters. Under the Act, approvals for designated major projects on any navigable water will only be issued after an impact assessment is complete and the project is approved.

The purpose of the Act is to regulate “works” that may interfere with navigation in navigable waters. “Works” include any structure, device or thing – temporary or permanent – made by humans that is in, on, over, under, through or across any navigable water. “Navigable water” means a body of water, including a canal or any other body of water created or altered as a result of the construction of any work, that is used or where there is a reasonable likelihood that it will be used by vessels, for any part of the year as a means of transport or travel for commercial or recreational purposes, or as a means of transport or travel for Indigenous peoples of Canada exercising rights recognized and affirmed by section 35 of the *Constitution Act, 1982*, and there is public access, by land or by water; there is no such public access but there are two or more riparian owners; or the only riparian owner is either the Federal Government or a Provincial Government.

All major works require an application for approval from Transport Canada on navigable waters (scheduled and non-scheduled). Minor works, are

subject to pre-determined requirements on all navigable waters. Additionally, the Act contains a list of waterways (the “Schedule”). Any works listed in the Schedule are subject to extra oversight. The Act includes new criteria and a process for adding navigable waters to the list. The following 7 waterways in Alberta are listed as requiring an approval under the Act:

- (i) Bow River (From Ghost Lake to the South Saskatchewan River)
- (ii) Peace River (from Williston Lake to the Slave River)
- (iii) Lake Athabasca (the lake’s water boundary includes the mouths of all connecting waterways)
- (iv) Clearwater River (from the Mirror River to the Athabasca River)
- (v) Athabasca River (from the confluence with Whirlpool River to Lake Athabasca)
- (vi) North Saskatchewan River (from the confluence with the Ram River to the confluence with the South Saskatchewan River)
- (vii) South Saskatchewan River (from the confluence of the Bow River and Oldman River to the confluence with the North Saskatchewan River)

7.4 Current Regulatory Approvals

Montem Alberta holds the following Regulatory Approvals issued by Alberta:

- (a) Coal Mining Permit No. 85-16G, as amended (the “**Mining Permit**”) and issued by the AER; and
- (b) Approval No. 00047679-02-00 (the “**EPEA Approval**”) as issued by the AER .

The Mining Permit: This permit generally authorizes a surface coal mine in the Tent Mountain Area that will allow the orderly development of the coal resources in a manner that will not compromise preservation of the environment. The Mining Permit covers lands described as 750 hectares, more or less, in Township 7, Range 6, West of the 5th Meridian; a map is included as Appendix A to the permit. Section 7 expressly requires the Company to satisfy all other Provincial environmental requirements. Section 9 expressly provides that a “**Mine Licence**” is required before operations can resume. The Mining Permit was issued in 1985 and does not show an expiry date.

The EPEA Approval: This Approval applies to specific lands listed in section 1.1.2(k), including lands in:

- Township 8, Range 5, West of the 5th Meridian;
- Township 7, Range 5, West of the 5th Meridian; and
- Township 7, Range 6, West of the 5th Meridian.

The EPEA Approval appears to cover more lands than those under the Mining Permit, this could result from the EPEA Approval including items such as roadways that are not covered under the Mining Permit. Careful review of the lands covered under each applicable Regulatory Approval is recommended prior to commencing activities.

The EPEA Approval has an expiry date of August 28, 2021. The EPEA Approval expressly provides at section 3.1.1 that the Company:

shall obtain an amendment to this approval before creating any new disturbance to the land surface of the mine, undertaking any new construction or refurbishing an existing portion of the mine to operational status.

Accordingly, any further operations at the mine in the Tent Mountain Area appears to require an amendment to the EPEA Approval.

We understand that an EIA was completed for the Tent Mountain Area. However, given the passage of time and changes to the regulatory scheme, a new EIA may be required under EPEA sections 45 or 47 to support the EPEA amendment application.

Our understanding is that the AER has informed Montem Alberta that a new EIA is required for the processing plant as it has been identified as a mandatory activity under the *Environmental Assessment (Mandatory and Exempted Activities) Regulation*. Once Montem Alberta submits the EIA document, the EIA process will be coordinated with, and likely become part of, the application process for the Mine License and MSL. In the event, statements of concern are received, the applications may go through a 12 to 18 month public hearing process as discussed above in section 7.1(a) (Note this is the same 12 to 18 months, not additive).

7.5 Additional Regulatory Approvals Needed by Montem Alberta

Mine permits, mine licences and EPEA approvals are needed for all mining areas. As discussed above, a Mining Permit and EPEA Approval are currently held for the Tent Mountain Area, however, a Mine Licence will still be required before any operations can commence. As discussed above, applying for a Mine Licence has the same regulatory process considerations as those that apply to the Mining Permit and EPEA Approvals including the possibility of triggering a public hearing if statements of concerns are received. .

Other than the guidance above, we are not in a position to comment on specific additional Regulatory Approvals that will be needed as that will be dictated by the

particular mining plans and site conditions for the respective areas. In addition, the potential for regulatory changes may impact the Regulatory Approvals needed at a future date.

Engagement by Montem Alberta with any affected stakeholders and landowners and Indigenous communities will be required in connection with applications for Regulatory Approvals.

In addition, and as discussed above in section 6, the Crown's obligation to consult with, and possibly accommodate, Indigenous peoples is required where potential development activities potentially impacted their rights. Applications for federal and provincial environmental and regulatory approvals will normally trigger this duty.

From our review, it is clear that consultation, as mandated by the Alberta Aboriginal Consultation Office and the BC Ministry of Environment, will be required in connection with the Regulatory Approvals issued by the provincial regulators including those related to the restart of Tent Mountain and the Chinook coal exploration program. The federal Crown's duty to consult will be invoked should Montem Alberta require any Regulatory Approvals under federal jurisdiction.

Provided that Montem Alberta can meet all regulatory and environmental requirements and provides appropriate measures and commitments to mitigate potential impacts to the environment and the rights of First Nations and other stakeholders, the likelihood of ultimately obtaining all requisite environmental and regulatory approvals is high.

7.6 Reclamation

Montem Alberta will be required to reclaim all areas where future mining activities are undertaken. Reclamation requires returning the area to equivalent land capability. Reclamation obligations may be required under Regulatory Approvals, such as an EPEA approval and mine licence, and other general legislated remedial obligations. Regulatory closure for a mined area will require AER certification that reclamation obligations have been fulfilled.

To the extent previously mined areas are re-opened, the AER will apply the standards of the day to the further reclamation. New standards may exceed those from past approvals and certificates, and Montem Alberta will be responsible to meet the new standards. In addition, it is generally accepted that operators will include Indigenous peoples in the reclamation planning and implementation process as part of their engagement and consultation obligations.

Areas previously mined by former operators, and which are not-reopened for further and additional mining by Montem Alberta, and which have been issued a reclamation certificate are not subject to further obligations or liability.

We have not reviewed any previously issued reclamation certificates for their application to the Tenements.

8. QUALIFICATIONS AND ASSUMPTIONS

This Report is subject to the following qualifications and assumptions:

- a. we have assumed the accuracy and completeness of all Searches, register extracts, maps and other information or responses which were obtained from the relevant department or authority including the departments and Ministries of the Province of Alberta and the Province of British Columbia;
- b. this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our Searches and the information provided to us;
- c. we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorized, executed and delivered and are binding on the parties to them;
- d. we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;
- e. unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;
- f. with respect to the application for the grant or renewal of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;
- g. references in Parts I, II, III and IV of this Report to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey;
- h. the information in Parts I, II, III and IV of this Report is accurate as at the date the relevant Searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;
- i. we have assumed the due and punctual payment of all rents and royalties as may be necessary to maintain a Tenement in good standing, although we are not aware of any default in any payment obligations;
- j. references to laws and enactments in this Report are to those in force as of the date hereof; and

- k. we have not conducted searches of the relevant authorities in respect of any contamination or pollution of lands located in the Tenements.

9. CONSENT

This report is given for the benefit of the Company and the directors of the Company in connection with the issue of, and to be incorporated into, the Prospectus and its registration and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any other public document or filed with any other government body or other person without our prior consent.

Yours truly,

McLENNAN ROSS LLP

Per: *McLennan Ross LLP*

DIE/dld

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PART I – Freehold Tenements

PROSPECT AREA	INTEREST	LAND TITLE CERTIFICATE NUMBER	ACRES	HECTARES	REGISTRATIONS (D/M/Y)
CHINOOK PROJECT	All Coal and the right to work same	181 088 180 +27	640.0	259.0	1.) 5004AE – Instrument – 06/03/1911 2.) 5006AE – Instrument – 06/03/1911 3.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Coal and the right to work same	181 088 180 +28	640.0	259.0	1.) 5002AE – Instrument – 06/03/1911 2.) 5005AE – Instrument – 06/03/1911 3.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Coal and the right to work same	181 088 180 +29	640.0	259.0	1.) 4766AQ – Instrument – 22/02/1913 2.) 1228AQ – Instrument – 16/12/1912 3.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Coal and the right to work same	181 088 180 +30	320.0	129.5	1.) 5007AE – Instrument – 06/03/1911 2.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Coal and the right to work same	181 088 180 +31	635.0	257.0	1.) 7100Z – Instrument – 30/09/1913 2.) 5310AU – Instrument – 30/10/1913 3.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Coal and the right to work same	181 088 180 +32	320.0	129.5	1.) 5008AE – Instrument – 06/03/1911 2.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Coal and the right to work same	181 088 180 +33	320.0	129.5	1.) 5001AE – Instrument – 06/03/1911 2.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Coal and the right to work same	181 088 180 +34	320.0	129.5	1.) 5003AE – Instrument – 06/03/1911 2.) 181 094 504 – Caveat – 08/05/2018
TENT MOUNTAIN MINE	All Mines and Minerals	181 088 180	20.1	8.1	1.) 4848AL – Instrument – 31/08/1912 2.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Mines and Minerals and the right to work same	181 088 180 +1	90.0	36.4	1.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Mines and Minerals and the right to work same	181 088 180 +7	325.0	131.5	1.) 5636AE – Instrument – 27/03/1911 2.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Mines and Minerals (right to work same for SW)	181 088 180 +8	320.0	129.5	1.) 2585K – Instrument – 21/01/1905 2.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Mines and Minerals (right to work same for SE)	181 088 180 +9	320.0	129.5	1.) 4846J – Instrument – 16/06/1904 2.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Mines and Minerals	181 088 180 +10	613.5	248.3	1.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Mines and Minerals	181 088 180 +11	640.0	259.0	1.) 584T – Instrument – 14/04/1908 2.) 5468T – Instrument – 19/08/1908 3.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Mines and Minerals	181 088 180 +12	30.0	12.1	1.) 3848Y – Instrument – 30/08/1909 2.) 181 094 504 – Caveat – 08/05/2018
TENT MOUNTAIN MINE	All Mines and Minerals	181 088 180 +13	80.5	32.6	1.) 1947AL – Instrument – 01/06/1912 2.) 181 094 504 – Caveat – 08/05/2018
TENT MOUNTAIN MINE	All Mines and Minerals	181 088 180 +14	40.3	16.3	1.) 3050AL – Instrument – 06/07/1912 2.) 181 094 504 – Caveat – 08/05/2018

PROSPECT AREA	INTEREST	LAND TITLE CERTIFICATE NUMBER	ACRES	HECTARES	REGISTRATIONS (D/M/Y)
TENT MOUNTAIN MINE	All Mines and Minerals	181 088 180 +15	80.5	32.6	1.) 3050AL – Instrument – 06/07/1912 2.) 181 094 504 – Caveat – 08/05/2018
TENT MOUNTAIN MINE	All Mines and Minerals	181 088 180 +16	20.0	8.1	2.) 181 094 504 – Caveat – 08/05/2018
TENT MOUNTAIN MINE	All Mines and Minerals	181 088 180 +17	120.8	48.9	1.) 4847AL – Instrument – 31/08/1912 2.) 181 094 504 – Caveat – 08/05/2018
TENT MOUNTAIN MINE	All Mines and Minerals	181 088 180 +18	20.1	8.1	1.) 4849AL – Instrument – 31/08/1912 2.) 181 094 504 – Caveat – 08/05/2018
TENT MOUNTAIN MINE	All Mines and Minerals	181 088 180 +19	60.0	24.3	1.) 4850AL – Instrument – 31/08/1912 2.) 181 094 504 – Caveat – 08/05/2018
TENT MOUNTAIN MINE	All Mines and Minerals	181 088 180 +20	160.0	64.7	1.) 2316AL – Instrument – 15/06/1912 2.) 181 094 504 – Caveat – 08/05/2018
TENT MOUNTAIN MINE	All Mines and Minerals and the right to work same	181 088 180 +21	40.0	16.2	1.) 2317AL – Instrument – 15/06/1912 2.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Mines and Minerals	181 088 180 +22	320.0	129.5	1.) 6888I – Instrument – 30/06/1903 2.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Mines and Minerals and the right to work same	181 088 180 +23	320.0	129.5	1.) 6124AQ – Instrument – 06/05/1913 2.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Mines and Minerals and the right to work same	181 088 180 +24	320.0	129.5	1.) 692AE – Instrument – 27/09/1910 2.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Mines and Minerals and the right to work same	181 088 180 +25	320.0	129.5	1.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Mines and Minerals	181 088 180 +26	130.0	52.6	1.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Mines and Minerals and the right to work same	181 088 180 +2	320.0	129.5	1.) 6887I – Instrument – 30/06/1903 2.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Mines and Minerals and the right to work same	181 088 180 +3	70.0	28.3	1.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Mines and Minerals	181 088 180 +4	30.0	12.1	1.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Mines and Minerals and the right to work same	181 088 180 +5	40.0	16.2	1.) 181 094 504 – Caveat – 08/05/2018
CHINOOK PROJECT	All Mines and Minerals	181 088 180 +6	410.0	165.9	1.) 4197T – Instrument – 15/07/1908 2.) 4198T – Instrument – 15/07/1908 3.) 181 094 504 – Caveat – 08/05/2018
TENT MOUNTAIN MINE	Title Surface (excepting thereout all mines and minerals)	181 090 692	60.0	24.3	1.) 181 115 151 – Caveat – 05/06/2018
TENT MOUNTAIN MINE	Title Surface (excepting thereout all mines and minerals and the right to work same)	181 090 692 +1	5.7	2.3	1.) 2875BA – Restrictive covenant 2.) 181 115 151 – Caveat – 05/06/2018

PROSPECT AREA	INTEREST	LAND TITLE CERTIFICATE NUMBER	ACRES	HECTARES	REGISTRATIONS (D/M/Y)
TENT MOUNTAIN MINE	Title Surface (excepting thereout all mines and minerals)	181 090 692 +9	40.3	16.3	1.) 771 159 988 – Utility Right of Way – 14/11/1977 2.) 181 115 151 – Caveat – 05/06/2018
TENT MOUNTAIN MINE	Title Surface (excepting thereout all mines and minerals)	181 090 692 +10	80.5	32.6	1.) 771 154 509 – Utility Right of Way – 03/11/1977 2.) 181 115 151 – Caveat – 05/06/2018
TENT MOUNTAIN MINE	Title Surface (excepting thereout all mines and minerals)	181 090 692 +11	20.0	8.1	1.) 781 017 224 – Utility Right of Way – 02/02/1978 2.) 181 115 151 – Caveat – 05/06/2018
TENT MOUNTAIN MINE	Title Surface (excepting thereout all mines and minerals)	181 090 692 +12	120.8	48.9	1.) 181 115 151 – Caveat – 05/06/2018
TENT MOUNTAIN MINE	Title Surface (excepting thereout all mines and minerals)	181 090 692 +2	19.8	8.0	1.) 781 017 225 – Utility Right of Way – 02/02/1978 2.) 181 115 151 – Caveat – 05/06/2018
TENT MOUNTAIN MINE	Title Surface (excepting thereout all mines and minerals)	181 090 692 +3	30.2	12.2	1.) 181 115 151 – Caveat – 05/06/2018
TENT MOUNTAIN MINE	Title Surface (excepting thereout all mines and minerals)	181 090 692 +4	140.1	56.7	1.) 181 115 151 – Caveat – 05/06/2018
TENT MOUNTAIN MINE	Title Surface (excepting thereout all mines and minerals)	181 090 692 +5	40.0	16.2	1.) 781 017 234 – Utility Right of Way – 02/02/1978 2.) 181 115 151 – Caveat – 05/06/2018
TENT MOUNTAIN MINE	Title Surface (excepting thereout all mines and minerals)	181 090 692 +6	80.5	32.6	1.) 181 115 151 – Caveat – 05/06/2018
TENT MOUNTAIN MINE	Title Surface (excepting thereout all mines and minerals)	181 090 692 +7	20.1	8.1	1.) 781 017 363 – Utility Right of Way – 02/02/1978 2.) 181 115 151 – Caveat – 05/06/2018
TENT MOUNTAIN MINE	Title Surface (excepting thereout all mines and minerals)	181 090 692 +8	160.0	64.7	1.) 771 154 508 – Utility Right of Way – 03/11/1977 2.) 181 115 151 – Caveat – 05/06/2018
TENT MOUNTAIN MINE	Title Surface (excepting thereout all mines and minerals)	181 090 692 +13	20.1	8.1	1.) 181 115 151 – Caveat – 05/06/2018

PART II – Leasehold Tenements

PROSPECT AREA	COAL LEASE NO.	ACRES	HECTARES	LEASE TERM START DATE (M/D/Y)	LEASE TERM	LEASE EXPIRY DATE (M/D/Y)	LEASE ANNUAL RENT AMOUNT
CHINOOK PROJECT	1314030394	118.608	48.000	3/3/2014	15 years	3/3/2029	\$168.00
CHINOOK PROJECT	1316020095	237.216	96.000	2/7/2016	15 years	2/7/2031	\$336.00
CHINOOK PROJECT	1316050179	316.288	128.000	5/1/2016	15 years	5/1/2031	\$448.00
CHINOOK PROJECT	1308050910	224.080	90.684	5/1/2008	15 years	5/1/2023	\$317.39
CHINOOK PROJECT	1312040484	158.144	64.000	4/1/2012	15 years	4/1/2027	\$224.00
CHINOOK PROJECT	1312100464	2174.480	880.000	10/4/2012	15 years	10/4/2027	\$3,080.00
CHINOOK PROJECT	1312100465	948.864	384.000	10/4/2012	15 years	10/4/2027	\$1,344.00
ISOLA	1319090188	1620.976	656.000	9/26/2019	15 years	9/26/2034	\$2,296.00
ISOLA	1319090191	1502.368	608.000	9/26/2019	15 years	9/26/2034	\$2,128.00
ISOLA	1319090192	2530.304	1,024.000	9/26/2019	15 years	9/26/2034	\$3,584.00
ISOLA	1319090193	2208.629	893.820	9/26/2019	15 years	9/26/2034	\$3,128.37
ISOLA	1319090194	1968.893	796.800	9/26/2019	15 years	9/26/2034	\$2,788.80
ISOLA	1319090195	883.679	357.620	9/26/2019	15 years	9/26/2034	\$1,251.67
ISOLA	1307070578	316.288	128.000	7/12/2007	15 years	7/12/2022	\$448.00
ISOLA	1307070579	593.040	240.000	7/12/2007	15 years	7/12/2022	\$840.00
ISOLA	1307070580	316.288	128.000	7/12/2007	15 years	7/12/2022	\$448.00
CHINOOK PROJECT	1316020154	355.750	143.970	2/21/2016	15 years	2/21/2031	\$503.90
CHINOOK PROJECT	1317080314	316.288	128.000	8/8/2017	15 years	8/8/2032	\$448.00
CHINOOK PROJECT	1308090609	126.490	51.190	9/4/2008	15 years	9/4/2023	\$179.17
CHINOOK PROJECT	1311120668	276.752	112.000	12/2/2011	15 years	12/2/2026	\$392.00

RENT PAID TO DATE (M/D/Y)	COAL CATEGORY	ENCUMBRANCES AGAINST LEASE INTEREST / LEASE ADDENDA	SPECIAL LEASE PROVISIONS	REGISTRATIONS ON SURFACE TITLE (IF ANY)
3/3/2021	Coal Category 4	Encumbrance note 1	Nil	871 017 819 - Utility Right of Way - 02/04/1987
2/7/2021	Coal Category 4	Encumbrance note 1	Nil	Nil
5/1/2021	Coal Category 4	Encumbrance note 1	Nil	Nil
5/1/2021	Coal Category 5	Encumbrance note 1	Nil	1.) 781 141 949 - Utility Right of Way - 09/06/1978; 2.) 6320HV - Utility Right of Way - 02/12/1960; 3.) 1337KY - Utility Right of Way - 01/06/1971; 4.) 781 141 948 - Utility Right of Way - 09/06/1978; 5.) 6326HV - Utility Right of Way - 02/12/1960; 6.) 1338KY - Utility Right of Way - 01/06/1971; 7.) 741 026 876 - Utility Right of Way - 03/26/1974; 8.) 791 154 011 - Utility Right of Way - 09/18/1979 9.) 911 218 502 - Utility Right of Way - 26/09/1991
4/1/2021	Coal Category 4	Encumbrance note 1	Nil	Nil
10/4/2020	Coal Category 4	Encumbrance note 1 Addenda note 1	Nil	871 017 819 - Utility Right of Way - 02/04/1987
10/4/2020	Coal Category 4	Encumbrance note 1 Addenda note 2	Nil	Nil
9/26/2020	Coal Category 2	Encumbrance note 1	Nil	6661IM - Utility Right of Way - 09/10/1962
9/26/2020	Coal Category 2	Encumbrance note 1	Nil	Nil
9/26/2020	Coal Category 2	Encumbrance note 1	Nil	6661IM - Utility Right of Way - 09/10/1962
9/26/2020	Coal Category 2	Encumbrance note 1	Nil	Nil
9/26/2020	Coal Category 2	Encumbrance note 1	Nil	Nil
9/26/2020	Coal Category 2	Encumbrance note 1	Nil	Nil
7/12/2020	Coal Category 2	Encumbrance note 1	Nil	6660IM - Utility Right of Way - 09/10/1962
7/12/2020	Coal Category 2	Encumbrance note 1	Nil	6660IM - Utility Right of Way - 09/10/1962
7/12/2020	Coal Category 2	Encumbrance note 1	Nil	Nil
2/21/2021	Coal Category 4	Encumbrance note 1	Nil	1.) 5386AI - Instrument - 01/03/1912 2.) 5385AI - Instrument - 01/03/1912 3.) 781 064 131 - Caveat (LSD 1, 2, 3, 6, 7, 10, 11, 14 & 15) - 04/28/1978
8/8/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
9/4/2020	Coal Category 4	Encumbrance note 1	Nil	1.) 2178AI - Instrument - 08/14/1911 2.) 2179AI - Instrument - 08/14/1911 3.) 781 064 131 - Caveat (LSD 1, 8, 9 & 16) - 04/28/1978
12/2/2020	Coal Category 4	Encumbrance note 1	Nil	1.) 5386AI - Instrument - 01/03/1912 2.) 5385AI - Instrument - 01/03/1912 3.) 781 064 131 - Caveat (LSD 1, 2, 3, 6, 7, 10, 11, 14 & 15) - 04/28/1978

PROSPECT AREA	COAL LEASE NO.	ACRES	HECTARES	LEASE TERM START DATE (M/D/Y)	LEASE TERM	LEASE EXPIRY DATE (M/D/Y)	LEASE ANNUAL RENT AMOUNT
CHINOOK PROJECT	1311120669	162.295	65.680	12/2/2011	15 years	12/2/2026	\$229.88
OLDMAN	1317090270	237.216	96.000	9/8/2017	15 years	9/8/2032	\$336.00
OLDMAN	1317090271	474.432	192.000	9/8/2017	15 years	9/8/2032	\$672.00
OLDMAN	1317090272	474.432	192.000	9/8/2017	15 years	9/8/2032	\$672.00
OLDMAN	1317090273	79.072	32.000	9/8/2017	15 years	9/8/2032	\$112.00
OLDMAN	1317090274	632.576	256.000	9/8/2017	15 years	9/8/2032	\$896.00
OLDMAN	1317090275	632.576	256.000	9/8/2017	15 years	9/8/2032	\$896.00
CHINOOK PROJECT	1316120147	79.072	32.000	12/10/2016	15 years	12/10/2031	\$112.00
CHINOOK PROJECT	1316120148	316.288	128.000	12/10/2016	15 years	12/10/2031	\$448.00
CHINOOK PROJECT	1316120149	316.288	128.000	12/10/2016	15 years	12/10/2031	\$448.00
CHINOOK PROJECT	1316120150	158.144	64.000	12/10/2016	15 years	12/10/2031	\$224.00
CHINOOK PROJECT	1316120151	474.432	192.000	12/10/2016	15 years	12/10/2031	\$672.00
CHINOOK PROJECT	1316120152	158.144	64.000	12/10/2016	15 years	12/10/2031	\$224.00
4-Stack	1316120153	158.144	64.000	12/10/2016	15 years	12/10/2031	\$224.00
4-Stack	1316120154	170.993	69.200	12/10/2016	15 years	12/10/2031	\$242.20
CHINOOK PROJECT	1316120155	316.288	128.000	12/10/2016	15 years	12/10/2031	\$448.00
4-Stack	1316120156	316.288	128.000	12/10/2016	15 years	12/10/2031	\$448.00
4-Stack	1316120157	316.288	128.000	12/10/2016	15 years	12/10/2031	\$448.00
4-Stack	1317090268	316.288	128.000	9/8/2017	15 years	9/8/2032	\$448.00
4-Stack	1317090280	370.526	149.950	9/8/2017	15 years	9/8/2032	\$524.83
4-Stack	1317090279	867.197	350.950	9/8/2017	15 years	9/8/2032	\$1,228.33
4-Stack	1317090269	869.792	352.000	9/8/2017	15 years	9/8/2032	\$1,232.00
CHINOOK PROJECT	1306050824	632.576	256.000	5/21/2006	15 years	5/21/2021	\$896.00
4-Stack	1306050825	316.288	128.000	5/21/2006	15 years	5/21/2021	\$448.00
CHINOOK PROJECT	1306050826	553.504	224.000	5/21/2006	15 years	5/21/2021	\$784.00
CHINOOK PROJECT	1306050827	158.144	64.000	5/21/2006	15 years	5/21/2021	\$224.00
4-Stack / CHINOOK PROJECT (see Note below)	1306050828	316.288	128.000	5/21/2006	15 years	5/21/2021	\$448.00
4-Stack	1306050829	632.576	256.000	5/21/2006	15 years	5/21/2021	\$896.00

RENT PAID TO DATE (M/D/Y)	COAL CATEGORY	ENCUMBRANCES AGAINST LEASE INTEREST / LEASE ADDENDA	SPECIAL LEASE PROVISIONS	REGISTRATIONS ON SURFACE TITLE (IF ANY)
12/2/2020	Coal Category 1	Encumbrance note 1	Nil	1.) 5386AI – Instrument – 01/03/1912 2.) 5385AI – Instrument – 01/03/1912 3.) 781 064 131 – Caveat (LSD 1, 2, 3, 6, 7, 10, 11, 14 & 15) – 04/28/1978 4.) 2178AI – Instrument – 08/14/1911 5.) 2179AI – Instrument – 08/14/1911 6.) 781 064 131 – Caveat (LSD 1, 8, 9 & 16) – 04/28/1978
9/8/2020	Coal Category 2	Encumbrance note 1	Nil	Nil
9/8/2020	Coal Category 2	Encumbrance note 1	Nil	Nil
9/8/2020	Coal Category 2	Encumbrance note 1	Nil	Nil
9/8/2020	Coal Category 2	Encumbrance note 1	Nil	Nil
9/8/2020	Coal Category 2	Encumbrance note 1	Nil	Nil
9/8/2020	Coal Category 2	Encumbrance note 1	Nil	Nil
12/10/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
12/10/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
12/10/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
12/10/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
12/10/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
12/10/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
12/10/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
12/10/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
12/10/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
12/10/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
12/10/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
9/8/2020	Coal Category 2	Encumbrance note 1	Nil	Nil
9/8/2020	Coal Category 2	Encumbrance note 1	Nil	Nil
9/8/2020	Coal Category 2	Encumbrance note 1	Nil	Nil
9/8/2020	Coal Category 2	Encumbrance note 1	Nil	Nil
5/21/2021	Coal Category 4	Encumbrance note 1	Nil	Nil
5/21/2021	Coal Category 2	Encumbrance note 1	Nil	Nil
5/21/2021	Coal Category 4	Encumbrance note 1	Nil	Nil
5/21/2021	Coal Category 4	Encumbrance note 1	Nil	Nil
5/21/2021	Coal Category 4	Encumbrance note 1	Nil	Nil
5/21/2021	Coal Category 2	Encumbrance note 1	Nil	Nil

PROSPECT AREA	COAL LEASE NO.	ACRES	HECTARES	LEASE TERM START DATE (M/D/Y)	LEASE TERM	LEASE EXPIRY DATE (M/D/Y)	LEASE ANNUAL RENT AMOUNT
4-Stack / CHINOOK PROJECT (see Note below)	1306050830	632.576	256.000	5/21/2006	15 years	5/21/2021	\$896.00
CHINOOK PROJECT	1306120432	158.144	64.000	12/5/2006	15 years	12/5/2021	\$224.00
CHINOOK PROJECT	1306120433	158.144	64.000	12/5/2006	15 years	12/5/2021	\$224.00
CHINOOK PROJECT	1306120434	79.072	32.000	12/5/2006	15 years	12/5/2021	\$112.00
CHINOOK PROJECT	1307100753	316.288	128.000	10/28/2007	15 years	10/28/2022	\$448.00
CHINOOK PROJECT	1307110904	79.072	32.000	11/10/2007	15 years	11/10/2022	\$112.00
CHINOOK PROJECT	1307110907	632.576	256.000	11/12/2007	15 years	11/12/2022	\$896.00
TENT MOUNTAIN MINE	1305090663	228.815	92.600	9/21/2005	15 years	9/21/2020	\$324.10
TENT MOUNTAIN MINE	1305090664	118.608	48.000	9/21/2005	15 years	9/21/2020	\$168.00
TENT MOUNTAIN MINE	1305090665	139.859	56.600	9/21/2005	15 years	9/21/2020	\$198.10
TENT MOUNTAIN MINE	1305090666	368.772	149.240	9/21/2005	15 years	9/21/2020	\$522.34
TENT MOUNTAIN MINE	1305090667	95.183	38.520	9/21/2005	15 years	9/21/2020	\$134.82
TENT MOUNTAIN MINE	1305090668	252.437	102.160	9/21/2005	15 years	9/21/2020	\$357.56
TENT MOUNTAIN MINE	1305100739	767.295	310.520	10/1/2005	15 years	10/1/2020	\$1,086.82
TENT MOUNTAIN MINE	1306080819	296.520	120.000	8/26/2006	15 years	8/26/2021	\$420.00
TENT MOUNTAIN MINE	1306080820	158.144	64.000	8/26/2006	15 years	8/26/2021	\$224.00
TENT MOUNTAIN MINE	1306080821	158.144	64.000	8/26/2006	15 years	8/26/2021	\$224.00
TENT MOUNTAIN MINE	1306080822	519.800	210.360	8/26/2006	15 years	8/26/2021	\$736.26
CHINOOK PROJECT	1320050132	345.940	140.000	5/1/2020	15 years	5/1/2035	\$490.00
CHINOOK PROJECT	1307060454	395.360	160.000	6/29/2007	15 years	6/29/2022	\$560.00
CHINOOK PROJECT	1305121390	316.288	128.000	12/16/2005	15 years	12/16/2020	\$448.00

RENT PAID TO DATE (M/D/Y)	COAL CATEGORY	ENCUMBRANCES AGAINST LEASE INTEREST / LEASE ADDENDA	SPECIAL LEASE PROVISIONS	REGISTRATIONS ON SURFACE TITLE (IF ANY)
5/21/2021	Coal Category 4	Encumbrance note 1	Nil	Nil
12/5/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
12/5/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
12/5/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
10/28/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
11/10/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
11/12/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
9/21/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
9/21/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
9/21/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
9/21/2020	Coal Category 4	Encumbrance note 1	Nil	1.) 781 017 225 – Utility Right of Way – 02/02/1978 2.) 181 115 151 – Caveat – 05/06/2018
9/21/2020	Coal Category 4	Encumbrance note 1	Nil	1.) 781 017 225 – Utility Right of Way – 02/02/1978 2.) 181 115 151 – Caveat – 05/06/2018
9/21/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
10/1/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
8/26/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
8/26/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
8/26/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
8/26/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
5/1/2021	Coal Category 4	Encumbrance note 1	Nil	Nil
6/29/2021	Coal Category 4	Encumbrance note 1	Nil	Nil
12/16/2020	Coal Category 4	Encumbrance note 1	Nil	Nil

PROSPECT AREA	COAL LEASE NO.	ACRES	HECTARES	LEASE TERM START DATE (M/D/Y)	LEASE TERM	LEASE EXPIRY DATE (M/D/Y)	LEASE ANNUAL RENT AMOUNT
CHINOOK PROJECT	1306020552	197.680	80.000	2/12/2006	15 years	2/12/2021	\$280.00
CHINOOK PROJECT	1306020553	395.360	160.000	2/12/2006	15 years	2/12/2021	\$560.00
CHINOOK PROJECT	1306020554	316.288	128.000	2/12/2006	15 years	2/12/2021	\$448.00
CHINOOK PROJECT	1306020555	316.288	128.000	2/12/2006	15 years	2/12/2021	\$448.00
CHINOOK PROJECT	1306020556	434.896	176.000	2/12/2006	15 years	2/12/2021	\$616.00
CHINOOK PROJECT	1306050823	316.288	128.000	5/21/2006	15 years	5/21/2021	\$448.00
CHINOOK PROJECT	1306080813	39.536	16.000	8/11/2006	15 years	8/11/2021	\$56.00
CHINOOK PROJECT	1306080814	118.608	48.000	8/11/2006	15 years	8/11/2021	\$168.00
CHINOOK PROJECT	1306080815	158.144	64.000	8/11/2006	15 years	8/11/2021	\$224.00
CHINOOK PROJECT	1306080816	158.144	64.000	8/11/2006	15 years	8/11/2021	\$224.00
CHINOOK PROJECT	1306080817	158.144	64.000	8/11/2006	15 years	8/11/2021	\$224.00
CHINOOK PROJECT	1306080818	158.144	64.000	8/11/2006	15 years	8/11/2021	\$224.00
CHINOOK PROJECT	1307040479	158.144	64.000	4/11/2007	15 years	4/11/2022	\$224.00
CHINOOK PROJECT	1307040480	39.536	16.000	4/11/2007	15 years	4/11/2022	\$56.00
CHINOOK PROJECT	1307110905	79.072	32.000	11/10/2007	15 years	11/10/2022	\$112.00
CHINOOK PROJECT	1307110906	118.608	48.000	11/10/2007	15 years	11/10/2022	\$168.00
CHINOOK PROJECT	1311010588	118.608	48.000	1/4/2011	15 years	1/4/2026	\$168.00
CHINOOK PROJECT	1311010589	158.144	64.000	1/4/2011	15 years	1/4/2026	\$224.00
CHINOOK PROJECT	1311010590	158.144	64.000	1/4/2011	15 years	1/4/2026	\$224.00
CHINOOK PROJECT	1311080653	316.288	128.000	8/4/2011	15 years	8/4/2026	\$448.00
CHINOOK PROJECT	1311080654	79.072	32.000	8/4/2011	15 years	8/4/2026	\$112.00
CHINOOK PROJECT	1311080655	158.144	64.000	8/4/2011	15 years	8/4/2026	\$224.00

Note

Leases 1306050828 and 1306050830 are located partially within Chinook Project and partially within 4-Stack.

The total area of Lease 1306050828 is approximately 128 hectares with approximately 65 hectares lying within Chinook Project and the remainder in 4-Stack.

The total area of Lease 1306050830 is approximately 256 hectares with approximately 128 hectares lying within Chinook Project and the remainder in 4-Stack.

RENT PAID TO DATE (M/D/Y)	COAL CATEGORY	ENCUMBRANCES AGAINST LEASE INTEREST / LEASE ADDENDA	SPECIAL LEASE PROVISIONS	REGISTRATIONS ON SURFACE TITLE (IF ANY)
2/12/2021	Coal Category 4	Encumbrance note 1	Nil	Nil
2/12/2021	Coal Category 4	Encumbrance note 1	Nil	Nil
2/12/2021	Coal Category 4	Encumbrance note 1	Nil	Nil
2/12/2021	Coal Category 4	Encumbrance note 1	Nil	Nil
2/12/2021	Coal Category 4	Encumbrance note 1	Nil	6441IN - Utility Right of Way - 09/06/1962
5/21/2021	Coal Category 4	Encumbrance note 1	Nil	Nil
8/11/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
8/11/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
8/11/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
8/11/2020	Coal Category 4	Encumbrance note 1	Nil	6441IN - Utility Right of Way - 09/06/1962
8/11/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
8/11/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
4/11/2021	Coal Category 2	Encumbrance note 1	Nil	Nil
4/11/2021	Coal Category 2	Encumbrance note 1	Nil	Nil
11/10/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
11/10/2020	Coal Category 4	Encumbrance note 1	Nil	6441IN - Utility Right of Way - 09/06/1962
1/4/2021	Coal Category 4	Encumbrance note 1	Nil	Nil
1/4/2021	Coal Category 4	Encumbrance note 1	Nil	Nil
1/4/2021	Coal Category 4	Encumbrance note 1	Nil	6441IN - Utility Right of Way - 09/06/1962
8/4/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
8/4/2020	Coal Category 4	Encumbrance note 1	Nil	Nil
8/4/2020	Coal Category 4	Encumbrance note 1	Nil	Nil

PART II – Leasehold Tenements legends

LEGEND: COAL CATEGORIES

Coal Category 1	No exploration or commercial development permitted
Coal Category 2	Limited exploration may be permitted under strict control and only underground or in-situ development
Coal Category 3	
Coal Category 4	Exploration is permitted under normal approval process, surface and sub-surface mining under normal approval process
Coal Category 5	Multiple coal categories – see coal policy

LEGEND: ADDENDA NOTE 1

CDP 0004 01	Type description: Coal Development Policy
	Name: Coal policy category 4
	Access level: Surface access is not affected
	Security level: Public information
	Effective date: August 13, 2002
	Review date: Indefinite
	Activity type: All mining
	Land description: Lease 1313100465: 5;5;10;25W; 36W / 5;5;11;1W Lease 1312100464: 5;4;8;19SE,L9,L10,L15; 30NE,L2,L7; 31E; 32L12,L13 / 5;4;9;6W; 7W; 18W; 19W
IR2 0003 01	Type description: Integrated resource plan land use zone 2
	Name: Crowsnest corridor
	Access level: Surface access is subject to specific restrictions
	Security level: Public information
	Effective date: April 4, 1991
	Review date: Indefinite
	Activity type: All mineral activities
	Land description: Lease 1312100464: 5;4;8;19SEP,L9P,L10P,L15P
IR2 0013 03	Type description: Integrated resource plan land use zone 2
	Name: Livingstone – Porcupine Hills
	Access level: Surface access is subject to specific restrictions
	Security level: Public information
	Effective date: August 4, 1987
	Review date: Indefinite
	Activity type: All mineral activities
	Land description: Lease 1312100464: 5;4;8;31NEP / 5;4;9;6SWP

SHA 0022 01	Type description: Sensitive habitat area
	Name: Mountain Goat and Bighorn sheep ranges and buffers
	Access level: Surface access is subject to specific restrictions
	Security level: Public information
	Effective date: August 22, 2000
	Review date: January 1, 2018
	Activity type: All mineral activities
	Land description:
	Lease 1312100464: 5;4;8;31EP; 32L12P,L13P

LEGEND: ADDENDA NOTE 2

CDP 0004 01	Type description: Coal Development Policy
	Name: Coal policy category 4
	Access level: Surface access is not affected
	Security level: Public information
	Effective date: August 13, 2002
	Review date: Indefinite
	Activity type: All mining
	Land description:
	Lease 1313100465: 5;5;10;25W; 36W / 5;5;11;1W
	Lease 1312100464: 5;4;8;19SE,L9,L10,L15; 30NE,L2,L7; 31E; 32L12,L13 / 5;4;9;6W; 7W; 18W; 19W

LEGEND: ENCUMBRANCES

Note 1	SN 1703062 – Security Notice – Prairie Mines & Royalty ULC – 2017/11/24

PART III – BC Tenement

PROSPECT AREA	TENT MOUNTAIN MINE
DOCUMENT NAME	Coal Lease
DOCUMENT IDENTIFIER	389283
ACRES	378.0
HECTARES	153.0
LEGAL DESCRIPTIONS	2027-24-NW-7002; 2027-24-W-7215
GOOD TO DATE	2021/MAY/04
TERM EXPIRY DATE	2027/MAY/04
RENTAL AMOUNT	Rate as prescribed by the <i>Coal Act</i> (British Columbia)
REGISTRATIONS ON SURFACE TITLE (Y/M/D)	1.) 17787D – Mortgage – 1930/08/14 2.) 18656D – Agreement – 1931/07/20 3.) DF15873 – Fofeiture – 2001/01/01

PART IV – Ancillary Lands

JURISDICTION	LOCATION	INTEREST	LAND TITLE CERTIFICATE NUMBER	REGISTRATIONS (D/M/Y)												
Alberta	Plan 820L; Block 6; Lot 3 excepting thereout all mines and minerals and the right to work same	Owned by Montem Alberta	191 086 219 +1	201 040 781 – Caveat re Encroachment agreement – 27/02/2020												
Alberta	Plan 820L, Block 6; Lots 4 and 5 excepting thereout all mines and minerals and the right to work same	Owned by Montem Alberta	191 086 219	981 271 973 – Restrictive covenant – 04/09/1998 201 040 781 – Caveat re Encroachment agreement – 27/02/2020												
British Columbia	006-134-149 PARCEL 51 (SEE DD13248 AND 23562A) DISTRICT LOT 4589 KOOTENAY DISTRICT	Montem Alberta is purchasing this land Unconditional purchase agreement executed Closing date scheduled for January 4, 2021	CA2600767	V18727 – Reservation – The Crow’s Nest Pass Electric Light & Power Company Limited CA2600768 – Mortgage – East Kootenay Community Credit Union												
Alberta	SW ¼ of sec 12, Township 8, Range 6, W5 LSD 4 and part of LSD 5 excepting thereout: <table><tr><th>Plan</th><th>Number</th><th>Hectares (Acres) More Or Less</th></tr><tr><td>Pipeline</td><td>6608BO</td><td>0.040 (0.10)</td></tr><tr><td>Reservoir</td><td>6608BO</td><td>0.040 (0.10)</td></tr><tr><td>Subdivision</td><td>0815532</td><td>0.384 (0.95)</td></tr></table> excepting thereout all mines and minerals	Plan	Number	Hectares (Acres) More Or Less	Pipeline	6608BO	0.040 (0.10)	Reservoir	6608BO	0.040 (0.10)	Subdivision	0815532	0.384 (0.95)	Montem Alberta is purchasing this land Unconditional purchase agreement executed Closing date scheduled for January 4, 2021	191 043 899	6259BN – Instrument – 31/08/1916 961 033 014 – Easement – 13/02/1996 191 253 516 – Caveat re Purchaser’s Interest (Montem Alberta as registrant) – 12/12/2019
Plan	Number	Hectares (Acres) More Or Less														
Pipeline	6608BO	0.040 (0.10)														
Reservoir	6608BO	0.040 (0.10)														
Subdivision	0815532	0.384 (0.95)														

SECTION 5

Board, Management and Corporate Governance



5.1 THE BOARD AND MANAGEMENT

At the date of listing on the ASX the Board will comprise five members, consisting of the Chairman Mr Mark Lochtenberg, the Chief Executive Officer and Managing Director Peter Doyle, two Independent, Non-executive Directors and one Non-executive Director.

The Directors of the Company bring to the Board a variety of skills and experience, including industry and business knowledge, financial management and corporate governance experience.

The Board



Peter Doyle
Managing Director
& Chief Executive Officer
B.Sc., MBA

Mr Doyle is a geologist with over 25 years coal mining experience. Mr Doyle has worked in roles in exploration, planning, development, production, and management in the coal industry.

Previous positions include VP Marketing and Business Development at Atrium Coal Ltd, Chief Operating Officer at Cockatoo Coal Ltd, VP Coal at Wood Mackenzie and Project Manager at Glencore (Xstrata Coal).

Mr Doyle was previously a Director at Wiggins Island Coal Terminal, and at ATEC Rail Group.

As well as having spent the first decade of his career working at coal mines in the Hunter Valley, Mr Doyle has worked in project development, marketing and management in the coal industries of China, USA, Mongolia, Russia and Europe. Mr Doyle has been involved in successful greenfield and brownfield coal mine developments, and managed coal mines selling to export metallurgical markets.

Mr Doyle has been based in Canada since 2014.

Mr Doyle joined Montem Canada in 2017 and became Managing Director of the Company in January 2018.

Mr Doyle holds a Bachelor of Science (Geology), and Master of Business Administration.



Mark Lochtenberg
Independent Chairman
and Non-Executive Director
Bachelor of Laws

Mr Lochtenberg was previously the co-head of Glencore International AG's worldwide coal division, where he spent 13 years overseeing a range of trading activities including the identification, due diligence, negotiation, acquisition and aggregation of the coal project portfolio that would become Xstrata Coal.

Former Executive Chairman and founding Managing Director of Baralaba Coal Company (formerly Cockatoo Coal Limited) and current Chairman of Equus Mining Limited and Independent Director of Nickel Mines Ltd.



Rob Tindall
Non-Executive Director
B.A., M.Tax

Mr Tindall is the founder of Montem and has more than 25 years' experience in the finance and resources industry.

Mr Tindall is the Non-Executive Chairman and a Co Founder in 'True Origins' and an Independent Non-Executive Director of Arrow Trolleys. Mr Tindall was previously the CEO of Transatlantic Mining Corp (TCO), a gold and copper explorer and producer listed on the TSX Venture Exchange. During his tenure Mr Tindall took TCO into production before resigning to create Montem Resources Corp.

Mr Tindall is the principal of GTC, a boutique advisory business specialising in resources and renewables.

Mr Tindall holds a Bachelor of Arts and Master of Taxation.

The Board



Susie Henderson

Independent Non-Executive Director
B.Bus., CPA, GAICD

Ms Henderson is a management consultant with focus on infrastructure and mining. Ms Henderson is currently President, Advisory North America for GHD, a global consulting firm. Ms Henderson also serves on the Finance Committee of the GHD Board.

Ms Henderson has over 20 years global experience in the field and is highly respected for her strong strategic and commercial positioning skills across a wide range of heavy industries and has a background in operational and financial audit.

She has worked across a variety of jurisdictions in Canada, the United States, Latin America, South East Asia, England, and Australia. Her areas of focus include government, mining/resources, infrastructure/logistics and energy.

She has also recently retired from serving as a board member for Waterfront Toronto and Women in Mining (Canada).

Previous roles include GM – Strategic Infrastructure and Government Relations at Macarthur Coal Ltd, Key Coal Accounts Executive with Aurizon and Project Development Manager with London Underground.

In addition to her degree in Accounting, Ms Henderson has completed the globally recognized and rigorous CPA® and AICD® Programs as well as being nominated for the EY Entrepreneur of the Year.

Ms Henderson is a Graduate of Australian Institute of Company Directors, a Certified Practicing Accountant and holds a Bachelor of Business.



Will Souter

Independent Non-Executive Director
B.Com., LLB (Adel), IPAA, Admitted to the Supreme Court of NSW, GAICD

Mr Souter is an experienced senior finance executive, a lawyer and an investment banker, with extensive global transaction and fundraising experience across a variety of industries.

Mr Souter has held a number of executive and non-executive director positions. He is the Chief Financial Officer of Atomo Diagnostics Limited (ASX:ATI), a global leader in the commercialisation of user friendly rapid diagnostic blood test (RDT) devices. Prior to Atomo, Mr Souter was the Chief Financial Officer at property and construction technology company, Verton Technologies.

Mr Souter was previously Executive Director at RFC Ambrian where for 11 years he worked closely with companies on fundraising, public markets listings (both ASX and LSE AIM) and private and public markets M&A. Prior to RFC Ambrian, Mr Souter was a Director at PriceWaterhouseCoopers over a 10 year period in London and Sydney, and worked at Minter Ellison Lawyers.

Mr Souter is a graduate of the Australian Institute of Company Directors, and admitted to the Supreme Court of NSW. He holds a Bachelor of Laws, and a Bachelor of Commerce from the University of Adelaide.

Management and Company Secretary



Robert Bell

Chief Commercial Officer
B.Eng. (Mining), MBA, ICD.D

Mr Bell is a mining engineer and business administration graduate with over 30 years' experience in the Canadian coal industry and international coal markets. He brings executive management experience with a strong focus on coal marketing and rail, port and marine logistics. In addition, he brings experience in mine planning and operations, finance and treasury, technical marketing, business development and mergers and acquisitions.

Mr Bell held executive roles with major coal producers including as Chief Commercial Officer, Coal with Teck Resources, the world's second largest steelmaking coal exporter, and Vice President, Marketing with Luscar Ltd. He sat on the Board of Neptune Bulk Terminals, one of Canada's coal export terminals, including two years as Chair, and held leadership roles with Canadian coal exploration and development companies. Mr Bell has a well-established presence in the Canadian coal industry and currently serves on the boards of the Western Canadian Shippers Coalition and the Western Canadian Coal Society.

Mr Bell holds a Bachelor of Mining Engineering, and a Master of Business Administration.



Alan Ahlgren

Chief Financial Officer
CPA, CA, B.Comm. (Hons)

Mr Ahlgren is a Chartered Professional Accountant, Chartered Accountant and has extensive experience as CFO and Corporate Secretary with Graphite One Inc., AQM Copper Inc. and First Coal Corporation, until its purchase by Xstrata Coal Canada.

Mr Ahlgren has also been engaged in assisting in the restructuring of a company with operations in Argentina and with a mining company in transition following a purchase of a mine in the United States.

Prior to First Coal Corporation, Mr Ahlgren served as Vice President Finance with Kinross Gold Corporation.

Mr Ahlgren is a graduate of the University of Manitoba with a Bachelor of Commerce (Honours) in Accounting and Finance.



Melanie Leydin

Company Secretary
B.Bus.; CA; FGIA

Ms Leydin is the Principal of chartered accounting and governance firm, Leydin Freyer.

Ms Leydin has over 25 years' experience in the accounting profession and 13 years' experience in Company Secretarial and corporate accounting for ASX listed companies. Her extensive experience in public company responsibilities, includes ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of companies and shareholder relations.

Ms Leydin commenced her career as an auditor and worked with a Chartered Accounting firm for 9 years. In 2005, Ms Leydin commenced outsourced company secretarial and accounting services company, Leydin Freyer.

The practice provides outsourced company secretarial and accounting services to public and private companies specialising in the resources, technology, bioscience and biotechnology sector.

Ms Leydin is a Chartered Accountant and a Registered Company Auditor and holds a Bachelor of Business majoring in Accounting and Corporate Law and is a Fellow of the Governance Institute of Australia.

5.2 INTERESTS OF DIRECTORS

Except as disclosed in this Prospectus, no Director holds, or during the last 24 months has held, any interest in the formation or promotion of the Company, the property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer, and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director to induce him or her to become or to qualify as a Director or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

Non-Executive Directors – Letters of Engagement

The non-executive Directors have entered into appointment letters with the Company and are subject to retirement by rotation according to the terms of the Constitution. According to their letters of appointment, each of the non-executive Directors dedicate the equivalent of at least two to four days a month of his/her available time to the Company. The remuneration of the non-executive Directors as at the Prospectus Date is set out below.

DIRECTOR	ANNUAL REMUNERATION INCLUDING STATUTORY ENTITLEMENTS	OPTIONS (ISSUED IN ACCORDANCE WITH THE EIP)	PERFORMANCE RIGHTS (ISSUED IN ACCORDANCE WITH THE EIP)
Mark Lochtenberg	\$35,000 ¹	175,097 ²	525,097
Robert Tindall	\$60,000	466,926 ³	716,926
William Souter	\$45,000 ¹	175,097 ²	425,097
Susie Henderson	\$45,000 ¹	175,097 ²	425,097

Notes:

1. Each Messrs Lochtenberg, Souter and Ms Henderson receive \$30,000 for their director fees and an additional \$5,000 in committee fees for each committee they serve on and an additional \$5,000 if they chair that committee. The Audit and Risk Committee comprises Ms Henderson and Messrs Lochtenberg and Souter. The Nomination and Remuneration Committee comprises Messrs Souter, Tindall and Ms Henderson. Following quotation of the Company's shares on the ASX it has been agreed that Mr Lochtenberg's fee will increase to \$100,000 including committee fees.
2. Comprising 58,366 Options exercisable at \$0.63 and expiring 12 January 2023, 58,366 Options exercisable at \$0.75 and expiring 31 December 2023 and 58,365 Options exercisable at \$1.00 and expiring 31 December 2024. Please refer to Section 11.4 for a summary of the terms of the Options.
3. Comprising 155,642 Options exercisable at \$0.63 and expiring 12 January 2023, 155,642 Options exercisable at \$0.75 and expiring 31 December 2023, 155,642 Options exercisable at \$1.00 and expiring 31 December 2024. Please refer to Section 11.4 for a summary of the terms of the Options.
4. Please refer to Section 11.3 for a summary of the terms of the Performance Rights and 11.6 for a summary of the terms of the vesting conditions of certain Performance Rights.

The Company has implemented a remuneration structure for its officers and employees which includes Options and Performance Rights as set out above to ensure alignment with certain best practice performance measures, the market and business strategy.

ASX has provided confirmation that it is likely to grant a waiver from Listing Rule 1.1, condition 12 in relation to the zero exercise price of the Performance Rights. The terms of the Options are set out in Section 11.4. A summary of the terms of the Performance Rights is set out in Section 11.6.

Executive Employment Contract

Peter Doyle entered into an employment agreement dated 1 June 2018 with the Company and Montem Resources Corp to govern his engagement as Chief Executive Officer of both companies. Mr Doyle receives annual remuneration of C\$476,342 (inc statutory and other required deductions). Applying an AUD/CAD exchange rate of A\$1.00: C\$0.96, as at 29 July 2020, being the last practicable date before the date of this Prospectus, the amount is equal to approximately A\$496,190. In connection with his employment, Mr Doyle has been issued the following Performance Rights and Options:

- (a) 233,463 Options @\$0.63, vested 12 January 2018, expiring 12 January 2023;
- (b) 233,463 Options @\$0.75, vested 1 January 2019, expiring 31 December 2023;
- (c) 233,463 Options @\$1.00, vested 1 January 2020, expiring 31 December 2024;
- (d) 375,000 Options @\$0.25, vested 31 March 2020, expiring 23 September 2022;
- (e) 125,000 Options @\$0.25, vested 31 December 2019, expiring 23 September 2022;
- (f) 187,500 Options @\$0.25, vested 28 April 2020, expiring 23 September 2022;
- (g) 375,000 Options @ \$0.50, vesting 1 April 2021, expiring 23 September 2022;
- (h) 1,200,389 Performance Rights, nil exercise price, expiring 1 June 2023; and
- (i) 2,000,000 Performance Rights, nil exercise price, expiring 30 June 2023.

A summary of the terms of the Options and the Performance Rights, including their respective vesting conditions, are set out in Section 11.4 and Section 11.6 respectively.

In the event of a change of control (a 30% or more change in voting power), all of Mr Doyle's unvested stock-based compensation shall be accelerated and will vest immediately and will become immediately exercisable by Mr Doyle. In the event that such acceleration is not possible (whether due to amendments to the Company's constitution or any applicable law), the Company shall pay Mr Doyle the cash equivalent of any unvested stock-based compensation at a market price attained within 45 days of the change of control event.

Mr Doyle's employment agreement is for an indefinite term, continuing until terminated by either the Company or Mr Doyle. Mr Doyle may terminate his employment agreement by giving at least 3 months' notice in writing. The Company may terminate the agreement at any time for cause (with no payment of any additional remuneration save for any accrued and owing entitlements) or without cause at any time upon the Company providing Mr Doyle with payment of 12 months of Mr Doyle's then total fixed remuneration.

In the event that Mr Doyle's employment is terminated (for whatever reason), Mr Doyle's unvested Options shall vest immediately and will be exercisable on or before the date that is 15 days after the date of termination (upon after which date the Options will be deemed forfeited). Upon termination of Mr Doyle's employment agreement, he will be subject to a restraint period of 12 months. The enforceability of the restraint clause is subject to usual legal requirements. Mr Doyle dedicates 100% of his available time to the Group.

Deeds of Access, Indemnity and Insurance

The Company has entered into a deed of indemnity, insurance and access with each of its Directors and with Melanie Leydin as Company Secretary. Under these deeds, the Company agrees to indemnify each director and officer to the extent permitted by the Corporations Act against any liability arising as result of that person acting as an officer of the Company or any Group member. The Company is required to maintain insurance policies, to the extent permitted by law, for the benefit of its Directors and officers.

Directors' Interests in Shares

The Directors are not required to hold any Shares in the Company under the Constitution. At the date of this Prospectus the relevant interest of each of the Directors (and their associates) in the Shares of the Company and Conversion Shares (to be issued) held directly or indirectly is as follows:

DIRECTOR	SHARES HELD AT DATE OF PROSPECTUS	% SHARES HELD AT DATE OF PROSPECTUS	% SHARES HELD AT COMPLETION
Peter Doyle ¹	3,569,728	2.09%	1.76%
Mark Lochtenberg ²	6,382,154	3.74%	3.15%
Robert Tindall ³	14,036,864	8.23%	6.93%
William Souter ⁴	341,763	0.20%	0.17%
Susie Henderson ⁵	368,431	0.22%	0.18%

Notes:

1. Peter Doyle's interest in Shares is held through Armarna Too Pty Ltd <Armarna Too Trust>.
2. Mark Lochtenberg's interest in Shares and Conversion Shares (to be issued) is held through Mark and Michael Lochtenberg ATF Rigi Super Fund A/C and Rigi Investments Pty Ltd ATF Cape Trust A/C.
3. Robert Tindall's interest in Shares is held through Robert James Tindall, JLNCE3 Pty Ltd ATF The Tindall Family Trust No.3, and Robert, Carolyn, Christine Tindall ATF The Tindall Family Superannuation Fund.
4. William Souter's interest in Shares is held through Souter Family Holdings Pty Ltd ATF Trustee for the Souter Family Trust.
5. Susie Henderson's interest in Shares is held through Please Murray Pty Ltd ATF The Henderson Ashton Family Trust.

In addition to the Shares held by each of the Directors (and their associates), the Directors hold Options and Performance Rights as described above.

5.3 CONSULTANCY AND EMPLOYMENT AGREEMENTS

Alan Ahlgren is Director of both Montem Resources Corp and Montem Alberta and his services as the Chief Financial Officer for Montem Resources Corp are provided under a consulting services agreement between Seatrend Strategy Group (**Seatrend**) and Montem Resources Corp dated 13 March 2018. In consideration for performing the services, the Company will pay Seatrend a fixed retainer of C\$5,000 per month for a commitment of 32 hours, with any hours in excess of this amount being payable at C\$195 per hour. Montem Resources Corp may terminate the engagement on 30 days' notice, but must pay C\$20,000 for every year Seatrend has been retained. If there is a change of control (a change of 50% or more of the ownership of Montem Canada, but excluding an IPO) the Company must pay Seatrend a minimum of 18 months retainer (C\$90,000).

Robert Bell is a Director of both Montem Canada and Montem Alberta and his services as Chief Commercial Officer are provided under an employment agreement with Montem Resources Corp dated 17 May 2018. Mr Bell receives annual fixed remuneration of C\$350,000 less statutory and other required deductions. Applying an AUD/CAD exchange rate of A\$1.00: C\$0.96, as at 29 July 2020, being the last practicable date before the date of this Prospectus, the amount is equal to approximately A\$364,583. Mr Bell will also be entitled to participate in Montem Resource Corp's short term and long term incentive plans. In connection with his employment, Mr Bell has also been issued the following Options and Performance Rights (under the EIP and otherwise on terms as described in Section 5.2 above):

- 175,097 Options exercisable at \$0.63 vested 12 January 2018, expiring 12 January 2023;
- 175,097 Options exercisable at \$0.75 vested 1 January 2019, expiring 31 December 2023;
- 175,097 Options exercisable at \$1.00 vested 1 January 2020, expiring 31 December 2024;
- 150,000 Options exercisable at \$0.25 vested 31 March 2020, expiring 23 September 2022;
- 75,000 Options exercisable at \$0.25 vested 31 December 2019, expiring 23 September 2022;
- 87,500 Options exercisable at \$0.25 vested 28 April 2020, expiring 23 September 2022;
- 200,000 Options exercisable at \$0.50, vesting 1 April 2021, expiring 23 September 2022;
- 625,292 Performance Rights, nil exercise price, expiring 1 June 2023; and
- 850,000 Performance Rights, nil exercise price, expiring 30 June 2023.

A summary of the terms of the Options and the Performance Rights, including their respective vesting conditions, are set out in Section 11.4 and Section 11.6 respectively.

If Mr Bell's employment is terminated without cause, any unvested long term incentive Options vest immediately and will be exercisable on or before the date that is 15 days after the date of termination (upon after which date the Options will be deemed forfeited). If Mr Bell's employment agreement is terminated with cause or he resigns, any unvested Options will be forfeited immediately. Mr Bell may terminate his employment agreement by giving at least 3 months' notice in writing. Montem Resources Corp may terminate the agreement at any time for cause (with no payment of any additional remuneration save for any accrued and owing entitlements) or without cause at any time upon by providing Mr Bell with payment of 12 months of his then total fixed remuneration.

5.4 COMPANY SECRETARY ENGAGEMENT

The Company entered into an engagement agreement with Leydin Freyer on or about 23 November 2017 pursuant to which Leydin Freyer has agreed to provide the Company with accounting, and company secretarial services.

Fees payable to Leydin Freyer (excluding GST) for company secretarial services are as follows:

- prior to the IPO, a fee of up to \$10,000 is payable per month; and
- following the IPO, a monthly retainer fee of \$4,000 will be payable.

Fees payable for the accounting services will vary according to the level of complexity and activity, ranging from \$100-\$250 per hour.

Either party may terminate the agreement by providing one months' notice or a lesser period as mutually agreed by both parties (unless there is wilful misconduct or fraud, in which case the agreement will terminate immediately).

5.5 EMPLOYEE INCENTIVE PLAN ARRANGEMENTS AND OTHER OPTIONS

The Company has adopted the EIP in order to assist in the motivation and retention of selected Company employees and directors. A summary of the terms of the EIP are set out in Section 11.3.

As at the date of this Prospectus, the Company has on issue 6,315,133 Options and 8,719,710 Performance Rights granted under the EIP to eligible employees, contractors or directors of a Group company. The EIP will continue to apply to the Performance Rights and Options issued under it before completion of the Offer.

Other than the 2,755,106 Options and 5,292,606 Performance Rights held by Directors under the EIP (details of which are set out in Section 5.2), as at the date of this Prospectus there are also 3,182,102 Performance Rights (with the same terms as described in Section 5.2) and 1,844,602 Options on issue to employees under the EIP (including those issued to Mr Bell as described above), with the following key terms:

- 260,700 Options exercisable at \$0.63 vested 12 January 2018, expiring 12 January 2023;
- 260,701 Options exercisable \$0.75 vested 1 January 2019, expiring 31 December 2023;
- 125,000 Options exercisable \$0.25 vested at 31 December 2019, expiring 23 September 2022;
- 260,701 Options exercisable at \$1.00 vested 1 January 2020, expiring 31 December 2024;
- 375,000 Options exercisable at \$0.25 vested 31 March 2020, expiring 23 September 2022;
- 187,500 Options exercisable at \$0.25 vested 28 April 2020, expiring 23 September 2022; and
- 375,000 Options exercisable at \$0.50 vesting 1 April 2021, expiring 23 September 2022.

In addition:

- 628,758 Options and 245,002 Performance Rights held by a former director following retirement under the terms of the EIP, with the following key terms:
 - 233,463 Options exercisable at \$0.63 vested 1 February 2019, expiring 12 January 2023;
 - 233,463 Options exercisable at \$0.75 vested 1 February 2020, expiring 12 January 2023;
 - 161,382 Options exercisable at \$1.00 vesting 1 February 2021, expiring 12 January 2023.
- 1,086,667 Consultant Options with an exercise price of \$0.63 and an expiry date of 12 January 2023 are on issue which were issued to previous consultants providing services to the Company. The terms of the Options and the Consultant Options are set out in Sections 11.4 and 11.5 respectively.

5.6 CORPORATE GOVERNANCE

This Section explains how the Board will oversee the management of the Company's business. The Board is responsible for the overall corporate governance of the Group. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy, including approving the strategic goals of the Company and considering and approving its annual business plan and the associated budget. The Board is committed to maximising performance, generating appropriate level of Shareholder value and financial return and sustaining the growth and success of the Company. In conducting the Company's business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests and that the Company, its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has developed and adopted a framework of corporate governance policies and practices, risk management practices and internal controls that it believes appropriate for the Company's business.

The Company is seeking a listing on the ASX. In order to promote investor confidence and to assist companies to meet stakeholder expectations, the ASX Corporate Governance Council has developed and released Corporate Governance Principles and Recommendations, now in its fourth edition (**ASX Recommendations**) for Australian listed entities. The ASX Recommendations are not mandatory or prescriptive and the Board is entitled not to adopt a particular recommendation if it considers it inappropriate in the context of the business. However, under the ASX Listing Rules the Company will be required to provide a corporate governance statement in its annual report (or by reference in its annual report to the URL of the page on its website where the statement can be viewed), disclosing the extent to which it has followed the ASX Recommendations within the reporting period. Where the Company does not follow a recommendation for any part of a reporting period, it must identify the recommendation and provide its reasons for not doing so and what (if any) alternative governance practices it adopted in lieu of the recommendation.

The section below briefly addresses the areas where the Company has departed from the recommendations contained in the ASX Recommendations. The Board is of the view that with exception of the departures set out below, it otherwise expects to comply with all of the recommendations in the ASX Recommendations.

ASX RECOMMENDATION	RESPONSE
Recommendation 1.2 (b) sets out that a listed entity should provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	This recommendation is satisfied insofar that the Company intends that all material information relevant to a decision on whether or not to elect or re-elect a Director be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director.
Recommendation 1.5 (b) sets out that an entity should disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy.	The Company is still in the process of developing measurable objectives for achieving gender diversity. The measurable objectives set by the Board will be included in the annual key performance indicators for the CEO/ MD and senior executives. In addition, the Board will review progress against the objectives in its annual performance assessment.
Recommendation 1.6 (b) sets out that a listed entity should disclose in relation to each reporting period, whether a performance evaluation of its board was undertaken in the reporting period in accordance with that process.	The Board intends to formally evaluate its performance, the performance of its Committees and individual Directors, as well as the governance processes supporting the Board through an annual assessment process. The Company intends to disclose the matters contemplated by ASX Recommendation 1.6 (b) in future annual corporate governance statements.
Recommendation 1.7 (b) sets out that a listed entity should disclose in relation to each reporting period, whether a performance evaluation of its senior executives was undertaken in the reporting period in accordance with that process.	Senior executives are appointed by the Managing Director and their Key Performance Indicators (KPI's) contain specific financial and non-financial objectives which will be reviewed by the Managing Director annually. The Company intends to disclose the matters contemplated by ASX Recommendation 1.7 (b) in future annual corporate governance statements.
Recommendation 4.3 sets out that a listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor	The Company's external auditor is William Buck. William Buck will be in attendance at each Annual General Meeting and a representative will be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report. Any periodic corporate reports the company intends to release to the market that are not audited or reviewed by an external auditor will be reviewed and approved by the Board so that it is satisfied the report in question is materially correct, balanced and provides investors with appropriate information to make an informed investment decision.
Recommendation 5.3 sets out that a listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	The Company will ensure that all substantive presentations are released to the market to enable security holders the opportunity to participate in the presentation.

ASX RECOMMENDATION	RESPONSE
Recommendation 6.2 sets out that a listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company places a high priority on communications with its Shareholders. Although it does not have an investor relations program currently in place, it considers that it will satisfy the ASX Recommendation through its disclosures: • to the ASX company announcements platform, • through its notices of meetings to Shareholders and • the provision of all relevant documentation released on Montem's website, including media releases, key policies and charters of the Board and its committees. The Board considers that the aforementioned communications should be sufficient to ensure Shareholders are informed of all major developments affecting the affairs of the Company in accordance with all applicable laws. The Board considers these departures from the ASX Recommendation are justified given the stage of development for the Company and the need to preserve funds. If in future an investor relations program is warranted then the Board will give due regard to the ASX Recommendation and terms of an investor relations program.

5.7 COMMITTEES AND KEY POLICIES

The main policies and practice adopted by the Company, which are in effect or will take effect from listing, are summarised below. In addition, many governance elements are contained in the Constitution. Details of the Company's key policies and the charters for the Board and each of its committees will be available from listing at www.montem-resources.com.

Board appointment and composition

It is the Board's policy that there should, where practicable, be a majority of independent Directors and that the office of Chair be held by an independent Non-executive Director.

The Board Charter sets out guidelines for the purpose of determining independence of Directors in accordance with the ASX Recommendations and has adopted a definition of independence that is based on that set out in the ASX Recommendations. The Board considers an independent Director to be a Non-executive Director who is not a member of the Company's management and who is free of any business or other relationship that could materially interfere with the independent exercise of their judgement. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time.

The Board considers that Mark Lochtenberg, William Souter and Susie Henderson are free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the exercise of the Director's unfettered and independent judgement and are able to fulfil the role of independent Director for the purpose of the ASX Recommendations.

Peter Doyle is considered by the Board not to be independent as an executive Director of the Company. Robert Tindall is not independent for ASX purposes due to his previous executive roles with the Company and his substantial shareholding in the Company. Mr Tindall has been previously employed in an executive capacity by the Company and there has not been a period of at least three years between ceasing such employment and serving on the Board.

Board Charter

The Board has adopted a written charter to take effect from listing. The charter sets out:

- the Board composition;
- the Board's role and responsibilities;
- the relationship and interaction between the Board and management; and
- the authority delegated by the Board to management and Board committees.

The Board's role is to, among other things:

- represent the interests of Shareholders by overseeing and appraising the Company's strategies, policies and performance;
- provide strategic direction for, and approval of, corporate strategy and performance objectives;
- review and ratify systems of risk management, internal compliance and control, codes of conduct and legal and regulatory compliance to ensure appropriate compliance systems and controls are in place;
- monitor senior management's performance and implementation of strategy, and seek to ensure appropriate resources are available;
- approve and monitor the operational and financial position and performance of the Company;

- approve and monitor the progress of major capital expenditure, capital management, acquisitions and divestments;
- approve and monitor budgets; and
- oversee control and accountability systems.

Matters which are specifically reserved to the Board or its committees include:

- appointment of the Chair;
- appointment and removal of the Managing Director;
- appointment of Directors to fill a vacancy or as an additional Director;
- establishment of Board committees, their membership and their delegated authorities;
- approval of dividends;
- review of corporate codes of conduct; and
- approval of major capital expenditure, acquisitions and divestments in excess of authority levels delegated to management.

The management function is conducted by, or under the supervision of, the Managing Director and Chief Executive Officer as directed by the Board. Management must supply the Board information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. The Board collectively and any individual Director may seek independent professional advice at the Company's expense, subject to the reasonable approval of the Chair of the Board and the advice being made available to the Board as a whole.

Board Committees

The Board may from time to time establish committees to assist in the discharge of its responsibilities. The Board has established two standing committees to assist the Board in fulfilling its responsibilities, the Audit and Risk Committee and the Nomination and Remuneration Committee. Membership of Board committees will be based on the needs of the Company, relevant legislation, regulatory and other requirements, and the skills and experience of Board members.

Audit and Risk Committee

Under its charter, this committee should comprise at least three Directors a majority of whom must be independent where practicable, and all of whom must be non-executive Directors (to the extent that this is practical given the size and composition of the Board from time to time). The committee Chair must not be the Chair of the Company. Members of the committee must comprise of persons who are financially literate and at least one member must be a qualified accountant or other financial professional with appropriate expertise in financial and accounting matters.

From listing the members of the committee will comprise Mark Lochtenberg, William Souter and Susie Henderson who will be the chair of the committee. Each member is financially literate and Susie Henderson is a qualified accountant. Accordingly, at listing the Audit and Risk Committee will comply with the ASX Recommendation that all three members be non-executive Directors, a majority of whom are independent. The primary role of the committee is to assist the Board to fulfil its responsibilities for the Company's financial reporting, external audit, risk management systems and internal control structure. This includes:

- engaging in the oversight of the Company's financial reporting, internal control, financial and non- financial risk and overseeing and reviewing the output of that process;
- assessing the appropriateness and application of the Company's accounting policies and principles, and any changes to them, so that they accord with the applicable financial reporting framework;
- reviewing all quarterly, half yearly and annual reports with management, advisors and the external auditors (as appropriate), and recommending the applicable accounts' adoption by the Board;
- overseeing the establishment of risk management and internal compliance and control systems;
- ensuring there is a mechanism for assessing the ongoing efficacy of those systems;
- reviewing the adequacy of risk management procedures to ensure they comply with legal obligations, including to assist the Managing Director and Chief Financial Officer to provide declarations required under Section 295A of the Corporations Act;
- make recommendations to the Board on the appointment and independence of the external auditor and consider the rotation of the audit partner and engagement of the external auditors; and
- meeting periodically with the external auditor and inviting them to attend committee meetings to assist the committee to discharge its obligations.

Pursuant to the charter, it is the policy that the external auditor must be independent and that the external auditor's independence be reviewed on an annual basis. The committee may invite other Directors, senior managers and representatives of the external auditor to attend committee meetings and may seek advice from external consultants.

Nomination and Remuneration Committee

The charter of this committee provides that the committee should comprise at least three Directors, and where practicable, a majority of whom (including the Chair) must be independent and all of whom must be non-executive Directors (to the extent that this is practical given the size and composition of the Board from time to time).

From listing, the Nomination and Remuneration Committee will comprise Robert Tindall, Susie Henderson, and William Souter who will chair the committee. Accordingly, at Listing the Nomination and Remuneration Committee will comply with the ASX Recommendation that all members be non- executive Directors, a majority of whom are independent.

The role of the committee is to assist the Board with fulfilling its responsibilities to Shareholders and other stakeholders to seek to ensure that the Company:

- has coherent and appropriate remuneration policies and practices which enable the Company to attract and retain Directors and executives who will create value for Shareholders;
- fairly and responsibly remunerates Directors and executives having regard to the performance of the Company, the performance of the executives and the general market environment;
- has policies to evaluate the performance and composition of the Board, individual Directors and executives on (at least) an annual basis with a view to ensuring that the Company has a Board of effective composition, size, expertise and commitment to adequately discharge its responsibilities and duties;
- has adequate succession plans in place (including for the recruitment or appointment of Directors and senior management); and
- has policies and procedures that are effective to attract, motivate and retain appropriately skilled and diverse people that meet the Company needs and that are consistent with the Company's strategic goals and human resource objectives.

The committee may seek advice and assistance where appropriate (for example, for the purpose of conducting the annual review process) from external consultants.

Diversity Policy

The Company comprises individuals with diverse skills, backgrounds, perspectives and experiences and this diversity is valued and respected. To demonstrate the Company's commitment to developing measurable objectives to achieve diversity and inclusion in its workplace, the Company has implemented a Diversity Policy. The Company's policy has meritocracy as a guiding principle, and seeks to align the Company's management systems with its commitment to continue to develop a culture that values and achieves diversity in its workforce and on its Board.

In its annual report, the Company will disclose the measurable objectives for achieving diversity and progress towards the policy's goals, and will also disclose the proportion of women in the whole organisation, women in senior positions and women on the Board.

Continuous Disclosure Policy

Once listed, the Company will be required to comply with the continuous disclosure obligations of the ASX Listing Rules and the Corporations Act. Subject to the exceptions in the ASX Listing Rules, the Company will be required to disclose any information to the ASX that is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Company's securities. The Company is committed to observing its continuous disclosure obligations. The Company has adopted a Continuous Disclosure Policy to take effect from listing which establishes procedures that are aimed at ensuring that Directors and management are aware of and fulfil their obligations in relation to the timely disclosure of material price sensitive information. Under the disclosure policy the Disclosure Committee will be responsible for managing the Company's compliance with its continuous disclosure obligations.

In addition to being provided to the ASX, continuous disclosure announcements will also be available on the Company's website at www.montem-resources.com.

Securities Trading Policy

The Company has adopted a policy to take effect from listing for dealing in the Company's Shares which will apply to the Group's Directors, officers, and employees. The policy outlines the types of conduct in relation to dealing in Shares that are prohibited by the Corporations Act, and establishes procedures to minimise the risk of dealing in Shares in breach of those prohibitions. Subject to certain exceptions, including severe financial hardship or during a period the Company is complying with heightened disclosure requirements, the policy defines certain "prohibited periods" during which trading by Directors, senior executives, staff involved in the Company's financial reporting process and certain other employees ("Restricted Employees") is prohibited. These prohibited periods are:

- each period between the first of January, April, July and October until 24 hours following the release of the Company's quarterly results to ASX; and
- any other period imposed by the Board when it is considering matters which fall within a continuous disclosure exception under Listing Rule 3.1A.

Outside of the prohibited periods, Restricted Employees must receive prior clearance for any proposed dealing in Shares. In all instances, buying and selling of Shares is not permitted at any time by any person who possesses price-sensitive information. In addition to the above restrictions, all Directors and employees are prohibited from buying Shares with a margin loan, without prior written approval from the Company or hedging exposure to unvested equity awards. A copy of the Company's security trading policy is available on its website www.montem-resources.com.

Code of Conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a code of conduct designed to:

- provide a benchmark for professional behaviour throughout the Group;
- support the Company's business reputation and corporate image; and
- make Directors and employees aware of the consequences if they breach the Code of Conduct.

The Code of Conduct will take effect from listing and is to be followed by all employees and officers. The key aspects of this code are to:

- act fairly with honesty and integrity in the best interests of the Company and in the reasonable expectations of Shareholders;
- act in accordance with all applicable laws, regulations, and the Company policies and procedures;
- have responsibility and accountability for individuals for reporting and investigating reports of unethical practices; and
- use the Company's resources and property properly.

The Code of Conduct sets out the Company's policies on various matters including ethical conduct, business conduct, compliance, privacy, security of information and conflicts of interest.

Whistleblower Policy

The Board is committed to the highest standards of conduct and ethical behaviour in all of our business activities, and to promoting and supporting a culture of honest and ethical behaviour, corporate compliance and good corporate governance.

The Whistleblower Policy is in effect and Montem encourages its employees, officers, contractors, suppliers and tenderers who have business dealings with Montem to report any instances of unethical, illegal, fraudulent or undesirable conduct involving Montem Group's businesses, and will ensure that those persons who make a report shall do so without fear of intimidation, disadvantage or reprisal.

Anti-Bribery and Corruption Policy

The Board is committed to conducting its operations and business activities with integrity and preventing bribery or corruption by any of its directors, officers, employees or any other party acting on its behalf. The Company is committed to complying with all laws that apply to it, including anti-bribery and corruption laws.

The Anti-Bribery and Corruption Policy was adopted by the Board and came into effect on, 10 June 2020. It is to be followed by all employees, officers, contractors and other individuals or entities that are effectively controlled by Montem. The purpose of the Anti-bribery and Corruption Policy is to:

- supplement the Company's Code of Conduct by setting out the conduct expected by the Company to minimise the risk of bribery or corruption occurring in connection with its operations and activities; and
- provide guidance on how to deal with instances of bribery or corruption.

SECTION 6

Details of the Offer



6.1 SHARES OFFERED

The Offer invites potential investors to apply for up to 32,000,000 New Shares in the Company at an issue price of \$0.25 per Share. The Offer is intended to raise \$8,000,000 for the Company (before costs of the Offer). No oversubscriptions will be accepted by the Company. The Offer is fully underwritten by the Lead Manager and Underwriter.

All Shares issued pursuant to this Prospectus will, once issued, be fully paid and will rank equally in all respects with the Shares already on issue. Further details of the rights attaching to the Shares are set out in Sections 11.1 and 11.2.

6.2 STRUCTURE OF THE OFFER

The Offer under this Prospectus consists of:

- the Institutional Offer – which consists of an invitation to certain Institutional Investors in Australia, New Zealand, Canada, the UK, Hong Kong and Singapore, and in a number of other authorised jurisdictions, to apply for Shares; and
- the Broker Firm Offer – which is open to Australian resident retail clients of Brokers who have received a firm allocation from their Broker.

No general public offer of Shares will be made under the Offer. Members of the public wishing to apply for Shares under the Offer must do so through a Broker with a firm allocation of Shares.

Details of the Institutional Offer and the allocation policy under it are described in Section 6.14. Details of the Broker Firm Offer and the allocation policy under it are described in Section 6.13. The Offer is made on the terms and is subject to the conditions set out in this Prospectus.

The Company reserves the right to close the Offer early, to accept late Applications or extend the Offer without notifying any recipient of this Prospectus or any Applicant.

6.3 IS THE OFFER UNDERWRITTEN?

The Offer has been fully underwritten by the Lead Manager and Underwriter pursuant to the Underwriting Agreement, under which the Lead Manager and Underwriter has been appointed to arrange and manage the Offer and act as lead manager, bookrunner and underwriter of the Offer. A summary of the Underwriting Agreement, including the events which would entitle the Lead Manager and Underwriter to terminate the Underwriting Agreement, is set out in Section 10.7.

6.4 IMPORTANT DATES

Prospectus Date	31 July 2020
Opening Date of Offer	10 August 2020
Closing Date of Offer	26 August 2020
Allotment of Shares (Completion of Offer)	11 September 2020
Expected date of despatch of Holding Statements	14 September 2020
Shares expected to begin trading on ASX (on a normal settlement basis)	15 September 2020

The above dates are indicative only and may vary. The Company, in consultation with the Lead Manager and Underwriter, reserves the right to amend the indicative timetable, including by closing the Offer early or extending the Closing Date or accept late applications, without prior notice, subject to the requirements of the Listing Rules and the Corporations Act. The admission of the Company to the Official List of ASX and the commencement of quotation of the Shares are subject to confirmation from ASX.

6.5 PURPOSE OF THE OFFER

The purpose of the Offer is to raise funds for:

- completion of the necessary work at the Tent Mountain Mine to prepare for construction. This work includes preparing and completing applications to the regulator to re-start the mine. Additional work in preparation includes additional exploration to produce a bulk sample for customers in Asia to trial the product, and paying a reservation fee for port access.
- exploration at the Chinook Project, to facilitate further engineering studies. Environmental monitoring work will also be undertaken to facilitate mine applications in the future.
- facilitating administration and general charges of the Company for a period of 18 months from the IPO.

6.6 USE OF FUNDS

The proposed use of funds will be subject to modification on an ongoing basis, and final spending allocation on various functional areas may vary depending on the results obtained from the development and exploration activities. An ongoing assessment of each Project may lead to increased or decreased levels of expenditure on them, reflecting changes in emphasis as appropriate. Subject to this, the following expenditure for the funds raised under the Offer is proposed:

USE OF FUNDS: AUD	SUB-TOTAL	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Tent Mtn: strategic land purchase (Tent Mtn rail)	2.64	-	2.64	-	-	-	-
Tent Mtn: Port reservation fee	1.20	-	1.20	-	-	-	-
Tent Mtn: permitting (enviro monitoring and liaison)	0.63	0.21	0.16	0.16	0.10	-	-
Tent Mtn: pre-production drilling (pit definition & bulk sample)	0.89	0.52	0.36	-	-	-	-
Chinook: exploration, PEA study and environmental work	0.83	0.42	0.42	-	-	-	-
General and administrative expenses (18 months)	1.72	0.29	0.29	0.29	0.29	0.29	0.29
Offer costs (broker fees; IPO preparation)	0.83	0.83	-	-	-	-	-
\$0.75m in-hand @ 30 June 2020	8.73	2.27	5.06	0.44			

** The total costs of the Offer are approximately \$1,100,000 as set out in Section 11.10 of which the Company has already paid approximately \$300,000.

The Company believes that the funds raised under the Offer (approximately \$8,000,000) and its available cash as at the date of this Prospectus should be adequate to fund the Company's business objectives in the near term as stated above.

The Company has no operating revenue and is unlikely to generate any operating revenue until production under the Tent Mountain Mine Restart Project. Section 10 of the Technical Assessment Report summarises the expected capital requirements for the Tent Mountain Mine Restart Project, subject to the assumptions set out in that report. In addition to the amounts raised pursuant to the Offer, the Company will need to seek additional capital, whether through equity, debt, offtake financing or joint venture financing, to fund the Tent Mountain Mine Restart Project, for exploration, evaluation and exploitation of the other Projects' properties and to meet the milestone payments under the Purchase Agreement (as described in Section 10.2).

6.7 PRO FORMA HISTORICAL CONSOLIDATED BALANCE SHEET

The Group's pro forma balance sheet following completion of the Offer, including details of the pro forma adjustments, is set out in Section 8.

6.8 CAPITAL STRUCTURE

The pro-forma capital structure of the Company following completion of the Offer is summarised below:

Offer Price per New Share	\$0.25
Total number of Shares on issue (other than Shares offered under this Prospectus)	137,695,203
Conversion Shares ¹	32,931,608
New Shares offered under the Offer	32,000,000
Total number of Shares on issue upon listing on ASX ²	202,626,811
Options on issue at the date of this Prospectus ³	6,315,133
Performance Rights on issue at the date of this Prospectus ³	8,719,710
Amount to be raised under the Offer	\$8,000,000
Undiluted market capitalisation at the Offer Price ⁴	\$50,656,703

1 This assumes the issue of Conversion Shares will occur on or about 11 September 2020. This number will increase if the Convertible Notes convert on a later date. Refer to Section 10.4 for further details.

2 The total number of Shares on issue on completion of the Offer includes Shares subject to escrow as described in Section 11.7.

3 Details of the Options and Performance Rights on issue are set out in Sections 5.2, 5.3, 5.5, 11.3 to 11.6.

4 Calculated as the total number of Shares on issue following the Offer multiplied by the Offer Price.

6.9 SUBSTANTIAL SHAREHOLDERS AND CONTROL

Shareholders holding 5% or more of the Shares on issue as at the date of this Prospectus and, and what they are expected to hold at Completion, is set out in the table below.

SHAREHOLDER	% HOLDING AS AT DATE OF PROSPECTUS	% HOLDING AT COMPLETION ²
Merrill Lynch (Australia) Nominees Pty Ltd ATF Regal Emerging Companies Fund II, CS Third Nominees Pty Ltd <HSBC Custody Nominees Au Ltd 13 A/C> ¹	23.75%	20.00% ³
Ilwella Pty Ltd	11.00%	9.26%
JLNEC3 Pty Ltd ATF The Tindall Family Trust No.3, Robert James Tindall, Robert, Carolyn, Christine Tindall ATF The Tindall Family Superannuation Fund.	8.23%	6.93%
M & A (CS) Pty Ltd ATF M & A Cleaning Services Pty Limited Superannuation Fund, Aliro Olave.	7.52%	6.33%

Notes:

- Based on the information available to the Company as at the date of this Prospectus, Merrill Lynch (Australia) Nominees Pty Ltd ATF Regal Emerging Companies Fund II, CS Third Nominees Pty Ltd <HSBC Custody Nominees Au Ltd 13 A/C> has indicated that it intends to participate in the Offer. If it participates further and subject to allocations, based on its shareholding six months before 11 September 2020 for the purposes of Section 611(9) of the Corporations Act, it could increase its holding up to a maximum of 25.52% (including its Conversion Shares).
- Assumes that no new Shares have been issued prior to Completion and includes the issue of the Conversion Shares which will convert at or prior to Completion. Refer to Section 10.4 for further details.
- This assumes that 32,931,608 Conversion Shares will be issued on or about 11 September 2020, however this percentage may increase if Completion occurs at a later date. Refer to Section 10.4 for a summary of the terms of the Convertible Notes.

The final holdings of all substantial shareholders will be notified to the market on Listing.

6.10 ESCROW ARRANGEMENTS

Subject to the Shares being quoted on the ASX, some of the Shares, Options and Performance Rights held by Shareholders at the date of this Prospectus are likely to be classified as restricted and will be required to be held in escrow. Further details of the escrowed shares are set out in Section 11.6.

6.11 DIVIDENDS

The Directors do not envisage that Montem will be in a position to declare dividends for the immediately foreseeable future.

6.12 KEY TERMS AND CONDITIONS OF THE OFFER

The key terms and conditions of the Offer are summarised in the table below.

TOPIC	SUMMARY
What is the type of security being offered?	New Shares, being fully paid ordinary Shares in the capital of Montem Resources Limited.
What are the rights and liabilities attached to the security being offered?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Sections 11.1 and 11.2.
What is the consideration payable for each security being offered?	The Offer Price is \$0.25 per Share.
What is the Offer Period?	The key dates, including details of the Offer Period, are set out in the Key Offer Information and Section 6.4. The timetable is indicative only and may change. The Company in consultation with the Lead Manager and Underwriter, reserves the right to vary both of the times and dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, to accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offer before issue of the New Shares, in each case without notifying any recipient of this Prospectus or any Applicants). If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens. No Shares will be issued on the basis of this Prospectus later than 13 months after the date of lodgement of this Prospectus.
How to apply?	You should carefully read this Prospectus and instructions accompanying it before applying for New Shares. If you wish to participate in the Offer, you should complete the Application Form in accordance with Sections 6.13 and 6.14, as the case may be.
What are the cash proceeds to be raised?	\$8,000,000 will be raised from the Offer proceeds (before costs and expenses).

TOPIC	SUMMARY
Is the Offer underwritten?	Yes. Morgans Corporate Limited has agreed to manage and to underwrite the Offer on the terms of the Underwriting Agreement. In the event the Company does not receive Applications for the full amount of \$8,000,000 for New Shares under the Broker Firm Offer and the Institutional Offer, the Lead Manager and Underwriter will subscribe for, or procure subscriptions for any shortfall in accordance with the Underwriting Agreement. Please refer to Section 10.7 for a summary of the material terms of the Underwriting Agreement and Section 11.7 for details of the fees received by the Lead Manager and Underwriter.
Who is the Lead Manager and Underwriter?	Morgans Corporate Limited is the Lead Manager and Underwriter to the Offer. Please refer to Section 11.7 for details of the fees received by the Lead Manager and Underwriter.
What is the minimum Application size under the Offer?	The minimum Application under the Broker Firm Offer and Institutional Offer is \$2,000 for 8,000 Shares and in multiples of 2,000 Shares (i.e. at least \$500) thereafter. The Lead Manager and Underwriter, in consultation with the Company, reserves the right to reject any Application or to allocate a lesser number of Shares than that applied for. There is no maximum number or value of New Shares that may be applied for under the Broker Firm Offer or Institutional Offer.
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer and the Institutional Offer will be determined by the Lead Manager and Underwriter in consultation with the Company having regard to the allocation policies outlined in Sections 6.13 and 6.14. With respect to the Broker Firm Offer, it is a matter for the Broker how they allocate firm Shares among their eligible retail clients.
Will the Shares be listed?	The Company will apply to the ASX for admission to the Official List and quotation of its Shares on the ASX under the code MR1. Completion of the Offer is conditional on the ASX approving the Company's application for admission to the Official List. If approval is not given within three months after the Company's application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.
When are the Shares expected to commence trading?	It is expected that trading of the Shares on the ASX will commence on or about 15 September 2020, subject to ASX confirmation. It is the responsibility of each Applicant to confirm their own holdings before trading on ASX, and any Applicant who sells their Shares before they receive an initial holding statement does so at its own risk. To the maximum extent permitted by law, the Company, the Directors of the Company, the Share Registry, and the Lead Manager and Underwriter disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their initial holding statements, whether on the basis of a confirmation of allocation provided by any of them, by the Share Registry, by a Broker or otherwise.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be despatched by standard post on or about 14 September 2020.
Are there any escrow arrangements?	Yes. Details are provided in Section 11.7.
Are there brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer. See Section 11.8 for details of the fees payable by the Company to the Lead Manager and Underwriter.
Are there any tax considerations?	Yes. It is recommended that all potential investors consult their own independent tax advisers regarding the tax (including capital gains tax), stamp duty and GST consequences of acquiring, owning and disposing of Shares, having regard to their specific circumstances.
What should you do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 during business hours or at corporate.actions@automic.com.au. All enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you require assistance to complete the Application Form, require additional copies of this Prospectus, have any questions in relation to the Offer or you are uncertain as to whether obtaining Shares in the Company is a suitable investment for you, you should seek professional advice from your stockbroker, solicitor, accountant, taxation adviser, financial adviser or other independent professional adviser before deciding whether to invest.

6.13 BROKER FIRM OFFER

Who may apply and how to apply

The Broker Firm Offer is open to persons who have received a firm allocation from their Broker and have a registered address in Australia. Applicants under the Broker Firm Offer should contact their Broker to request a copy of this Prospectus and Application Form.

If you have received an allocation of Shares from your Broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your Broker for information about how to submit your Application Form and for payment instructions. Applicants under the Broker Firm Offer must not send their Application Forms to the Company or Share Registry.

Applicants may apply for a minimum parcel of 8,000 Shares representing a minimum investment of \$2,000. Applicants under the Broker Firm Offer must pay their Application Monies in accordance with instructions from their Broker. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Monies are received before 5.00pm (Melbourne time) on the Closing Date or any earlier closing date as determined by your Broker. The Company, the Share Registry and the Lead Manager and Underwriter take no responsibility for any acts or omissions by your Broker in connection with your Application, Application Form or Application Monies.

Acceptance and allocation policy under the Broker Firm Policy

The allocation of New Shares to Brokers will be determined by the Lead Manager and Underwriter, in consultation with the Company. New Shares that are allocated to Brokers for allocation to their Australian resident clients will be issued or transferred to the Applicants who have received a valid allocation of New Shares from those Brokers. It will be a matter for the Brokers how they allocate New Shares among their clients, and they (and not the Company or the Lead Manager and Underwriter) will be responsible for ensuring that clients who have received an allocation from them, receive the relevant New Shares. Neither of the Company, the Lead Manager and Underwriter nor the Share Registry take responsibility for any acts or omissions by your Broker in connection with your Application, Application Form and Application Monies (including, without limitation, failure to submit Application Forms by the Broker Firm Offer Closing Date).

An Application in the Broker Firm Offer is an offer by the Applicant to the Company to apply for the amount of Shares specified in the Application Form, at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement Prospectus) and the Application Form. To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Where the number of Shares allotted is fewer than the number applied for, surplus Application Monies will be refunded to the Applicant without interest. Acceptance of an Application will give rise to a binding contract on allocation of Shares to successful Applicants.

The Lead Manager and Underwriter, in consultation with the Company, reserves the right to reject any Application which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Broker Firm Offer, or to waive or correct any errors made by an Applicant in completing their Application. Please contact your Broker if you have any questions.

Application Monies

Application Monies received under the Broker Firm Offer will be held in a special purpose bank account until the New Shares are issued to successful Applicants.

6.14 INSTITUTIONAL OFFER

Who can apply?

The Institutional Offer consists of an invitation to certain Institutional Investors in Australia and certain foreign jurisdictions to apply for Shares. Application procedures for the Institutional Offer have been, or will be, advised to the Institutional Investors by the Lead Manager and Underwriter. Shares acquired by Institutional Investors as part of the Institutional Offer will be allotted under this Prospectus.

Allocation policy under the Institutional Offer

The allocation of Shares for Institutional Investors applying for Shares in the Institutional Offer will be by the Lead Manager and Underwriter, in consultation with the Company. Participants in the Institutional Offer have been, or will be, advised of their allocation of Shares, if any, by the Lead Manager and Underwriter.

The Company and Lead Manager and Underwriter have absolute discretion regarding the basis of allocation of Shares among the Institutional Investors and there was no assurance that any Institutional Investor would be allocated any Shares, or the number of Shares for which it had applied for.

The allocation policy was influenced, but not constrained, by the following factors:

- number of Shares bid for by particular Applicants;
- the timeliness of the bid by particular Applicants;
- the Company's desire for an informed and active trading market following Listing;
- the Company's desire to establish a wide spread of institutional shareholders;
- overall level of demand under the Broker Firm Offer and Institutional Offer;
- the size and type of funds under management of particular Applicants;
- the likelihood that particular Applicants will be long-term Shareholders; and
- any other factors that the Company and the Lead Manager and Underwriter considered appropriate.

6.15 DISCRETION REGARDING THE OFFER

With the consent of the Lead Manager and Underwriter, the Company may withdraw the Offer at any time before the issue or transfer of Shares to successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest) as soon as practicable.

The Company and the Lead Manager and Underwriter also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than applied or bid for.

6.16 ASX LISTING

Within seven days after the Prospectus Date, application will be made by the Company to ASX for the Company to be admitted to the Official List of ASX and for admission of the Shares to quotation on ASX. Should the Company be admitted to the Official List, its ASX code is expected to be "MR1".

If the Company does not make such an application within seven days after the Prospectus Date or if permission is not granted for the official quotation of the Shares within three months after the Prospectus Date (or any later date permitted by law), the Company will not allot or issue any Shares, and will repay all Application Monies (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may admit the Company to its Official List should not be taken in any way as an indication of the merits of the Company or the Offer.

The Company will be required to comply with the ASX Listing Rules, subject to certain conditions (including any waivers obtained by the Company from time to time).

6.17 CHESS AND ISSUED SPONSOR HOLDINGS

The Company will apply to participate in the ASX's Clearing House Electronic Sub-register System (CHESS) and will comply with ASX Listing Rules and ASX Settlement Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are affected in an electronic form.

When the Shares become approved financial products (defined in the ASX Settlement Rules), holdings will be registered in one of two sub-registers, an electronic CHESS sub-register or an issuer sponsored sub-register. For all successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Shares will be registered on the issuer-sponsored sub-register.

Following completion of the Offer, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (HIN) for CHESS holders or, where applicable, the Securityholder Reference Number (SRN) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their Shareholding. Certificates will not be issued.

Shareholders will receive subsequent statements at the end of each month or if there has been a change to their holding on the register and as otherwise required under ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring Broker in the case of a holding on the CHESS sub-register or through the Share Registry in the case of a holding on the issuer sponsored sub-register. The Share Registry may charge a fee for these additional statements.

6.18 DEFERRED SETTLEMENT TRADING AND SELLING SHARES ON MARKET

It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. If Shares are sold before receiving a holding statement, successful Applicants do so at their own risk. The Company, the Share Registry, the Lead Manager and Underwriter disclaim all liability, whether in negligence or otherwise, if a Shareholder sells Shares before receiving a holding statement, even if the Shareholder obtained details of their holding through the Lead Manager and Underwriter or their Broker.

6.19 FOREIGN SELLING RESTRICTIONS

This Prospectus does not constitute an offer or invitation to subscribe for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

This Prospectus may not be released or distributed in the United States of America. The Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States of America and may not be offered or sold, directly or indirectly, in the United States of America.

Canada

No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder nor has it reviewed this Prospectus and any representation to the contrary is an offence. This Prospectus is not, and under no circumstance is it to be construed as a prospectus or advertisement or a public offering of these securities in Canada. The securities offered hereunder have not been and will not be qualified for distribution to the public under the securities laws of any province or territory of Canada. Except pursuant to applicable private placement exemptions for accredited investors, these securities are not being offered or sold and may not be offered or sold, directly or indirectly, into Canada or to, or for the account of, any person resident in Canada. Resale of these securities will be subject to restrictions under applicable securities laws which vary depending on the relevant jurisdictions.

These securities do not trade on any exchange or market in Canada. The Company is not a SEDAR filer nor a reporting issuer under applicable Canadian securities legislation and therefore is not required to file continuous disclosure documents, reports and other information with the securities commission or similar regulatory authority in any province of Canada.

This Prospectus is submitted on a confidential basis solely in connection with the consideration of the purchase of these securities in a private placement and its use for any purpose other than to evaluate an investment in the securities described herein is prohibited. Each prospective investor that receives this Prospectus in Canada shall not transmit, reproduce or make available to anyone this Prospectus or any information contained herein and if requested by the Company, will return or destroy all copies of this Prospectus.

Notice to New Zealand Residents – Warning Statement

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 (NZ) and Part 9 of the Financial Markets Conduct Regulations 2014 (NZ).

The Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under the Corporations Act set out how the Offer must be made. There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars. If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

United Kingdom

Neither the information in this Prospectus nor any other document relating to the Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (or the purposes of section 85 of the Financial Services and Markets Act 2000 (United Kingdom), as amended (FSMA)) has been published or is intended to be published in respect of the New Shares.

This Prospectus is issued on a confidential basis to “qualified investors” (within the meaning Article 2(e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this Prospectus, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This Prospectus should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom. Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company. In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of FSMA (Financial Promotions) Order 2005 (FPO), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investments to which this Prospectus relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (SFO). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO). No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities. The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Sections 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

By accepting receipt of this document and any other document or material relating to the offer or sale, or invitation for subscription or purchase, of the Securities, you (i) represent and warrant that you are either an institutional investor as defined under Section 4A of the SFA, a relevant person as defined under Section 275(2) of the SFA or a person to whom an offer, as referred to in Section 275(1A) of the SFA, is being made and (ii) agree to be bound by the limitations and restrictions described therein. In the event that you are not an investor falling within any of the categories set out above, you shall not be able to subscribe or purchase any of the Securities and shall return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves, or seek legal advice, with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

6.20 ACKNOWLEDGEMENTS

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and to be bound by the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of this Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full; and
- declared that all details and statements in their Application Form are complete and accurate; and
- declared that the Applicant(s) is/are a resident of Australia (except as applicable to the Institutional Offer).

SECTION 7

Risk Factors



7.1 INTRODUCTION

There are numerous risk factors involved with the Company and its Subsidiaries' business. Shares offered pursuant to this Prospectus should be considered speculative. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some risks are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return or capital or the price at which the securities will trade.

The ongoing effect of COVID-19 and any possible future outbreaks of this or other viruses may have a significant adverse effect on the industries and economies in which the Company operates and therefore on the Company's operations, such as the Company's ability to raise capital, the Company's ability to implement planned activities, disruptions to the Company's supply chains and access to equipment, employees or contractors. COVID-19 is still spreading and the final implications of the pandemic on the Company and the global economy are difficult to estimate. The pandemic has had and will continue to have a significant and severe impact on the lives of a significant portion of the world's population and cause significant effects on global markets and trade.

The following summary, which is not exhaustive, represents some of the other major risk factors of which investors need to be aware. Investors should examine the contents of this Prospectus, together with each of the documents incorporated by reference, in its entirety and consult their professional advisers before deciding whether to apply for the New Shares.

7.2 SPECIFIC RISK FACTORS

Accuracy of Resource and Reserve Estimates

Any resource or reserve delineated is an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource and reserve estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, affect the Company's operations.

Additional Capital Requirements

The Company's growth and proposed operations will require substantial expenditure. In addition to the amounts raised pursuant to the Offer, the Company will require further capital to restart mining at the Tent Mountain Mine, for exploration, evaluation and exploitation of the other Projects' properties and to meet the milestone payments under the Purchase Agreement (as described in Section 10.2). The Company has no operating revenue and is unlikely to generate any operating revenue until production under the Tent Mountain Mine Restart Project. The Company believes that its available cash and the net proceeds of the Offer should be adequate to fund the Company's business objectives in the near term as stated in Section 6.6.

Section 10 of the Technical Assessment Report summarises the expected capital requirements for the Tent Mountain Mine Restart Project, subject to the assumptions set out in that report. The Company will need to seek additional capital whether through equity, debt, offtake financing or joint venture financing. The Directors can give no assurances as to the availability or level of future borrowings or further capital raisings that will be required.

Under the terms of the Purchase Agreement the Company requires PMRU's prior consent before using the Projects' properties as security for debt financing. Delay in obtaining, or refusal of, PMRU's consent may affect the Company's ability to raise debt and other financing. The Company believes that in relation to appropriate project financing PMRU would provide its consent as project financing of the development of the Tent Mountain Mine would substantially add to the Company's ability to meet the deferred payments under the Purchase Agreement.

Any additional equity financing may be dilutive to the Company's then Shareholders and any debt financing if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

Approvals and Licences

Montem Alberta does not have some key approvals necessary to undertake and re-establish mining at Tent Mountain and the other Projects. Amendments to the current mining permit and to the environmental approval will be required, as well as other operational licences. See further in the Solicitor's Tenement Report at Section 4. Obtaining necessary regulatory and environmental approvals may be delayed, more expensive than expected or not obtained at all. Failure to obtain, or delays in obtaining and maintaining approvals, mining permits, licences and easements required to develop and operate the Projects may materially adversely affect the Group's activities. In addition, such failure may impact the ability of the Group to meet certain payment obligations under the Purchase Agreement. See further at Section 10.2.

Coal Prices and Commercialisation

There is a high degree of risk associated with the development and commercialisation of coal resources. Substantial changes to coal markets, coal prices and other macroeconomic factors including foreign exchange rates, could have an adverse impact on the commercial viability of exploiting coal reserves. This may result in the Company needing to defer or suspend some or all of its planned exploration and/or mining activities.

The capital expenditure required to develop the Projects may differ from the expectations of the Company. In addition, actual operational costs may differ from estimates. Variations in capital or operational expenditure may result in material impacts on future profitability.

Environmental Risks

The Projects are subject to certain regulations regarding environmental matters. The governments and other authorities that administer and enforce environmental laws determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment. Despite efforts to conduct activities in an environmentally responsible manner and in accordance with all applicable laws, there is a risk of an adverse environmental event occurring which could impact production or delay future development timetables and may subject Montem Alberta to substantial penalties including fines, damages, clean-up costs or other penalties.

Further, Montem Alberta will require an amendment to its existing environmental approval and additional approvals from the relevant authorities before it can undertake development and operating activities, including renewing mining and coal processing activities for the Tent Mountain Mine. Failure to obtain such amendment and approvals will prevent the Company from undertaking its desired activities.

The Company is unable to predict the effect of additional environmental and operating laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company has ten reclamation certificates relating to the Tent Mountain Mine confirming acceptance by the Government of Alberta that reclamation work is complete within the areas indicated on the certificates. These certificates cover all the existing mining pits and waste dump areas within the Tent Mountain Mine permit boundary within Alberta, plus an adit and two settling ponds. The only remaining previously disturbed but not yet reclaimed areas within the Tent Mountain Mine permit boundary are the prior shop/office area and the access road. Montem has provided a cash deposit to the Alberta Energy Regulator of C\$138,042 to cover the estimated cost of completing the reclamation of the shop/office area and the access road. This reclamation cost is based on estimates of the cost of the final reclamation work and Montem Alberta will be responsible for the final cost of that reclamation net of the security deposit. For the Tent Mountain permits in British Columbia, Montem does not currently hold a bonding obligation set by the BC regulators. Montem has been advised that a bonding obligation will be imposed upon completion of the permit transfer process. Although no set bonding level has been communicated, Montem commissioned a study by a third party environmental consulting firm which concluded the obligation would be approximately \$250,000 if a bonding obligation is set by the regulators in the future. The Board is not aware of any other reclamation liabilities for the Projects. In general, as a condition of Mines Act permits, the permittee must provide financial security in an amount and in a form acceptable to the Chief Inspector of Mines. Financial security obligations are regulated by the Ministry of Energy Mines and Petroleum Resources and it has published a Reclamation Bond Calculation Policy to provide guidance on determining the appropriate reclamation bond amount.

Title Risk

Other than the Freehold Titles that it owns, the Group's exploration, development and mining activities are dependent upon the maintenance (including renewal) of the crown coal lease agreements and mining permits in which the Group has an interest in. Maintenance of the Group's current and future crown coal lease agreements and mining permits is dependent on, among other things, the Group's ability to meet the licence conditions imposed by relevant authorities which, in turn, is dependent on the Group being sufficiently funded. Although the Company has no reason to think that the crown coal lease agreements in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority. These approvals or consents may not occur at all, or on a timely basis. See further in the Solicitor's Tenement Report in Section 4.

The Purchase Agreement provides that Montem Alberta has mortgaged and charged all of its right, title and interest in the Projects to PMRU, as continuing security for the due and timely payment of the outstanding purchase price for those assets. See further at Section 10.2. If additional capital is not raised as required and the Company defaults in payment of sums due under the Purchase Agreement then PMRU may enforce their security over the Projects.

The Alberta Leaseholds and BC Leasehold may be subject to cancellation as to all or part of the location specified in the lease agreement. Cancellation may occur at any time, upon the opinion of the responsible Minister that it is not in the public interest for further exploration for or development of the mineral within the location to which the agreement relates. Such cancellation is subject to the payment of compensation of the lessee's interest under the agreement, as determined in accordance with relevant regulations.

Exploration Resource Definition Stage

Some of the Projects are at the exploration and resource definition drilling stage only. Potential investors should understand that mineral exploration and subsequent development are high-risk undertakings. The prospects of the Company should be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development.

The business of mineral exploration, project development and mining, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as the discovery and/or acquisition of economically recoverable reserves; access to adequate capital for project development; design and construction of efficient development and production infrastructure within capital expenditure budgets; securing and maintaining title to interests; obtaining consents and approvals necessary for the conduct of mineral exploration, development and production; and access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

There can be no assurance that the exploration activities will result in the discovery of further resources. Even if further mineral resource is identified, there is no certainty that it can be economically exploited. If further exploration is successful, there will be additional costs and processes involved in transitioning to the development phase.

Drilling and development activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of drill rigs or other equipment.

Indigenous Peoples' Considerations

The Projects may now or in the future be the subject of Indigenous Peoples land claims. The legal nature of these land claims is a matter of considerable complexity. The impact of any such claim on Montem Alberta's ownership interest in the properties cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of indigenous rights in the area in which the properties are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Group's activities. Even in the absence of such recognition, Montem Alberta may at some point be required to negotiate with Indigenous Peoples to facilitate exploration and development work on the Projects.

As of the date of this Prospectus, the Company is aware of one Indigenous title claim that may impact the Tenements. The Solicitor's Opinion identified that the BC Tenement is subject to an Indigenous title claim by the Ktuxana Nation that is likely to be successful. The effect of a successful Indigenous title claim is that the First Nation will effectively become the owner of the subject land, including the minerals. Most treaty claims, however, are settled on the basis that the land received will be subject to third party interests remaining intact. Accordingly, while Montem may need to seek or renew land tenure from the Ktuxana at some time in the future, the risk of not securing the necessary tenure in BC is low.

In addition, the federal government along with each Province, including Alberta and British Columbia, is legally obligated to consult and accommodate, where required, Indigenous Peoples on land, resource and environmental decisions that could impact their indigenous interests. While each Province is responsible for ensuring adequate and appropriate consultation and accommodation, it may involve the proponent in the procedural aspects of consultation. Proponents are encouraged to engage with Indigenous Peoples as early as possible in the planning stages to build relationships and for information sharing purposes. As at the date of this Prospectus, other than described above regarding the BC tenement, the Company is not aware of any Indigenous land claims having been asserted or any legal actions relating to Indigenous Peoples issues having been instituted with respect to any of the land which is covered by the Projects.

Land and Infrastructure Access

The Company holds a combination of its own freehold surface rights and lease agreements for Crownlands for the Projects. Access to and use of Crownlands located within a coal lease agreement with the Alberta Crown requires a mineral surface lease (MSL) which is obtained by application to the Alberta Energy Regulator. In applying for an MSL at the Tent Mountain Mine, Montem Alberta will need to seek the consent of any parties with third party interests. This may involve accommodating or compensating the third party for the potential impact to its interests. Such consents will also be required when applying for an MSL any other areas such as the Chinook Project. See further in the Solicitor's Tenement Report at Section 4.

Coal produced from Montem Alberta's proposed mining operations is intended to be transported to customers by road, rail and sea. A number of factors could disrupt these transport services, including failure to secure access to roads, infrastructure, key equipment and infrastructure failures, weather-related problems and industrial action, thereby impairing the Company's ability to supply coal to customers.

The Group does not own all of the surface land between the Tent Mountain Mine mine permit boundary and various potential points of access to the rail corridor. The Group has a road access agreement in place with 770538 Alberta Ltd. the holder of a licence of occupation of public lands for road construction and use, for the main access road to the Tent Mountain Mine site. Access to roads on public lands is administered by provincial authorities, who upon appeal may order the holder of a licence of occupation to provide access to a commercial user in the absence of an agreement with the holder of the licence. These outcomes cannot be predicted with any certainty. A failure to renew the access deed or obtain a road use order on appeal, or to secure other necessary and economically feasible access corridors to the rail line may materially adversely affect the Group's operations. See further in the Solicitor's Tenement Report at Section 4.

To date, no definitive agreements have been entered into for rail access. The Group will need to secure capacity on the rail systems from existing operators in order for the Group to secure sufficient capacity to meet its potential transport requirements. There is a risk that the Group will not be able to enter into arrangements on acceptable terms however railways in Canada have a common carrier obligation and are required by national statute to "furnish adequate and suitable accommodation for the carriage, unloading and delivering of the traffic". That statute also provides an arbitration remedy for "A shipper who is dissatisfied with the rate or rates charged or proposed to be charged by a carrier for the movement of good". If the Group cannot gain access to such infrastructure on acceptable terms, or increase rail and port capacity when needed, it could have a negative impact on the value of the Group.

Coal Product Risk

There is a risk that any coal identified may not be of sufficient quality to develop commercial mining operations, which could have an adverse impact on the Company. There are also risks that actual coal products produced and sold will differ from the Company's expectations.

Coal Regulation

The coal industry is regulated. Extensive federal, provincial, local and foreign laws and regulations relating to the exploration for and development, production, gathering and marketing of coal will affect the Company's operations. Compliance with altered regulation may increase costs. There can be no assurance that all permits that the Company requires for future, exploration, development, construction and operation of mining facilities and the conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on the operations of the Company.

Contractual and Counterparty Risk

As with any contract, there is a risk that the business of the Group could be disrupted in situations where there is a disagreement or dispute in relation to terms of a material contract that the Group has entered into. Should such a disagreement or dispute occur, this may have an adverse impact on the Group's operations and performance generally.

Further financial failure, default or contractual noncompliance on the part of third parties, such as suppliers, contractors and clients, may have a material impact on the Group's operations and performance.

Foreign Exchange Rate Risk

Any revenue received by the Company would likely be in US Dollars derived from the sale of coal and the Company's operating expenses would be incurred principally in Canadian Dollars. Coal is sold throughout the world based principally on a US Dollar price, however domestically within Canada, the coal price is set in Canadian Dollars. Furthermore, the income and expenditure accounts of the Company will initially be prepared in Australian dollars. Therefore, Australian dollar reported revenue will be directly impacted by movements in the US Dollar coal price, the Canadian Dollar coal price and the USD/AUD and CAD/AUD exchange rates. Movements in the USD/AUD or CAD/AUD exchange rates and/or the US Dollar coal price or Canadian Dollar coal price may adversely or beneficially affect the Company's results or operations and cash flows.

Inclement Weather

Inclement, severe or adverse weather may require the Company to curtail operations and may cause damage to potential mine sites, transportation roads and loading facilities. This could result in the temporary suspension or reduce the Company's activities and productivity.

Key Personnel Risk

The success of the Company is related to the Directors' and management's capabilities in governing and managing the Company's performance. Accordingly, the Company may be adversely affected if any of the Directors or management leave the Company. This is because the Company might not be able to replace them with persons of equivalent expertise and experience within a reasonable period of time or at all and the Company may incur additional expenses to recruit, train and retain personnel.

Occupational Health and Safety

Mining activities have inherent risks and hazards, and the mining industry has become subject to increasing occupational health and safety responsibility and liability. There is potential liability for the Company under occupational health and safety regulations under normal business operations, and in the case of accident.

Operating Risks

The Group's operations may be affected by various factors, including failure to locate or identify economically recoverable coal reserves, failure to achieve predicted grades in exploration, failure to obtain necessary approvals, operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated geotechnical problems which may affect costs, seasonal or adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment and other factors beyond the control of the Company, including government policy, supply and demand fluctuations for coal, technological advancements, forward selling activities and other macro-economic factors.

Operating risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

Provincial Parks

Changes in the boundaries of Provincial parks, as well as increased restrictions on activities within or adjoining them, may be enacted by the Provincial Government and may affect the Company's operations. The Company is not aware of any new parks under consideration that would affect its tenements.

Seismic Activity

The Vancouver region has been identified as being at risk for seismic activity. There is a risk that a major seismic event in the Vancouver region could impact rail or port terminal infrastructure making it inoperable or inaccessible.

Selenium

The rocks of the coal bearing Mist Mountain Formation contain selenium. Potential run-off water from mine overburden can contain elevated selenium levels. Historical large-scale open-cut mining in the Elk Valley (British Columbia) has resulted in elevated selenium levels in mine run-off water which enters the Elk River. Current mining operations in British Columbia are required to implement mitigation strategies to manage potential selenium enriched run-off water.

The Tent Mountain BC tenement is located in the Elk River catchment and any future development of this tenement will require the development of a selenium leachate management plan. Similarly, a selenium leachate management plan will be required for the Albertan portion of Tent Mountain mine, and for any proposed development of the other Chinook Project.

Operational impacts may occur due to implementation of selenium leachate management plans for the Projects, and these may increase the cost of coal production.

Shortage of Skilled Labour

The successful development and commercialisation of the Projects will require a large number of personnel not currently employed by the Company. There is high demand from time to time for skilled workers in mining regions from competing operators. As such, there is a risk that the Company may not be able to identify and employ the skilled workers required for its future operations and this may adversely impact the Company's financial performance.

7.3 GENERAL RISK FACTORS

Force majeure

Events may occur within or outside the markets in which the Company operates that could impact upon the global, Canadian, and Australian economies, the operations of the Company and the market price of its Shares. These events include labour unrest, fires, pandemics, floods, earthquakes, civil unrest, outbreaks of disease, quarantine restrictions and other man-made or natural disasters or occurrences that can have an adverse effect on the Company's ability to conduct its operations. Given the Company has only a limited ability to insure against some of these risks, its business, financial performance and operations may be materially and adversely affected if any of the events described above occur.

Accounting

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact the Company's financial statements, results or condition.

Change in Regulation

Any material adverse changes in government policies, legislation or shifts in political attitude in Australia, Canada, North America or any other jurisdiction in which the Company operates, that affect mineral mining and exploration activities, tax laws, carbon markets, royalty regulations, government subsidies and environmental issues may affect the viability of a Project or the Company.

Economic and Legislative Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Group's exploration, development and production activities, as well as on its ability to fund those activities. General economic conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: general economic outlook; interest rates and inflation rates; currency fluctuations; changes in investor sentiment toward particular market sectors; the demand for, and supply of, capital; and terrorism or other hostilities.

No assurance can be given that amendments to current laws and regulations or new rules and regulations will not be enacted in Canada, or that existing rules and regulations will not be applied in a manner which could substantially limit or affect the Company's planned and future activities.

Insurance

The business of the Company is subject to a number of risks and hazards generally, including industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, adverse environmental conditions, changes in the regulatory environment and natural phenomena such as extreme weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties, buildings, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms.

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

Legal Proceedings and Activism

Legal proceedings or disruption from interest groups may arise from time to time in the course of the business of the Company. Legal proceedings brought by third parties including but not limited to customers, business partners, lobbyists or employees could negatively impact the business, including where protestors block access and cause disruption to operations. Any such claim or dispute if proven in a legal proceeding may impact adversely on the Company's operation, financial performance and financial position. Neither the Company, nor any of its subsidiaries, are currently engaged in any litigation.

Share Market Conditions

There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. There may be relatively few buyers or sellers of the Shares on ASX at any given time. The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource stocks in particular. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Taxation

The acquisition and disposal of Shares will have tax consequences which will differ for each investor depending on their individual financial circumstances. All potential investors in the Company are urged to obtain independent financial advice regarding the tax and other consequences of acquiring Shares. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to any tax consequences of applying for Shares under this Prospectus.

Climate change regulation

Changes in local or international compliance regulations relating to climate change may entail extensive, policy, legal, technology and market changes to address mitigation and adaption requirements related to climate change that could significantly impact the Company. Depending on the nature, speed and focus of these changes, transition risks may pose varying levels of financial and reputational risk to the Company. Furthermore, climate change may cause increase the number of physical and environmental risks that are not foreseeable by the Company, for example climate change may cause significant disruption to the Company's projects by increasing severe weather patterns and extreme weather events. These physical and environment risks may have financial implications for the Company, such as direct damage to assets and indirect impacts from supply chain disruption.

SECTION 8

Financial Information



8.1 INTRODUCTION

The financial information for the Company ("**Financial Information**") contained in this Section 8 includes:

- the historical statements of comprehensive income for Montem Resources for FY2018 and FY2019;
- the historical statement of cash flows for Montem Resources for FY2018 and FY2019; and
- the historical statement of financial position for Montem Resources for FY2018 and FY2019, and pro-forma statements of financial position for FY2019.

8.2 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL INFORMATION

The Directors of the Company are responsible for the preparation and presentation of the Financial Information. The Financial Information included in the Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of Montem Resources together with the Pro-Forma Historical Statement of financial position for the Company.

The Financial Information is presented in an abbreviated form and does not include all of the presentation, disclosures, statements and comparative information as required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the Corporations Act.

8.3 OVERVIEW OF THE GROUP

Montem was incorporated on 5 December 2017 to become the ultimate parent entity of the Group. On 22 December 2017 all the issued shares in Montem Resources Corp were transferred to the Company, and following the settlement of the transfer, the Company became the parent of 100% of Montem Resources Corp and Montem Alberta.

Please refer to Section 2.2 for an overview of the Company's history and structure.

8.4 BASIS OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been derived from the financial statements FY2018 and FY2019. The financial statements were audited by William Buck.

The report issued by William Buck included a Material Uncertainty relating to Going Concern in FY2019.

The Statutory Historical Statements of comprehensive income for FY2018 and FY2019 show the actual financial performance of the Company.

The Statutory Historical Statements of financial performance do not take into account one-off expenses related to the Offer and IPO such costs have been taken up in the Pro Forma Statement of Financial Position for 2019.

The Pro Forma Statement of Financial Position as at 31 December 2019 has been adjusted to take into account the following:

- issue of \$1,010,000 Convertible Notes with a face value of \$1 each. Refer to Section 10.4 for a summary of the terms of the Convertible Notes;
- rights issue in May 2020 raising gross proceeds of \$1,918,713 and the issue of 12,791,419 Shares;
- grant and issue of 3 million Performance Rights to Directors, Executives and employees under the EIP. Refer to Section 11.6 for a summary of the Performance Rights conditions;
- the anticipated issue at Completion of 32,931,608 Conversion Shares under the terms of the Convertible Note Deed Poll. Refer to Section 10.4 for a summary of the material terms of the Convertible Notes; and
- the impact of the Offer.

8.5 HISTORICAL STATEMENTS OF COMPREHENSIVE INCOME

The table below sets out the Historical Statements of comprehensive income for FY2018 and FY2019.

	AUDITED HISTORICAL 31/12/19 \$	AUDITED HISTORICAL 31/12/18 \$
Income		
Interest Income	2,059	2,164
Other Income	118,167	-
Expenditure		
Employee benefits expense	(1,052,403)	(1,368,413)
Professional fees	(317,422)	(327,998)
Share based payments	(787,604)	(1,593,953)
Marketing and business development	(71,742)	(247,933)
Corporate expenses	(934,369)	(1,336,327)
Depreciation charges	(38,662)	(37,189)
Financing costs	(223,973)	(109,147)
Loss before income tax expense	(3,305,949)	(5,018,796)
Income Tax Expense	-	-
Loss after income tax expense for the year attributable to the owners of Montem Resources Limited	(3,305,949)	(5,018,796)
Other Comprehensive Income		
<i>Items that may be reclassified subsequently to the profit and loss net of tax</i>		
Foreign currency translation	359,283	161,495
Other comprehensive income tax for the year, net of tax	359,283	161,495
Total comprehensive loss for the year attributable to the owners of Montem Resources Limited	(2,946,666)	(4,857,301)

8.6 HISTORICAL STATEMENTS OF CASH FLOWS

The table below sets out the Historical Statements of cash flows for FY2018 and FY2019:

	AUDITED HISTORICAL 31/12/19 \$	AUDITED HISTORICAL 31/12/18 \$
Cash flows from operating activities		
Payments to suppliers and employees	(2,088,958)	(4,055,479)
Interest and other finance costs paid	(42,149)	(12,584)
Net cash used in operating activities	(2,131,107)	(4,068,063)
Cash flows from investing activities		
Payments for property, plant and equipment	(706,947)	(52,183)
Payments for exploration and evaluation	(8,188,443)	(2,062,015)
Payments for security deposits	(490,199)	(41,857)
Net cash used in investing activities	(9,385,589)	(2,156,055)
Cash flows from financing activities		
Proceeds from issue of shares	8,149,332	6,430,197
Share issue transaction costs	(278,863)	-
Proceeds from borrowings	4,401,842	1,350,000
Repayment of borrowings	(987,814)	(458,750)
Repayment of lease liabilities	(46,962)	-
Net cash from financing activities	11,237,535	7,321,447
Net (decrease)/ increase in cash and cash equivalents	(279,161)	1,097,329
Cash and cash equivalents at the beginning of the financial year	1,601,349	418,991
Effects of exchange rate changes on cash and cash equivalents	108,563	85,029
Cash and cash equivalents at the end the financial year	1,430,751	1,601,349

8.7 PRO FORMA HISTORICAL STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2019

The following table sets out the Historical Statement of financial position as at 31 December 2018 and 31 December 2019 and Pro Forma Statement of financial position as at 31 December 2019.

	NOTES	AUDITED AS AT 31/12/18 \$	AUDITED AS AT 31/12/19 \$	SUBSEQUENT EVENTS \$	PRO FORMA ADJUSTMENTS \$	PRO FORMA 31-DEC-19 \$
Current Assets				Note 1	Note 2	
Cash and cash equivalents	1	1,601,349	1,430,751	2,778,713	6,842,286	11,051,750
Accounts receivable		83,650	333,115	-	-	333,115
Deposits and advances		182,628	17,119	-	-	17,119
Prepayments		47,493	25,857	-	-	25,857
Total Current Assets		1,915,120	1,806,842	2,778,713	6,842,286	11,427,841
Non-Current Assets						
Plant and equipment		52,830	752,806	-	-	752,806
Right-of-use assets		-	239,645	-	-	239,645
Exploration and evaluation	2	5,717,861	14,556,002	(96,122)	-	14,459,880
Non-current deposits		185,411	675,610	-	-	675,610
Total Non-Current Assets		5,956,102	16,224,063	(96,122)	-	16,127,941
Total Assets		7,871,222	18,030,905	2,682,591	6,842,286	27,555,782
Current Liabilities						
Trade and other payables		739,051	1,086,365	-	-	1,086,365
Borrowings	3	987,814	4,401,842	1,361,189	(5,763,031)	-
Lease liability		-	85,909	-	-	85,909
Employee benefits		66,377	129,962	-	-	129,962
Total Current Liabilities		1,793,242	5,704,078	1,361,189	(5,763,031)	1,302,236
Non-Current Liabilities						
Lease liability		-	162,581	-	-	162,581
Total Non-Current Liabilities		-	162,581	-	-	162,581
Total Liabilities		1,793,242	5,866,659	1,361,189	(5,763,031)	1,464,817
Net Assets		6,077,980	12,164,246	1,321,401	12,605,317	26,090,965
Equity						
Contributed Equity	4	14,560,004	22,430,473	1,918,713	13,370,865	37,720,051
Reserves	5	2,155,583	3,685,834	(436,926)	-	3,248,908
Retained Earnings		(10,637,607)	(13,952,061)	(160,385)	(765,548)	(14,877,994)
Total Equity		6,077,980	12,164,246	1,321,401	12,605,317	26,090,965

Subsequent events include:

- 1) Issue of \$1,010,000 Convertible Notes issued at \$1 each. Refer to Section 10.4 for a summary of the terms of the Convertible Notes.
- 2) Rights Issue in May 2020 raising \$1,918,713 (before costs) and the issue of 12,791,419 ordinary shares.
- 3) Grant and Issue of 3,000,000 Performance Rights to Directors, Executives and employees under the EIP which vest once the vesting conditions are satisfied. Refer to Section 11.6 for a summary of the Performance Rights conditions.
- 4) 2,625,000 Director, Executive and employee Options lapsed due to not meeting the relevant milestone conditions attached to the Options as issued under the EIP.
- 5) Following the retirement of a director on 13 February 2020, 71,631 options and 455,387 Performance Rights lapsed.
- 6) Convertible Notes including interest accrued to 11 September 2020.

Pro-Forma adjustments include:

- 1) The estimated number of Conversion Shares to be issued with Completion on 11 September 2020 is 32,931,608. Refer to Section 10.4 for a summary of the material terms of the Convertible Notes.
- 2) The issue of 32,000,000 new ordinary Shares at an issue price of \$0.25 per share under the Offer.
- 3) Cost of the Offer estimated to be \$1.1 million which have been taken up against equity (16%) and retained earnings (84%).

NOTES TO THE STATEMENT OF FINANCIAL POSITION

1. Cash and Cash Equivalents

TOPIC	AUDITED HISTORICAL 31/12/19 \$	PRO FORMA 31/12/19 \$
Cash and cash equivalents	1,430,751	11,051,750
Reconciled to Pro Forma Balance as follows:		
Montem Resources audited balance as at 31 December 2019	1,430,751	1,430,751
Subsequent Events:		
Convertible Notes issued	-	860,000
Rights Issue – May 2020	-	1,918,713
Pro Forma Transactions:		
Proceeds from the IPO	-	8,000,000
Costs of the IPO	-	(1,157,714)
Cash and Cash Equivalents Pro Forma Balance	1,430,751	11,051,750

2. Exploration and Evaluation Costs

	AUDITED HISTORICAL 31/12/19 \$	PRO FORMA 31/12/19 \$
Exploration and Evaluation Costs	14,556,002	14,556,002
Reconciled to Pro Forma Balance as follows:		
Montem Resources audited balance as at 31 December 2019	14,556,002	14,556,002
Pro Forma Transactions:		
Grant of Performance Rights	-	11,603
Lapsed Options	-	(107,725)
Exploration and Evaluation Pro-Forma Balance	14,556,002	14,459,880

3. Borrowings

	AUDITED HISTORICAL 31/12/19 \$	PRO FORMA 31/12/19 \$
Convertible Notes payable	4,401,842	4,401,842
Reconciled to Pro Forma Balance as follows:		
Montem Resources audited balance as at 31 December 2019	4,401,842	4,401,842
Subsequent Events:		
Convertible Notes issue and interest accrued	-	1,361,189
Pro Forma Transactions:		
Convertible Notes conversion	-	(5,763,031)
Convertible notes payable	4,401,842	0

There were a further 1,010,000 Convertible Notes issued post 31 December 2019, with a face value of \$1 each with \$860,000 received in cash and \$150,000 issued as consideration in lieu of services rendered.

Convertible Notes includes interest accrued to 11 September 2020. If the issue of the Conversion Shares is delayed beyond that date the number of Conversion Shares to be issued will increase. For a summary of the material terms of the Convertible Notes, please refer to Section 10.4.

4. Contributed Equity

	AUDITED HISTORICAL 31/12/19 \$	PRO FORMA 31/12/19 \$
Contributed Equity	22,430,473	37,720,051
Reconciled to Pro Forma Balance as follows:		
Montem Resources audited balance as at 31 December 2019	22,430,473	22,430,473
Subsequent Events:		
Rights Issue – May 2020	-	1,918,713
Pro Forma Transactions:		
Conversion Shares	-	5,763,031
Proceeds from Capital Raising	-	8,000,000
Capital raising costs	-	(392,166)
Contributed Equity Pro-Forma Balance	22,430,473	37,720,051

The number of Conversion Shares could vary as a result of the interest calculation which is based on the Conversion Shares being issued at Completion on 11 September 2020. For a summary of the material terms of the Convertible Notes, please refer to Section 10.4.

5. Reserves

	AUDITED HISTORICAL 31/12/19 \$	PRO FORMA 31/12/19 \$
Common Control Reserve	-	-
Foreign Currency Translation Reserve	472,385	472,385
Share Based Payments Reserve	3,213,449	2,776,523
Reserves	3,685,834	3,248,908
Reconciled to Pro Forma Balance as follows:		
Montem Resources audited balance as at 31 December 2019	3,685,834	3,685,834
Subsequent Events:		
Grant of Performance Rights	-	26,984
Lapsed Options and Performance Rights	-	(463,910)
Reserves Pro-Forma Balance	3,685,834	3,248,908

Grant of Performance Rights and Lapsed Options and Performance Rights

3,000,000 Performance Rights were granted on 13 July 2020, each with a fair value of \$0.15 and subject to the following vesting conditions.

- 1,500,000 Performance Rights will vest upon the production and sale of 100,000 tonnes of coal from the Tent Mountain Mine Re-start Project or other Montem project with an expiry of 1 June 2023.
- 1,500,000 Performance Rights will vest upon the full mining licence being granted for the Tent Mountain Mine Restart Project as outlined in Section 11.6 with an expiry of 30 June 2023.
- Fair value adjustment for 2,625,000 Director, Executive and employee Options lapsed due to not meeting the relevant milestone conditions attached to the Options as issued under the EIP.
- Fair value adjustment for 71,631 options and 455,387 Performance Rights which lapsed following the resignation of a director on 13 February 2020.

8.8 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial information presented herein has been prepared in accordance with the measurement and recognition (but not all disclosure) requirements of applicable Australian Accounting Standards. The financial information is presented in abbreviated form insofar as it does not comply with all disclosure requirements set out in the Australian Accounting Standards and Interpretations and the Corporations Act. Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards ("AIFRS").

The financial information has been prepared on the basis of historical cost and on a going concern basis. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated. In the view of the Directors of the Company, the omitted disclosures provide limited relevant information to potential investors.

The following significant accounting policies have been adopted in the preparation and presentation of the historical and Pro Forma financial information (collectively referred to as the Financial Information).

The Financial Information has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Entity made a loss after tax of \$3,305,949 during the year ended 31 December 2019 and had net operating cash outflows of \$2,131,107. Evaluation and exploration costs of \$8,188,443, deposits of \$490,199, and property, plant and equipment of \$706,947 were paid during the period. Capital of \$7,870,469, net of cash costs, was raised during the period. As at 31 December 2019, the cash balance was \$1,430,751 and net working capital deficit was \$3,897,236.

Subsequent to FY2019, Montem raised additional funds of \$0.8 million through the issue of further Convertible Notes in February and March 2020 and \$1.9 million via a rights issue in May 2020.

In considering the ability of the Group to continue as a going concern the Directors considered the following matters:

- The Group has the ability to raise additional working capital through the issue of equity, as needed;
- The Group has a successful history in raising funds and is well supported by its major shareholders;
- The Group has low capital commitments for both corporate and exploration activities;
- If required the Group has the ability to undertake either the full or partial sale of its existing tenement portfolio, enter into farm-out arrangements of its existing tenement portfolio or obtain approval for the deferral of the current work programs.

The Directors will continue to monitor the ongoing funding requirements of the Group. As a consequence of the above, the directors believe that the Group will be able to continue as a going concern and therefore, these financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

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

Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3 – 7 years
Office furniture and fixtures	20%
Buildings	40 years
Leased mobile equipment	Over the life of the lease
Leased office space	Over the term of the lease

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Right-of-use assets

A right-of-use asset is a leased asset that is recognised at the commencement date of a lease and is initially measured at the present value of the unavoidable future lease payments to be made over the lease term, any lease payments made at or before the commencement date, less any lease incentives received.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the right-of-use asset and lease liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Consolidated Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Exploration and evaluation costs

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The Convertible Notes are a compound financial instrument, which has both a liability and an equity component from the issuer's perspective. Both equity and liability component parts are accounted for and presented separately according to their substance based on the definitions of liability and equity. The split is made at issuance and not revised for subsequent changes in market interest rates, share prices, or other event that changes the likelihood that the conversion option will be exercised.

The component of the Convertible Notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the Convertible Notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated Entity's incremental borrowing rate. Lease payments are comprised of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Share Based Payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees and advisors.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

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.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued capital

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.

Contingent Liabilities

There are no contingent liabilities.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority

Exchange Rates

Exchange rates used to convert Canadian Dollars to Australian Dollars have been sourced from the Reserve Bank of Australia for the relevant periods to which they relate.

8.9 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share-based payment transactions

The Consolidated Entity 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. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Company 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. Significant judgement is required by management when assessing each area of interest and therefore management's judgement carries the risk of been misstated.

Impairment of Evaluation and Exploration Costs

The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income Tax

The Company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

SECTION 9

Investigating Accountant's Report



Board of Directors
Montem Resources Limited
Level 4, 100 Albert Road
South Melbourne
VIC 3205

Collins Square, Tower 5
727 Collins Street
Docklands Victoria 3008

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

30 July 2020

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Dear Directors,

INDEPENDENT LIMITED ASSURANCE REPORT AND FINANCIAL SERVICES GUIDE

Introduction

Grant Thornton Corporate Finance Pty Limited ("Grant Thornton Corporate Finance") has been engaged by Montem Resources Limited (the "Company") to prepare this report for inclusion in the prospectus to be issued by the Company on or about 29 July 2020 (the "Prospectus"), in respect of the initial public offering of fully paid ordinary shares in the Company ("the Offer") and admission to the Australian Securities Exchange.

Grant Thornton Corporate Finance holds an appropriate Australian Financial Services Licence (AFS Licence Number 247140) under the Corporations Act 2001 for the issue of this report. This report is both an Independent Limited Assurance Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

Capitalised terms used in this report have the same meaning as defined in the glossary of the Prospectus.

Scope

Grant Thornton Corporate Finance has been engaged by the Directors to perform a limited assurance engagement in relation to the following financial information of the Company:

Historical Financial Information

- The historical consolidated statements of profit or loss and other comprehensive income for the years ended 31 December 2018 and 31 December 2019 included in Section 8 of the Prospectus;
- The historical consolidated statements of cash flow for the years ended 31 December 2018 and 31 December 2019 included in Section 8 of the Prospectus; and
- The historical consolidated statement of financial position as at 31 December 2019 included in Section 8 of the Prospectus.

(together the "**Historical Financial Information**").

Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 ACN 003 265 987
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Holder of Australian Financial Services Licence No. 247140

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of Australian Financial Services Licensees).

As described in Section 8 of the Prospectus the stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies applied to the Historical Financial Information.

The Historical Financial Information has been prepared for inclusion in the Prospectus and has been derived from the audited financial statements of the Company for the years ended 31 December 2018 and 31 December 2019. The financial statements were audited by William Buck Audit (Vic) Pty Ltd ("William Buck"). The audit opinion issued to the Directors for the year ended 31 December 2018 was unqualified. The audit opinion issued to the Directors of the Company in respect of the year ended 31 December 2019 was unqualified but included an emphasis of matter regarding the Company's ability to continue as a going concern.

The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to the general purpose financial reports prepared in accordance with the Corporations Act 2001 (Cth).

Pro forma Historical Financial Information

- The pro forma historical consolidated statement of financial position as at 31 December 2019 (referred to as the Pro forma Historical Financial Information).

The Pro forma Historical Financial Information has been derived from the Historical Financial Information, after adjusting for the effects of pro forma adjustments described in Section 8 of the Prospectus.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as if those events or transactions had occurred at the date of the actual Historical Financial Information. Due to its nature, the Pro forma Historical Financial Information does not represent the Company's actual or prospective financial position, financial performance or cash flows.

Directors' Responsibility

The Directors are responsible for:

- the preparation and presentation of the Historical Financial Information including the selection and determination of the pro forma adjustments made to the historical financial information and the basis of preparation of the Historical Financial Information; and
- the information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and the Pro forma Historical Financial Information, based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Australian Standard on Assurance Engagements (ASAE) 3450: *"Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information"*.

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

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances:

- consideration of work papers, accounting records and other documents, including those dealing with the extraction of the Historical Financial Information from audited financial statements of the Company covering the years ended 31 December 2018 and 31 December 2019.
- consideration of the appropriateness of the pro forma adjustments described in Section 8 of the Prospectus;
- enquiry of the Directors, management and others in relation to the Historical Financial Information;
- analytical procedures applied to the Historical Financial Information;
- a review of work papers, accounting records and other documents of the Company and its auditors; and
- a review of the consistency of the application of the stated basis of preparation and adopted accounting policies as described in the Prospectus used in the preparation of the Historical Financial Information.

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdiction outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of the Company has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Conclusions

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as set out in Section 8 of the Prospectus comprising;

- the historical consolidated statement of profit and loss and other comprehensive income for the years ended 31 December 2018 and 31 December 2019;
- the historical consolidated cash flow statements for the years ended 31 December 2018 and 31 December 2019; and
- the historical consolidated statement of financial position as at 31 December 2019,

are not presented fairly, in all material respects, in accordance with the stated basis of preparation and the pro forma adjustments as described in Section 8 of the Prospectus.

Pro forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro forma Historical Financial Information, being the pro forma consolidated statement of financial position as at 31 December 2019, has not been presented fairly, in all material respects, in accordance with the stated basis of preparation and the pro forma adjustments as described in Section 8 of the Prospectus.

Restrictions on Use

Without modifying our conclusion, we draw attention to Section 8 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, this Investigating Accountant's Report may not be suitable for use for another purpose.

Consent

Grant Thornton Corporate Finance consents to the inclusion of this Independent Limited Assurance Report in the Prospectus in the form and context in which it is included.

Liability

The liability of Grant Thornton Corporate Finance is limited to the inclusion of this report in the Prospectus. Grant Thornton Corporate Finance makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Prospectus.

Independence or Disclosure of Interest

Grant Thornton Corporate Finance does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Grant Thornton Corporate Finance will receive a professional fee for the preparation of this Independent Limited Assurance Report

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD

A handwritten signature in black ink, appearing to read 'P. Thornely', is written over a faint, circular, textured background.

Peter Thornely
Partner

Appendix A (Financial Services Guide)

This Financial Services Guide is dated 21 July 2020.

1 About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987, Australian Financial Services Licence no 247140) (Grant Thornton Corporate Finance) has been engaged by Montem Resources Limited (the “Company”) to provide a report in the form of an Independent Limited Assurance for inclusion in a Prospectus dated on or about 29 July 2020 (“the Prospectus”) in respect of the initial public offering of fully paid ordinary shares in the Company (“the Offer”) and admission to the Australian Securities Exchange. You have not engaged us directly but have been provided with a copy of the report as a retail client because of your connection to the matters set out in the report.

2 This Financial Services Guide

This Financial Services Guide (FSG) is designed to assist retail clients in their use of any general financial product advice contained in the report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the report, and how complaints against us will be dealt with.

3 Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

4 General financial product advice

The report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

5 Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including the report. These fees are negotiated and agreed with the entity which engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this report, Grant

Thornton Corporate Finance will receive from the Company a fee of \$48,000 plus GST, which is based on commercial rates plus reimbursement of out-of-pocket expenses.

Partners, Directors, employees or associates of Grant Thornton Corporate Finance, or its related bodies corporate, may receive dividends, salary or wages from Grant Thornton Australia Ltd. None of those persons or entities receive non-monetary benefits in respect of, or that is attributable to, the provision of the services described in this FSG.

6 Referrals

Grant Thornton Corporate Finance - including its Partners, Directors, employees, associates and related bodies corporate - does not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licenced to provide.

7 Associations with issuers of financial products

Grant Thornton Corporate Finance and its Partners, Directors, employees or associates and related bodies corporate may from time to time have associations or relationships with the issuers of financial products. For example, Grant Thornton Australia Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business.

In the context of the report, Grant Thornton Corporate Finance considers that there are no such associations or relationships which influence in any way the services described in this FSG.

8 Independence

Grant Thornton Corporate Finance is required to be independent of the Company in order to provide this report. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

“Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with the Company (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the initial public offering.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the initial public offering, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the initial public offering.

Grant Thornton Corporate Finance’s out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

9 Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Complaints Authority (AFCA) (membership no. 11800). All complaints must be in writing and addressed to the Head of Corporate Finance at Grant Thornton

Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to AFCA who can be contacted at:

Australian Financial Complaints Authority

GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 367 287
Email: info@afca.org.au

Grant Thornton Corporate Finance is only responsible for the report and FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

10 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

11 Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

Head of Corporate Finance

Grant Thornton Corporate Finance Pty Ltd
Level 17, 383 Kent Street
Sydney, NSW, 2000

SECTION 10

Material Contracts



10.1 MATERIAL CONTRACTS

The Directors consider that the agreements summarised in this Section are material contracts and of a nature that an investor may wish to have details of them when making a decision as to whether to apply for Shares. Other contracts significant or material to the business of the Group are summarised elsewhere in this Prospectus, including related party agreements.

10.2 PURCHASE AGREEMENT

The Purchase Agreement is the key agreement under which Montem Alberta received title to the Projects, being the Tent Mountain Mine, Chinook Project and Greenfield Projects (collectively called the Chinook Properties). The main provisions of the Purchase Agreement are summarised below. This summary is included for the information of potential investors in the Offer but does not purport to be complete and is qualified by the text of the agreement.

Under the Purchase Agreement GTG agreed to purchase, through its nominee, the Projects and all related permits and licences, mineral licences and land interests (for the purpose of this Section, "Assets") from PMRU. GTG is an entity controlled by Rob Tindall who is a Director. GTG assigned the benefit of the Purchase Agreement to Montem Resources Corp in return for the issue to Rob Tindall (and his nominees) of 13,500,000 ordinary shares in Montem Resources Corp (as described in Section 10.3). Montem Alberta was nominated as the nominee purchaser for the purposes of the Purchase Agreement.

Under the Purchase Agreement, negotiated on an arm length basis, the total consideration payable for the Projects is C\$12,000,000, being an initial consideration of C\$1,000,000 which was paid in September 2016, and a further consideration of C\$11,000,000. Applying an AUD/CAD exchange rate of A\$1.00:C\$0.96, as at 29 July 2020, being the last practicable date before the date of this Prospectus, the amount is equal to approximately A\$11,460,000. In this Section C\$ amounts are excluding GST unless otherwise stated. The current rate of GST in Canada is 5%.

This further C\$11,000,000 remains outstanding and owing as at the date of this Prospectus and is payable as described below:

Tranche 1: Licensing Payments

Total of C\$5,000,000 payable as:

- C\$5,000,000 – within thirty days of receipt by Montem Alberta of a mining licence for any of the Projects not including Tent Mountain Mine;

OR

- C\$1,500,000 – within ninety days of receipt of the renewed or amended coal mining licence for the Tent Mountain Mine;
- C\$1,500,000 – within ninety days of receipt of an amended Alberta Environmental Protection and Enhancement Act (EPEA) for Tent Mountain Mine;
- C\$2,000,000 on or before the earlier of thirty days of receipt of any coal mining licence related to the Projects other than Tent Mountain Mine; and January 31, 2027.

Provided that:

- if none of these payments have been triggered by 31 December 2021 and the purchaser has not submitted relevant mining licence applications then the amounts will be payable on the earlier of the above triggers or in five equal payments of C\$1,000,000 payable annually before 31 January between 2022 and 2026; or
- if none of these payments have been triggered by 31 December 2021 and the purchaser has submitted relevant mining licence applications then the amounts will be payable on the earlier of the above milestones or in five equal payments of C\$1,000,000 payable annually before 31 January between 2024 and 2028. If Montem Alberta has submitted the relevant mining licence applications but they are rejected by the authorities, the licence-related payments will be payable in accordance with this provision.

As described above, the C\$5,000,000 licensing payment is payable even if no licences are received for the Projects.

Tranche 2: Production Payments

Total of C\$6,000,000 payable as:

- \$6,000,000 within thirty days of the first 1,000,000 tonnes of coal from any of the Projects other than the Tent Mountain Mine.

UNLESS production of the first 1,000,000 tonnes of coal comes from the Tent Mountain Mine,

THEN

- \$500,000 within thirty days of production of the first 500,000 tonnes of Tent Mountain Mine coal;
- \$500,000 within thirty days of the production of the second 500,000 tonnes of Tent Mountain Mine coal;
- \$500,000 within thirty days of the first anniversary of such 1,000,000 tonnes production;
- \$500,000 within thirty days of the second anniversary of such 1,000,000 tonnes production; and
- \$4,000,000 within thirty days of production of 1,000,000 tonnes of production from the Projects other than the Tent Mountain Mine.

It is expected the first payments under the deferred payment scheme will be after securing the renewed coal mining licence for Tent Mountain (\$1,500,000), and concurrently the amended EPEA for Tent Mountain Mine (\$1,500,000). These payment triggers are expected to be reached in Q4 2021, with payment falling due in the first quarter of 2022. The Board expects that these first two Licensing Payments will be met either from the first production or from future debt or equity raisings, depending on the timing of re-establishing mining at the Tent Mountain Mine. The other deferred payments are expected to be paid from revenue streams once mining has been re-established at the Tent Mountain Mine. If the Company is not able to re-establish mining as expected or if it is unable to raise sufficient debt or equity funding to meet the Licensing Payments when due then there is a risk that PMRU could take action to enforce its security over the Projects.

Beneficial title to the Assets passed to the purchaser on 31 December 2016 (for the purposes of this Section, "Closing Date"). As at the date of this Prospectus the legal title to all of the Projects have been transferred to Montem Alberta. Further details are set out in the Solicitor's Tenement Report in Section 4.

No warranties or indemnities relating to the Projects were provided by PMRU. Montem Alberta has assumed all liability with respect to the Assets, whether arising, accruing or existing prior to the Closing Date.

As security for payment, a security interest was granted in favour of PMRU over the Assets. PMRU has subsequently registered a caveat against a number of the Projects' properties. Montem Alberta is not permitted to assign or sell the Assets or let them lapse (in the case of leases) without PMRU's consent, not to be unreasonably withheld.

The Purchase Agreement is governed by the laws of the Province of Alberta and the parties submitted to the exclusive jurisdiction of its courts.

10.3 RELATED PARTY AGREEMENTS

GTG was the original counter party to the Purchase Agreement. GTG is a company controlled by Rob Tindall, a Director. Rob Tindall and GTG entered into two agreements with Montem Resources Corp to transfer the Projects into Montem Alberta the subsidiary of Montem Resources Corp as follows:

- an assignment agreement under which the Purchase Agreement was assigned to Montem Resources Corp in return for the issue of 6,750,000 ordinary shares in Montem Resources Corp to each of Rob Tindall and the Everard Family Trust (this assignment was the basis on which Montem Alberta became the nominee purchaser under the Purchase Agreement as described in Section 10.2);
- a waiver agreement under which GTG relinquished in favour of Montem Resources Corp a right to a C\$1.00 per ton royalty applying to the Projects in return for the issue of 10,000,000 ordinary shares in Montem Resources Corp to GTG (who subsequently transferred these shares, 8,000,000 to JLNEC3 Pty Ltd ATF The Tindall Family Trust No.3 and 2,000,000 to Anthony Jackson) and a cash payment of C\$166,500.

The ordinary shares in Montem Resources Corp received by Rob Tindall and his nominee under the above arrangements were converted into Shares in the Company (as described in Section 2.2).

10.4 CONVERTIBLE NOTES

The Company has Convertible Notes which are outstanding at the Prospectus Date under the Convertible Note Deed Poll. The Company will not issue any new Convertible Notes prior to listing on the ASX. The outstanding Convertible Notes (principal and interest) will be converted into Shares simultaneously with the issue of New Shares under the Offer. The estimated number of Conversion Shares to be issued with Completion on 11 September 2020 is 32,931,608. If the issue of the Conversion Shares is delayed beyond that date further Conversion Shares will need to be issued to reflect the interest owing after 11 September 2020. The Offer is Underwritten, but if the Conversion Shares are issued after 30 September 2020 then a larger discount will apply to the conversion price and a greater number of Conversion Shares will be issued to Noteholders (as described below).

The material terms of the Convertible Note Deed Poll are set out below.

- The Company may issue up to 8 million Convertible Notes (being up to an aggregate value of A\$8 million) under the Deed Poll.
- Each Convertible Note confers rights on the holder as an unsecured creditor of the Company and the right to attend but not vote at general meetings of Shareholders.
- Unless a Convertible Note has otherwise been converted, redeemed or cancelled, each Convertible Note will convert on the earlier of the occurrence of the following events:

CONVERSION EVENT	TIME OF CONVERSION
Completion of the IPO	Immediately on or before the IPO
Upon a change of control of the Company (being a person acquires 50% or more of the voting shares in the Company or the Group or a Group member agrees to dispose, or disposes, all or substantially all of its assets by way of a restructure, asset or security sale)	If the Noteholder elects to convert the Convertible Notes, immediately prior to the completion of the change of control event
An equity fundraising event (other than the IPO or another round of convertible notes or any debt financing) which raises A\$10,000,000 or more	5 business days after the completion of the equity fundraising
31 December 2020	On 31 December 2020

- The Company must convert the Convertible Notes upon a Conversion Event and issue the number of Conversion Shares calculated in accordance with the following exchange ratio:

$$\frac{\text{Principal Outstanding}}{\text{Conversion Price}}$$

- For the purpose of calculating the exchange ratio, 'Conversion Price' means:
 - (a) where there has been an IPO:
 - (i) on or before 31 March 2020 – a 20% discount to the issue price of Shares offered to investors under the IPO;
 - (ii) between 1 April 2020 and 30 September 2020 (inclusive) – a 30% discount to the issue price of Shares offered to investors under the IPO; and
 - (iii) after 30 September 2020 but before 31 December 2020 – a 40% discount to the issue price of Shares offered to investors under the IPO.
 - (b) where there has been a change of control of the Company (other than an IPO) or an equity fundraising event (as those terms are described in the table above):
 - (i) on or before 31 March 2020: a 20% discount to the specified value per Share as determined by the Company's auditor; or
 - (ii) between 1 April 2020 and 30 September 2020 (inclusive): a 30% discount to the specified value per Share as determined by the Company's auditor; or
 - (iii) after 30 September 2020 but before 31 December 2020: a 40% discount to the specified value per Share as determined by the Company's auditor; or
 - (c) on 31 December 2020, where the Company voluntarily converts the Convertible Notes, at a 40% discount to the price per Share as determined by one of Deloitte, BDO or Grant Thornton, divided by the total Shares on issue on 30 December 2020.

'Principal Outstanding' means the face value of a Convertible Note and any interest paid and capitalised in respect of a Convertible Note.
- The maturity date for the Convertible Notes is 31 December 2020.
- Each Conversion Share issued on conversion of the Convertible Notes will be fully paid and rank equally with all other Shares on issue in the Company at the time of conversion.
- Interest accrues on the principal amount outstanding on each Convertible Note at a fixed rate of 10% per annum accruing from the issue date until the earlier of the redemption or conversion of a Convertible Note. Interest may be paid to a Noteholder in cash or capitalised and added to the principal amount outstanding under the Convertible Note.
- A Noteholder may elect to redeem each of its Convertible Notes if an Event of Defaults (as defined below) occurs which is not capable of being remedied or has not been remedied within 10 days of the notice to remedy the Event of Default being given to the Company by the Noteholder. An 'Event of Default' means the occurrence of any of the following events:
 - (a) an insolvency event occurs in relation to the Company or a material subsidiary of the Company or the Company is deregistered;
 - (b) the Company fails to pay an amount due to the Noteholder under the Convertible Note Deed Poll and does not remedy this failure to pay within five business days of receipt of a request from the Noteholder to do so;
 - (c) the Company fails to convert a Convertible Note within six weeks of the date on which conversion is required;
 - (d) the Company fails to perform any material obligation under the Convertible Note Deed Poll and such failure has a material adverse effect, and the Company fails to remedy the failure within 15 business days of receipt of a request by the Noteholder to do so;
 - (e) the Company or any of its subsidiaries disposes or enters into an agreement to dispose of all or a substantial part of its assets without majority Noteholder approval.
- If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than in lieu of dividends or by way of dividend reinvestment), the number of Shares issued on conversion will be increased by the number of Shares which the Noteholder would have received if the Convertible Note had been converted before the bonus issue of Shares to existing Shareholders at the same conversion price as at conversion.
- The Company must not without the approval of Noteholders who hold at least 50% of the Convertible Notes on issue:
 - (a) issue any new Shares, options or warrants in the Company other than (i) Convertible Notes; (ii) the issue of Shares on conversion of the Convertible Notes; (iii) issue of new Shares, options or warrants under the employee option scheme or under an IPO;
 - (b) grant or permit to exist any security interests over any of its assets other than the existing security interest granted to Westmoreland relating to the original purchase of the Projects;
 - (c) incur any new financial indebtedness for an aggregate amount greater than \$1,000,000 other than the issue of any other Convertible Notes or for commercial contracts pursuant to the Company's development plan;
 - (d) enter into any agreements or understandings that are not at arm's length terms; or
 - (e) sell, assign, transfer or otherwise dispose of or deal with or create any interest in any material assets of the Company.

10.5 LAND ACQUISITION

Montem Alberta entered into a land purchase agreement on 31 October 2019 to purchase the Alberta Land and BC Land which was amended on 4 June 2020. The Land Vendors are not Related Parties. The parcel of land represented by the BC Land and Alberta Land is planned to be used for a rail loading facility. For further details, please see the Tent Mountain Mine Technical Assessment Report in Annexure 1. Under that agreement, Montem has paid C\$416,000 as consideration for the option to purchase the land, and a C\$184,000 non-refundable deposit. The balance of the land purchase price remaining is C\$2,535,400 (equivalent to A\$2,641,042 as at 29 July 2020 the last practical date before the Prospectus Date).

The closing date of the land acquisition is 4 January 2021 or such earlier or later date as the parties may agree in writing. If Montem Alberta fails to complete the purchase then the past payments and the non-refundable deposit of C\$184,000 will be forfeited as the only remedy of the Land Vendors.

Other than filing the duly executed registrable transfer in the relevant land title office (and the delivery of such other documents and discharges as are typical in such a transaction, including the vendor's statement of adjustments to the purchaser), there are no conditions to completion other than the payment of the balance of the purchase price.

10.6 WESTSHORE TERMINALS SHIPPING AGREEMENT

Montem Alberta entered the Shipping Agreement on or about 30 July 2020 with Westshore Terminals in order to secure marine terminal throughput capacity to transship Tent Mountain Mine product from rail unit trains to seagoing vessels. Westshore Terminals is the largest coal export terminal in western Canada and is located within the Port of Vancouver, the closest tidewater port to the Tent Mountain Mine. Key elements of the Shipping Agreement are:

- Annual shipping volume commitment of 1.0 million tonnes with the ability to ship up to 1.25 million tonnes per year.
- Five (5) year term commencing at the beginning of the first quarter during when shipments are made.
- Shipping is anticipated to commence the first quarter of 2022 however this can be deferred for up to two years.
- Throughput charges are consistent with the prevailing market rates for metallurgical coal exports from BC terminals.
- Approximately half the quarterly shipping fees for each shipping quarter are paid one quarter in advance with the balance payable upon completion of shipments.
- Montem Alberta must pay a fixed payment of C\$1,875,000 (equivalent to AUD1,953,125 as at 29 July 2020) per quarter after commencement of shipping unless a relief event applies, such as force majeure, which is then deducted from the per tonne loading charge on a pro rata basis for the first million tonnes shipped during the relevant Contract Year.
- A reservation fee of CAD\$1,250,000 (equivalent to AUD1,302,083 as at 29 July 2020) is payable in two parts, CAD\$100,000 was paid on 8 January 2020 and the balance of CAD\$1,150,000 is to be paid by 2 November 2020. If the initial shipping commencement date is deferred by Montem Alberta then it can defer the shipping commencement date on a quarter by quarter basis by paying a further reservation fee of CAD\$250,000 per deferred quarter. Montem Alberta can terminate the agreement prior to commencement of shipping in which case Westshore Terminals will retain the right to receive any amounts that have become payable prior to termination.
- Westshore Terminals may terminate the agreement if Montem Alberta fails to make payments when due and does not remedy that failure within 7 days of notice to remedy or in the case of an insolvency event of Montem Alberta. After termination by Westshore Terminals only the amounts due as at the termination date will be payable by Montem Alberta.
- Montem Alberta is subject to confidentiality obligations with respect to commercially sensitive terms of the agreement.

10.7 MANDATE AND UNDERWRITING AGREEMENT

The Company and the Lead Manager and Underwriter have entered into a lead manager mandate dated 23 January 2020 (**Mandate**) and the Underwriting Agreement. Under the Mandate, the Lead Manager and Underwriter has been appointed on an exclusive basis to provide lead manager services to the Company, including among other things:

- assisting with and advising on the Company's presentation and marketing of the Offer to potential investors, including by way of institutional roadshows, presentations to equity analysts and publicity to the market generally; and
- in conjunction with the Company's senior executives and its professional advisers, assisting the Company to manage and implement the Offer and providing advice on the structure of the Offer.

The Mandate will terminate on completion of the Offer. If, during the engagement, or at any time within 12 months of termination of the Mandate, the Company undertakes a transaction involving an acquisition, divestiture, merger, scheme of arrangement or all or any material part of the business or assets or any offering of equity securities of the Company or a member of the Group (each, an **Alternate Transaction**), then the Company is obligated to pay the relevant break fee:

- where the gross value of the Alternate Transaction is \$10,000,000 or greater, the break fee is a fixed fee of \$500,000 (plus GST);
- where the gross value of the Alternate Transaction is between \$2,500,000 and \$10,000,000, the break fee will comprise 5% of the gross value of the Alternate Transaction (plus GST);
- where the gross value of the Alternate Transaction is less than \$2,500,000, the break fee will be nil.

Under the Underwriting Agreement, subject to there being no material breach or default by the Company, the Lead Manager and Underwriter is required to subscribe, or procure Applications, for the Shortfall Shares.

The Underwriting Agreement is subject to a number of conditions precedent which are considered standard for underwriting agreements of this type and sets out a number of circumstances where the Lead Manager and Underwriter may terminate the agreement.

Fees and other costs

Pursuant to the Underwriting Agreement, the Company will pay the following fees to the Lead Manager and Underwriter:

- an underwriting fee of 3.5% (plus GST) of the Offer Proceeds; and
- an offer management fee of 1.5% (plus GST), of the Offer Proceeds.

The Company must also reimburse the Lead Manager and Underwriter for reasonable costs incurred in connection with the Offer, including but not limited to, the Underwriter's legal fees (capped at \$50,000 excluding GST), fees and expenses in relation to promoting and advertising the Offer, and any other out of pocket expense provided that any individual expense exceeding \$2,000 has been pre-approved by the Company before it is incurred.

Termination events not subject to materiality

The Lead Manager and Underwriter may terminate the Underwriting Agreement without cost or liability by notice to the Company if any of the following events have occurred, or occur at any time before completion of the IPO:

- in the reasonable opinion of the Lead Manager and Underwriter a statement in the Prospectus is misleading or deceptive or likely to mislead or deceive, or there is an omission from the Prospectus of material required to be included in it (including, without limitation, having regard to the provisions of Part 6D.2 of the Corporations Act);
- the Company:
 - (i) issues or, in the reasonable opinion of the Lead Manager and Underwriter is required to issue, a supplementary prospectus because of the operation of section 719(1) of the Corporations Act; or
 - (ii) lodges a supplementary prospectus with ASIC in a form and substance that has not been approved by the Lead Manager and Underwriter;
- the S&P/ASX 200 Index published by ASX closes at a level that is 10% or more below its level as at 5.00pm on the Business Day immediately preceding the date of the Underwriting Agreement:
 - (i) on any Business Day before the Settlement Date and closes at or below that 90% level on 2 consecutive Business Days prior to the Settlement Date; or
 - (ii) on the Business Day immediately preceding the Settlement Date;
- the S&P/ASX Small Resources Index (XSR.ASX) published by ASX closes at a level that is 10% or more below its level as at 5.00pm on the Business Day immediately preceding the date of this Agreement:
 - (i) on any Business Day before the Settlement Date and closes at or below that 90% level on 2 consecutive Business Days prior to the Settlement Date; or
 - (ii) on the Business Day immediately preceding the Settlement Date;
- any of the restriction agreements are withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with;
- the Company or any of its directors or officers (as those terms are defined in the Corporations Act) engage, or have been alleged by a governmental agency to have engaged since the date of the Underwriting Agreement, in any fraudulent conduct or activity whether or not in connection with the Offer;
- any of the following notifications are made in respect of the Offer:
 - (i) ASIC issues an order (including an interim order) under section 739 of the Corporations Act and any such inquiry or hearing is not withdrawn within 3 Business Days or if it is made within 3 Business Days of the settlement date of the Offer (**Settlement Date**) it has not been withdrawn by the Business Day before the Settlement Date;
 - (ii) ASIC holds a hearing under section 739(2) of the Corporations Act;
 - (iii) an application is made by ASIC for an order under Part 9.5 in relation to the Offer or any documents issued or published by or on behalf of the Company in respect of the Offer (**Offer Documents**), or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or an Offer Document, and any such application, inquiry or hearing is not withdrawn within 3 Business Days or if it is made within 3 Business Days of the Settlement Date it has not been withdrawn by the Business Day before the Settlement Date;
 - (iv) any person who has previously consented to the inclusion of its name in the Prospectus (other than the Lead Manager and Underwriter) withdraws that consent; or
 - (v) any person gives a notice under section 730 of the Corporations Act in relation to the Prospectus (other than the Lead Manager and Underwriter);
- the Company does not provide a closing certificate as and when required by the Underwriting Agreement;
- the Company withdraws the Prospectus or the Offer;
- an event specified in the Timetable up to and including the Settlement Date is delayed by more than 2 business days (other than any delay caused solely by the Lead Manager and Underwriter, any delay agreed between the Company and the Lead Manager and Underwriter or a delay as a result of an extension of the exposure period by ASIC);
- the Company is prevented from issuing the New Shares, by applicable laws, an order of a court of competent jurisdiction or a Governmental Agency, within the time required by the Timetable, Offer Documents, Listing Rules and the Corporations Act;
- there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any Governmental Agency which makes it illegal for the Lead Manager and Underwriter to satisfy a material obligation of the Underwriting Agreement, or to market, promote or settle the Offer;

- the Company:
 - (i) alters the issued capital of the Company or a member of the Group; or
 - (ii) disposes or attempts to dispose of a substantial part of the business or property of the Group, without the prior written approval of the Lead Manager and Underwriter (not to be unreasonably withheld or delayed);
- the Company varies the Constitution, without the prior written consent of the Lead Manager and Underwriter (such consent not to be unreasonably withheld or delayed);
- any member of the Group becomes insolvent, or there is an act or omission which is likely to result in a member of the Group becoming insolvent;
- if a regulatory body withdraws, revokes or amends any regulatory approvals required for the Company to perform its obligations under the Underwriting Agreement, including an ASX waiver or ASIC modification, such that the Company is rendered unable to perform its obligations under the Underwriting Agreement;
- a change in the chief commercial officer, chief financial officer or managing director of the Company occurs, or there is a change in the board of directors of the Company without the prior written consent of the Lead Manager and Underwriter;
- the chief commercial officer, chief financial officer or managing director of the Company, or a director of the Company, vacates his or her office (or announces an intention to do so); or
- any of the following occurs:
 - (i) the chief commercial officer, chief financial officer, managing director, or any director of the Company is charged with a criminal offence; or
 - (ii) any director of the Company is disqualified from managing a corporation under Part 2D.6 of the Corporations Act or under any applicable law.

Termination events subject to materiality

The Lead Manager and Underwriter may terminate the Underwriting Agreement without cost or liability by notice to the Company if any of the following events have occurred, or occur at any time before completion of the IPO, and the Lead Manager and Underwriter has reasonable grounds to believe, and does believe, that the event: (a) has, or is likely to have, a materially adverse effect on the success, settlement, outcome or marketing of the Offer, or the ability of the Lead Manager and Underwriter to market, promote or settle the Offer at the Offer Price, or the willingness of investors to subscribe for the New Shares; or (b) will, or is likely to, give rise to a liability of the Lead Manager and Underwriter or its affiliates under, or a contravention by the Lead Manager and Underwriter or its affiliates of, any applicable law:

- any of the Offer Documents or any aspect of the Offer does not comply with the Corporations Act, the Listing Rules, or any other applicable law or regulation;
- there occurs a new circumstance that arises after the Prospectus is lodged, that would have been required to be included in the Prospectus if it had arisen before lodgement;
- a statement in any of the Offer Documents (other than the Prospectus) is or becomes misleading or deceptive or is likely to mislead or deceive;
- the due diligence report is, or becomes, false, misleading or deceptive, including by way of omission;
- any information supplied (including any information supplied prior to the date of the Underwriting Agreement) by or on behalf of a member of the Group to the Lead Manager and Underwriter in connection with the Offer is, or is found to be, misleading or deceptive or likely to mislead or deceive (including by omission);
- any of the following occurs:
 - (i) the commencement of legal proceedings against any member of the Group or against any director of any of them in that capacity; or
 - (ii) any regulatory body commences any actual or threatened investigation or inquiry, in relation to the Offer, any Offer Document or the Company (or its officers or directors) by ASIC, ASX or any other governmental agency or any actual or threatened claim in relation to the Offer, the Offer Documents or the Company (or any of its officers or directors);
- any contract, deed or other agreement which is material to the making of an informed investment decision in relation to the New Shares is:
 - (i) terminated, rescinded, altered or amended without the prior written consent of the Lead Manager and Underwriter (such consent not to be unreasonably withheld); or
 - (ii) found to be void or voidable;
- an event occurs which is, or is likely to give rise to:
 - (i) an adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Group from those disclosed in the Prospectus lodged with ASIC on the Prospectus lodgement date; or
 - (ii) an adverse change in the nature of the business conducted by the Group as disclosed in the Prospectus lodged with ASIC on the Prospectus lodgement date;
- there are not, or there ceases to be, reasonable grounds in the opinion of the Lead Manager and Underwriter (acting reasonably) for any statement or estimate in the Offer Documents which relate to a future matter or any statement or estimate in the Offer Documents which relate to a future matter is, in the opinion of the Lead Manager and Underwriter (acting reasonably), unlikely to be met in the projected timeframe (including in each case financial forecasts);

- there is a contravention by any entity in the Group of the Corporations Act, the Competition and Consumer Act 2010 (Cth), the Australian Securities and Investments Commission Act 2001 (Cth), the Constitution, the Listing Rules or any other applicable law;
- a representation or warranty contained in the Underwriting Agreement on the part of the Company is breached, becomes not true or correct or is not performed;
- a closing certificate provided under the Underwriting Agreement is false, misleading or deceptive (including by way of omission);
- the Company defaults on one or more of its obligations or undertakings under the Underwriting Agreement;
- there is introduced, or there is a public announcement of a proposal to introduce a new law or regulation, government policy or governmental agency policy (including ASIC) in Australia (including the Parliament of Australia or any State or Territory of Australia) or Canada (other than a law or policy which has been announced before the date of the Underwriting Agreement);
- in respect of any one or more of Australia, New Zealand, the United States, Canada, Japan, the United Kingdom, the Peoples' Republic of China (including Hong Kong), North Korea, South Korea or Singapore:
 - (i) hostilities not presently existing commence;
 - (ii) a major escalation in existing hostilities occurs (whether war is declared or not);
 - (iii) a declaration is made of a national emergency or war; or
 - (iv) a major terrorist act is perpetrated; or
- any of the following occurs:
 - (i) a general moratorium on commercial banking activities in Australia, New Zealand, the United States, Canada, Japan, the United Kingdom, Singapore or the Peoples' Republic of China (or separately Hong Kong) is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
 - (ii) any adverse effect on the financial markets in Australia, New Zealand, the United States, Canada, Japan, the United Kingdom, Singapore and the Peoples' Republic of China (including Hong Kong), or in foreign exchange rates or any development involving a prospective change in political, financial or economic conditions in any of those countries; or
 - (iii) trading in all securities quoted or listed on ASX, the London Stock Exchange, the New York Stock Exchange, the Shanghai Stock Exchange or the Tokyo Stock Exchange is suspended for at least 1 day on which that exchange is ordinarily open for trading.

Warranties and undertakings

The Company provides a number of representations and warranties to in respect of, among other things, the conduct of the Company, the Offer Documents, authorisations required to be obtained and maintained, material adverse effects on the Company, insolvency, litigation and regulatory compliance with Governmental Agencies.

The Company's undertakings include that they will not, for a 6 month period following Completion of the Offer, issue or agree to issue any equity securities or convertible securities other than pursuant to the Offer, the Underwriting Agreement, an employee incentive plan or any issue of Shares in relation to the exercise of convertible securities that were granted prior to the date of the Mandate and which have been fairly disclosed in this Prospectus.

Indemnity

Under the Underwriting Agreement, the Company has agreed to unconditionally and irrevocably indemnify and hold harmless the Lead Manager and Underwriter and its related bodies corporate, affiliates and their respective officers, employees, advisors and agents (each an Indemnified Party), against all losses, liabilities, claims, damages, costs, charges and expenses whatsoever reasonably incurred or suffered in connection with the Offer or the Underwriting Agreement.

The indemnity does not extend to any losses or liabilities that are finally judicially determined to be caused by fraud, wilful misconduct or gross negligence of, or the criminal penalty or fine imposed on, the Indemnified Party other than to the extent caused, induced or contributed to by any Group member or their respective representatives, or caused by an Indemnified Party's reliance on information contained in this Prospectus or information provided by or on behalf of any member of a Group or their respective representatives. The indemnity also does not extend to any amount in respect of which the indemnity would be illegal, void or unenforceable under applicable law.

SECTION 11

Additional Information



11.1 RIGHTS ATTACHING TO SHARES

A shareholding in the Company is held subject to its Constitution. Shares to be issued under this Prospectus will rank equally with the existing ordinary Shares on issue. The Constitution may be inspected at the registered office of the Company during ordinary business hours by prior appointment. Section 11.2 sets out a summary of the principal rights of Shareholders under the Constitution.

11.2 SUMMARY OF MATERIAL PROVISIONS OF THE CONSTITUTION

The rights and liabilities attaching to ownership of the Shares are:

- detailed in the Constitution of the Company which is available online montem-resources.com; and
- in certain circumstances, regulated by the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules and the general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not intended to be exhaustive and is qualified by the fuller terms of the Constitution. This summary does not constitute a definitive statement of all of the rights and liabilities of Shareholders. This summary assumes the Company is admitted to the official list of ASX.

Voting

At a general meeting, every member present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll one vote for each fully paid Share held. On a poll, partly paid Shares (if any) confer a fraction of a vote pro-rata to the amount paid up on the Share.

Dividends

Subject to any special terms and conditions of issue, the amount which the Directors from time to time determine to distribute by way of dividend are divisible among the members in proportion to the amounts paid up on the Shares held by them.

Issue of Shares

Subject to the Constitution, the Listing Rules and the Corporations Act, the Directors have the right to issue shares or grant options over unissued shares to any person and they may do so at such times as they think fit and on the conditions and the issue price they think fit. Such shares may have preferred, deferred or other special rights or special restrictions about dividends, voting, return of capital or otherwise, as the Directors think fit.

Variation of Class Rights

Subject to the Corporations Act and the Listing Rules, the rights attached to any class of shares may, unless their terms of issue state otherwise, be varied with the written consent of the holders of 75% of the shares of the class or by a special resolution passed at a separate meeting of the holders of shares of the class.

Transfer of Shares

Subject to the Constitution, the Corporations Act, the Listing Rules and to the rights or restrictions attached to any shares or class of shares, holders of Shares may transfer them by a proper transfer effected in accordance with the ASX Settlement Operating Rules or an instrument in writing in any usual form or in any other form that the Directors approve.

The Directors may decline to register a transfer of Shares for certain reasons including if the Company has a lien on the Shares the subject of the transfer or where the refusal to register the transfer is permitted under the Listing Rules or the ASX Settlement Operating Rules.

In accordance with Listing Rule 15.12, the Company will refuse to acknowledge any disposal, assignment or transfer of restricted securities during the escrow period except as permitted by the Listing Rules or the ASX (refer to Section 11.7 for further detail on terms of restricted securities).

If the Company declines to register a transfer, the Company must give the party lodging the transfer written notice of the refusal and the reason for refusal.

Small Holdings

The Company may sell Shares on behalf of a Shareholder if that Shareholder holds less than a marketable parcel of Shares, provided that the procedures set out in the Constitution are followed including offering an opt-out ability to all affected Shareholders. A non-marketable parcel of Shares is defined in the Listing Rules and is, generally, a holding of shares with a market value of less than \$500.

General Meetings and Notices

Subject to the Constitution and to the rights or restrictions attached to any shares or class of shares, each member is entitled to receive notice of and, except in certain circumstances, to attend and vote at general meetings of the Company and receive all financial statements, notices and other documents required to be sent to members under the Constitution or the Corporations Act.

Restricted Securities

Except as permitted by the Listing Rules or ASX, holders of restricted securities must not dispose of, or agree to dispose of, the securities during the escrow period applicable to those securities. If the securities are in the same class as quoted securities, the holder is deemed to have agreed in writing to the restricted securities being kept on the Company's issuer sponsored subregister with a holding lock applied to them for the duration of the applicable escrow period. During the applicable escrow period, the restricted security holder will not be entitled to participate in any return of capital on those securities unless permitted by the Listing Rules or ASX.

If a restricted security holder breaches a restriction deed, restriction notice, or a provision of the Constitution restricting a disposal of those securities, the restricted security holder is not entitled to any dividend or distribution, or voting rights, in respect of the restricted securities for so long as the breach continues.

Winding Up

Subject to any special or preferential rights attaching to any class or classes of shares, the Constitution, the Corporations Act and the Listing Rules, members will be entitled in a winding up to share in any surplus assets of the Company in proportion to the amount paid up (not credited) on Shares held by them.

Directors – Appointment and Removal

The minimum number of Directors is three and the maximum may not be more than 10 unless the Company passes a resolution varying that number. Directors are elected at annual general meetings of the Company.

Retirement will occur on a rotational basis so that any Director who has held office for three or more years or three or more annual general meetings (excluding any managing director) retires at the annual general meeting of the Company, and may stand for re-election. The Directors may also appoint a person to fill a casual vacancy on the Board or as an addition to the Board, who will then hold office until the next annual general meeting of the Company and may stand for re-election.

Directors – Voting

Questions arising at a meeting of Directors will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. Subject to the ASX Listing Rules, in the case of a tied vote, the Chair has a second or casting vote, unless there are only two Directors present who are competent to vote on the question at issue.

Directors' Remuneration

The Directors, other than the Executive Directors, are entitled to be paid by such Directors' fees for their services as the Directors decide, provided that the total fees do not exceed the maximum aggregate sum of \$500,000 or such other amount as may be approved from time to time by Shareholders in general meeting. The Constitution also makes provision for the Company to pay all expenses of Directors in attending meetings and carrying out their duties and for the payment of additional fees for extra services or special exertions.

Alteration of Share Capital

Subject to the Listing Rules, the Constitution and the Corporations Act, the Company may alter its share capital.

Variation of the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of members present and voting at a general meeting of the Company.

Share Buy-Backs

The Company may buy back shares in accordance with the provisions of the Corporations Act.

11.3 DETAILS OF THE EMPLOYEE INCENTIVE PLAN RULES

The Company has in place an employee incentive plan, being the Montem Resources Employee Incentive Plan (for the purposes of this Section, "Plan") that is governed by the Plan rules (for the purposes of this Section, "Plan Rules"). The Plan was approved by the Board on 19 January 2018.

The following is a summary of certain significant rights, liabilities and obligations under the Plan Rules. This summary does not constitute a definitive statement of all of the rights and obligations under the Plan Rules.

- The stated objectives of the Plan include: to provide Eligible Employees (defined below) with an additional incentive to work to improve the performance of the Company, to attract and retain Eligible Employees, to promote and foster loyalty and support amongst Eligible Employees and to provide Eligible Employees with the opportunity to acquire shares, options or conditional rights to shares (for the purposes of this Section "Rights") in the Company.
- For the purposes of the Plan, Eligible Employees are any full-time or part time employees of the Group and any director of the Company or other Group company whom the Plan Committee determines is to be issued shares, options or rights in the Company.
- The Plan Committee is a committee delegated the relevant power by the Board to administer the Plan, or if there is no such delegation, the Board.
- The Plan Committee may make an offer to an Eligible Employee to apply for shares, options or Rights. The notice to the Eligible Employee will include the material terms of the offer.
- The Plan Committee may determine that a loan be made by the Company to the Eligible Employee for the purpose of acquiring shares that are the subject of an offer, subject to compliance with the provisions of the Corporations Act and the ASX Listing Rules relating to financial assistance.
- An offer of shares, options or Rights may not be made if the total number of shares (including the number of shares to be issued pursuant to options or Rights) plus the number of shares issued during the previous three years under the Plan (or any other employee incentive scheme of the Company) would exceed 5% of the total number of issued shares as at the time of the offer, but disregarding certain offers, including offers that do not need disclosure due to the provisions of section 708 of the Corporations Act.
- The Plan Committee may offer shares, options or rights with such terms and vesting conditions as it may determine. Options or Rights granted under the Plan are not capable of being transferred or encumbered by a participant, unless the Plan Committee determines otherwise.

- The Company has no obligation to apply for quotation of the options or rights on the ASX. The Company will apply to ASX for official quotation of shares issued upon exercise of options or rights if the Company's shares are officially quoted by ASX at the relevant time.
- Shares acquired under the Plan pursuant to the exercise of options or Rights may be subject to restrictions on disposal.
- Holders of options or Rights may only participate in new issues of securities by the Company if they have first exercised their options or rights within the relevant exercise period and become a shareholder of the Company prior to the relevant record date.
- If there is a bonus issue the number of shares over which an option or Right can be exercised will be increased commensurately.
- If there is a pro rata issue (except a bonus issue), the exercise price of an option or Right will be reduced in accordance with the Listing Rules.
- In the event of a reorganisation of the capital of the Company, then the rights of participant holding options or Rights (including number or exercise price) will be amended in accordance with the Listing Rules.
- If a participant ceases to be an Eligible Employee due to his or her resignation, dismissal for cause or poor performance or in any other circumstances determined by the Plan Committee then, subject to compliance with the Listing Rules and the Corporations Act, unvested shares will be forfeited, any unvested options or Rights will lapse, and any vested options of vested rights must be exercised within 60 days of cessation of employment or 60 days of any restrictions under the Company's share trading policy cease to apply, if later.
- If during a vesting period a participant ceases to be an Eligible Employee for any other reason or in any other circumstances determined by the Plan Committee, the participant will be entitled to retain a pro-rata amount of unvested shares, options or Rights and all other unvested shares will be forfeited, and all other unvested options or Rights will lapse.
- If the Plan Committee determines a participant has, amongst other matters, been convicted of an offence under the Corporations Act or has committed fraud, then the Plan Committee may determine that all unvested shares will be forfeited and all options and Rights will lapse.
- If a Corporate Control Event (as defined in the Plan Rules) occurs all unvested shares or unvested options or rights will vest.
- The Plan Committee may amend, waive or modify the Plan Rules, save that if the amendment would adversely affect the rights of participants then the consent of participants who hold 75% of the total number of relevant shares, options or Rights affected must be obtained.

11.4 TERMS OF OPTIONS

Below is a summary of the terms and conditions of the Options (other than the Consultant Options) which are contained in full under the EIP.

Each Option entitles the holder (Optionholder) to subscribe for one Share upon exercise of the Option and is exercisable at any time on or prior to the expiry date. Shares issued on exercise of the Options will rank equally with the then shares of the Company. The Options are transferable.

The Options may be exercised by notice in writing to the Company (Notice of Exercise) and payment of the relevant exercise price for each Option being exercised. The Company will not apply to ASX for quotation of the Options however it will apply to ASX for quotation of the Shares issued upon the exercise of the Options.

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders. However, the Company will provide Optionholders notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula set out in the EIP.

If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

The below table outlines the total number of Options on issue that are subject to certain vesting conditions.

TOTAL NUMBER OF OPTIONS	MILESTONE (INCENTIVE TARGET)	VESTING CONDITION	EXERCISE PRICE AND EXPIRY DATE
750,000	The production of the Definitive Feasibility for the Tent Mountain Mine.	(1) All (100%) options vest if Incentive Target is achieved by 31 December 2019; (2) If (1) is not achieved, 75% options vest if Incentive Target is achieved during Q1 2020; (3) If (1) and (2) are not achieved, then no options vest.	\$0.25 3 years from grant date
250,000	The production of the Preliminary Economic Assessment for the Chinook Project, and the procurement of updated coal quality information from new exploration drilling.	(1) All (100%) options vest if Incentive Target is achieved by 31 December 2019; (2) If (1) is not achieved, 75% of options vest if Incentive Target is achieved during Q1 2020; (3) If (1) and (2) are not achieved, then no options vest.	\$0.25 3 years from grant date
375,000	Receive confirmation from Federal agencies that the Tent Mountain mine re-start applications do not need CEAA review (or have received CEAA preliminary review of Tent Mountain project summary, and have been given approval to continue).	(1) All (100%) options vest if Incentive Target is achieved before 28 February 2020; (2) If (1) is not achieved, 75% of options vest if Incentive Target is achieved after 28 February 2020 but before 1 April 2020; (3) If (1) and (2) are not achieved, then 50% of options vest if Incentive Target is achieved after 1 April 2020 and before 30 June 2020; (4) If (1), (2) and (3) are not achieved, then no options vest.	\$0.25 3 years from grant date
750,000	Produce a reserve statement as part of a preliminary feasibility study for the Chinook Project.	(1) All (100%) options vest if Incentive Target is achieved by 31 December 2020; (2) If (1) is not achieved, 75% of options vest if Incentive Target is achieved after 31 December 2020 and before 1 April 2021; (3) If (1) and (2) are not achieved, then no options vest.	\$0.50 3 years from grant date

11.5 TERMS OF CONSULTANT OPTIONS

The terms and conditions of the Consultant Options granted are as follows:

- Each option entitles the holder to subscribe for one Share upon exercise of the option.
- The options are exercisable at any time on or prior to the expiry date.
- The options may be exercised by notice in writing to the Company and payment of the exercise price for each option being exercised. Any notice of exercise of an option received by the Company will be deemed to be a notice of the exercise of that option as at the date of receipt.
- Shares issued on exercise of the options will rank equally with the then shares of the Company.
- Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the options.
- After an option is validly exercised, the Company must, within, 15 business days of the notice of exercise and receipt of cleared funds equal to the sum payable on the exercise of the option issue the Share and do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 5 business days after issuing the Shares.
- There are no participation rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the options. However, the Company will give holders of the options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.
- If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - the number of Shares which must be issued on the exercise of an option will be increased by the number of Shares which the option holder would have received if the option holder had exercised the option before the record date for the bonus issue; and
 - no change will be made to the exercise price.
- If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the exercise price of an option will be reduced according to the following formula:

$$\text{New exercise price} = \frac{-O - E[P - (S + D)]}{N + 1}$$

O = the old exercise price of the option.

E = the number of underlying Shares into which one option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one Share.

- If there is any reconstruction of the issued share capital of the Company, the rights of the optionholders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.
- The Company will not apply to ASX for quotation of the options.
- The options are transferable.

If:

- a takeover bid within the meaning of the Corporations Act is made for the Shares in the Company and the bidder becomes entitled to compulsorily acquire all of the Shares, any options not exercised which have not vested shall then vest, and any options which are not exercised within 7 days thereafter shall lapse; or
- a court orders a meeting to be held in relation to a proposed scheme of arrangement in relation to the Company the effect of which may be that a person will have a relevant interest in at least 90% of the ordinary shares in the Company and that resolution is passed by the requisite majorities, any options which have not vested shall then vest and any options not exercised during the period which is 7 days of the court order shall lapse.

11.6 TERMS OF PERFORMANCE RIGHTS

A summary of the Milestones of the Performance Rights is set out in the below table. The Performance Rights are otherwise issued on the terms of the Employee Incentive Plan Rules summarised in Section 11.4.

NUMBER OF PERFORMANCE RIGHTS	MILESTONE	EXERCISE PRICE	VESTING CONDITION
4,500,000	Receive all necessary approvals to restart the Tent Mountain mine	Nil*	(1) All (100%) of the Performance Rights will vest if the Milestone is achieved before 31 December 2021; (2) if (1) is not achieved, then 75% of the Performance Rights will vest if the Milestone is achieved after 31 December 2021 and before 30 June 2022; (3) if (1) and (2) are not achieved, then 50% of the Performance Rights will vest if the Milestone is achieved after 30 June 2022 and before 30 June 2023; and (4) if (1), (2) and (3) are not achieved, then no Performance Rights will vest.
4,219,710	Production of first 100,000 tonnes of coal from the Tent Mountain mine or other Montem Project	Nil*	100% of the Performance Rights will vest if the Milestone is achieved on or before 1 June 2023.

ASX has provided confirmation that it is likely to grant a waiver from Listing Rule 1.1, condition 12 in relation to the Performance Rights nil exercise price.

Subject to the satisfaction of the relevant Milestone, the Performance Rights will convert one for one into Shares. If the Milestone is not achieved before the relevant date, the Performance Rights will lapse.

It is the Company's current intention that the production of the first 100,000 tonnes of coal from Tent Mountain Milestone will be verified by the Company's auditor using rail and port usage receipts and other evidence.

It is the Company's current intention that receipt of all necessary approvals to restart the Tent Mountain mine will be verified by the Company's auditor using public records of the Alberta Government.

11.7 ESCROW ARRANGEMENTS

Subject to the Company being admitted to the Official List, certain Shares, Options and Performance Rights on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for periods of up to 24 months from listing on ASX. During this period the holders of the restricted securities will be restricted from dealing with the escrowed securities without the prior approval of ASX. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner.

None of the Shares issued pursuant to the Offer are expected to be restricted securities.

Prior to the Company's Shares being admitted to quotation on the ASX, the Company may enter into escrow deeds with certain holders of restricted securities in accordance with Chapter 9 of the Listing Rules, and the Company will announce to ASX full details (quantity and duration) of the securities required to be held in escrow.

As at the date of this Prospectus the Company expects approximately 53,635,552 Shares comprising approximately 26.47% of Shares (including Conversion Shares), and 6,767,898 Performance Rights and 3,792,897 Options will be subject to escrow restrictions.

11.8 LEAD MANAGER AND UNDERWRITER INTERESTS

Morgans Corporate Limited is the Lead Manager and Underwriter to the Offer. The following are the material terms of the engagement of the Lead Manager and the Underwriting Agreement:

In consideration for acting as Lead Manager and Underwriter to the Offer, Morgans will receive a total of 5% (excluding GST) of the Offer Proceeds. In addition Morgans will be entitled to a reimbursement of their reasonably incurred expenses, including up to \$50,000 (excluding GST) in legal fees.

For a summary of the terms of the Mandate and the Underwriting Agreement please refer to Section 10.7.

Morgans has not received any other fees from the Company in the past 24 months preceding lodgement of this Prospectus.

11.9 INTERESTS OF PERSONS

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, has, or has had within the 24 months preceding lodgement of this Prospectus with ASIC, any interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer; or
- the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offer.

Grant Thornton will receive professional fees of approximately A\$48,250 for accounting services in connection with the provision of the Investigating Accountant's Report. Grant Thornton has not received any other fees from the Company during the last 24 months. Further amounts may be paid to Grant Thornton in accordance with their normal charges.

William Buck acts as auditors of the Company. During the 24 months preceding lodgement of this Prospectus with ASIC William Buck has invoiced approximately A\$77,069 in fees to the Company. Further amounts may be paid to William Buck in accordance with their normal charges.

McLennan Ross will or has received professional fees of approximately C\$65,000 excluding sales tax (equivalent to AUD67,708 as at 29 July 2020) for the preparation of the Solicitor's Tenements Report contained in Section 4. During the 24 months preceding lodgement of this Prospectus with ASIC McLennan Ross has received approximately C\$65,000 excluding sales tax (equivalent to AUD67,708 as at 29 July 2020) in fees from the Company for other services. Further amounts may be paid to McLennan Ross in accordance with their normal charges.

SRK will or has received professional fees of approximately C\$50,000 (equivalent to AUD52,083 as at 29 July 2020) for the preparation of the Technical Expert Report. During the 24 months preceding lodgement of this Prospectus with ASIC SRK has received approximately C\$676,000 (equivalent to AUD704,167 as at 29 July 2020) for the preparation of the Feasibility Study and approximately a further approximately C\$625,000 (equivalent to AUD651,042 as at 29 July 2020) in fees from the Company for other project related services. Further amounts may be paid to SRK in accordance with their normal charges.

Dahrouge will or has received professional fees of approximately C\$96,000 (equivalent to AUD100,000 as at 29 July 2020) for the preparation of the JORC Reports. Further amounts may be paid to Dahrouge in accordance with their normal charges.

Dentons will or has received professional fees of approximately \$275,000 for legal services in connection with the Offer. During the 24 months preceding lodgement of this Prospectus with ASIC Dentons has received approximately \$79,700 in fees from the Company for other services. Further amounts may be paid to Dentons in accordance with their normal charges.

Automic has been appointed as the Company's share registry and will be paid an estimated fee of \$3,100 for these services in relation to the Offer. Further amounts may be paid to Automic in accordance with their normal charges.

11.10 COSTS OF THE OFFER

The total costs of the Offer (excluding GST) are estimated to be approximately \$1,100,000 (of which approximately \$300,000 has been paid). This amount includes the Lead Manager and Underwriter fees and ASX fees on completion of the Offer.

Section 11.8 sets out further details in respect to the fees payable to the Lead Manager and Underwriter in relation to the Offer.

11.11 LEGAL OR DISCIPLINARY ACTION

None of the Directors or members of key management have been involved in any material legal or disciplinary actions against the Director or member of key management (or against companies that the Director or member of key management was a director of at the relevant time) in the last 10 years.

Rob Tindall was a director of FSS Advisory Pty Ltd which was placed into voluntary administration in April 2015 and subsequently into liquidation and the liquidator continues to make payments to certain creditors. The liquidators are not aware of any action being taken against the former directors by ASIC.

Will Souter was a non-executive director of start-up brewery Sample Brew Pty Ltd and he resigned as a director shortly before the company was placed into voluntary administration on 14 May 2019 and a liquidator was subsequently appointed. It is anticipated that the employees and secured creditors will be paid in full and other creditors will receive some payments. The administrator reported that there was no evidence found to suggest that the directors, or former directors, breached their respective duties to act with due care and diligence and to act in good faith.

11.12 CONSENTS

Each of the parties listed in this Section, to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and statement or report included in this Prospectus with its consent as specified below.

Each of the parties listed below has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear:

- Grant Thornton has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus as the Investigating Accountant in the form and context in which it is named and to the inclusion in this Prospectus of its Investigating Accountant's Report in the form and context in which it is included. Grant Thornton has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in the Prospectus;
- William Buck has given, and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus as auditor of the Company in the form and context in which it is named. William Buck has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in the Prospectus;
- McLennan Ross has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus as Canadian legal adviser to the Company in relation to the Offer in the form and context in which it is named and to the inclusion in this Prospectus of its Solicitor's Tenement Report in the form and context in which it is included. McLennan Ross has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in the Prospectus;
- Dentons has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus as Australian legal adviser to the Company in relation to the Offer in the form and context in which it is named. Dentons has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in the Prospectus;
- SRK has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus as the author of the Technical Assessment Report in the form and context in which it is named and to the inclusion in this Prospectus of its Technical Assessment Report in the form and context in which it is included. SRK has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in the Prospectus;
- Dahrouge has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus as the author of the JORC Reports in the form and context in which it is named and to the inclusion in this Prospectus of the JORC Reports in the form and context in which it is included. Dahrouge has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in the Prospectus;
- Morgans has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus as underwriter and adviser to the Company in relation to the Offer in the form and context in which it is named. Morgans has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in the Prospectus;
- Automic has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named. Automic has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry to the Company;

References are made in this Prospectus to entities that have certain dealings with the Company, including counterparties to contractual arrangements referred to in this Prospectus. These parties have been referred to for information purposes only. Those entities did not authorise or cause the issue of this Prospectus and have had no involvement in the preparation of any part of this Prospectus.

11.13 TAXATION

The acquisition and disposal of Shares in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

11.14 COMPLIANCE OFFER

In addition to the Offer, this Prospectus also relates to an offer to nominated employees of the Company for the issue of up to a further 100 Shares at the Offer Price (Compliance Offer). The Compliance Offer opens on the Closing Date of the Broker Firm Offer and will close 10 Business Days after the commencement of trading of Shares on the ASX (or such earlier date as determined by the Board). The Company reserves the right not to accept any applications under the Compliance Offer.

Shares will be issued as a result of the conversion of the Convertible Notes in connection with the Completion of the Offer. The existence of the Compliance Offer will enable holders of these Shares to rely on the exception in section 708A(11) of the Corporations Act to the on-sale restrictions in section 707(3) of the Corporations Act that may otherwise limit the ability of those holders to sell their Shares in the 12 month periods after their date of issue.

11.15 GOVERNING LAW

This Prospectus and the contracts that arise from the acceptance of the applications pursuant to the Offer are governed by the laws applicable in Victoria and each applicant submits to the jurisdiction of the courts of Victoria.

11.16 THE DIRECTORS' STATEMENT

This Prospectus is issued by the Company. Each of the Directors has consented to the lodgement of this Prospectus in accordance with section 720 of the Corporations Act and has not withdrawn that consent.



For and on behalf of Montem Resources Limited

Mark Lochtenberg
Chairman

SECTION 12

Definitions

The following definitions apply throughout this Prospectus:

\$, AUD, dollars or cents	Australian currency excluding GST unless otherwise stated.
AER	Alberta Energy Regulator.
Alberta Land	5:6:8:12:4:5 Title Number 081 457 366 also known as SW ¼ of sec 12, Township 8, Range 6, W5 LSD 4 and part of LSD 5, Alberta.
Alberta Leasehold	The meaning given to the term 'Alberta Leasehold Tenements' in the Solicitor's Tenement Report.
Applicant	A person who submits an Application.
Application	A valid application to subscribe for New Shares.
Application Form	The application form either attached to or accompanying this Prospectus.
Application Monies	Monies received by the Company from Applicants.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Securities Exchange Limited ACN 008 624 691 or the financial market operated by it, as the case requires.
ASX Recommendations	The meaning given to that term in Section 5.7.
ASX Settlement Rules	ASX Settlement Operating Rules of ASX Settlement Pty Limited ACN 008 504 532.
Automic	Automic Pty Ltd ACN 152 260 814.
BC Land	Parcel Identifier: 006-134-149. Parcel 51 (See DD13248 and 23562A) District Lot 4589, Kootenay District, British Columbia.
BC Leasehold	The meaning given to the term 'B.C. Leasehold Tenement' in the Solicitors Tenement Report.
Board	The board of Directors unless the context indicates otherwise.
Broker	Any ASX participating organisation selected by the Lead Manager in consultation with the Company to act as a broker to the offer.
Broker Firm Offer	The invitation to persons receiving a firm offer from their Broker to apply for New Shares, made pursuant to this Prospectus, as described in Section 6.13.
Business Day	A day other than a Saturday or Sunday on which banks are open for business in Melbourne, Victoria.
C\$ or CAD	The lawful currency of Canada.
CHES	Clearing House Electronic Subregistry System.
Chinook Project	The project made up of Chinook South and Chinook Vicary, as described in Section 3.4.
CHPP	Coal Handling and Processing Plant.
Closing Date	The closing date of the Offer, being 5:00pm on 26 August 2020, unless extended.
Coal Resource	The meaning given to that term in the JORC Code.
Company Secretary	The duly appointed company secretary of the Company as at the date of this Prospectus.
Completion	Completion of the allotment of New Shares pursuant to the Offer under this Prospectus.
Constitution	Montem's constitution.
Consultant Options	The Options that were issued to previous consultants providing services to the Company with each Option exercisable at \$0.63 and expiring 12 January 2023 and otherwise on the terms set out in Section 11.5.

Convertible Note Deed Poll	The convertible note deed poll between the Company and sophisticated investors dated 23 October 2019 as summarised in Section 10.4.
Convertible Notes	The convertible notes issued by the Company under the Convertible Note Deed Poll.
Conversion Shares	The Shares to be issued on conversion, and in accordance with the terms, of the Convertible Notes at or prior to the completion of the IPO.
Corporations Act	Corporations Act 2001 (Cth).
Dahrouge	Dahrouge Geological Consulting Ltd.
Dentons	Dentons Australia Limited ACN 100 963 308.
Directors	The duly appointed directors of Montem as at the date of this Prospectus.
EIP	The Employment Incentive Plan adopted by the Company, a summary of the terms of which is set out at Section 11.3.
EPEA	Environment Protection and Enhancement Act.
Exploration Target	The meaning given to that term in the JORC Code.
Exposure Period	The period of seven days after the Prospectus Date, which period may be extended by the ASIC by not more than seven days.
Feasibility Study	The Feasibility Study on the Tent Mountain Mine dated 1 April 2020 prepared by SRK.
Financial Information	The meaning given to that term in Section 8.1.
First Nation	The meaning given to that term in the Solicitor's Tenement Report.
Freehold Titles	Has the meaning given to the term Alberta Freehold Tenements in the Solicitor's Tenement Report.
FSMA	Financial Services and Markets Act 2000 (United Kingdom).
FY2018	Financial Year 2018 being the period from 1 January 2018 to 31 December 2018.
FY2019	Financial Year 2019 being the part period from 1 January 2019 to 31 December 2019.
Grant Thornton	Grant Thornton Corporate Finance Pty Ltd ACN 003 265 987.
Greenfield Projects	The 4-Stack, Oldman and Isola properties located north of the Chinook Project, as described in Section 3.5.
Group	Each of Montem, Montem Resources Corp and Montem Alberta.
GTG	GTG Corporate Pty Ltd ACN 604 645 178.
HCC	Hard Coking Coal.
Indicated Mineral Resources or Indicated	The meaning given to that term in the JORC Code.
Inferred Mineral Resources or Inferred	The meaning given to that term in the JORC Code.
Institutional Investors	An investor to whom offers or invitations in respect of securities can be made without the need for a lodged prospectus (or other formality which the Company would need to comply with), including in Australian persons to whom offers or invitations can be made without the need for a lodged prospectus under section 708 of the Corporations Act (disregarding section 708AA), and excluding a retail client within the meaning of section 761G of the Corporations Act.
Institutional Offer	The invitation to Institutional Investors under this Prospectus to acquire Shares as described in Section 6.14.
Investigating Accountant's Report	The report contained in Section 9 prepared by Grant Thornton.
IPO	Initial public offering.
JORC	Joint Ore Reserves Committee.
JORC Code	The meaning given to that term in Appendix 5A of the Listing Rules.

JORC Reports	The four JORC reports for the Tent Mountain Mine, Chinook Project, 4-Stack Property and Isola Property prepared by Dahrouge and dated 7 April 2020 for the Tent Mountain Mine, 9 April 2020 for the Chinook Project, and 5 June 2020 and 5 July 2020 for the 4-Stack Property and Isola Property respectively, as referred to in Annexure 2.
Land Vendors	Verlee and Curtis Hagley.
Lead Manager and Underwriter or Morgans	Morgans Corporate Limited ACN 010 539 607.
Leydin Freyer	Leydin Freyer Corp Pty Ltd ACN 161 717 713.
Listing Rules	The Listing Rules of ASX that govern the admission, quotation and removal of securities from the Official List.
Mandate	The meaning given to that term in Section 10.7.
McLennan Ross	McLennan Ross LLP, Alberta, Canada.
Metallurgical Coal	An informally recognized name for bituminous coal that is suitable for making coke by industries that refine, smelt, and work with iron. Other uses are space heating, blacksmithing, smelting of base metals, and power generation. Most premium metallurgical coal is low-to-medium volatile bituminous coal. This type of coal is also commonly referred to as steel-making coal.
Mineral Reserve(s) or Reserve(s)	The meaning given to that term in the JORC Code.
Mineral Resource(s) or Resource(s)	The meaning given to that term in the JORC Code.
Modifying Factors	The meaning given to that term in the JORC Code. Broadly speaking, Modifying Factors are considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
Montem Alberta	Montem Resources Alberta Operations Ltd, a corporation incorporated under the laws of the Province of Alberta, Canada.
Montem Resources Corp	Montem Resources Corp (formerly known as 1090931 B.C. Ltd), a corporation incorporated under the laws of the Province of British Columbia, Canada.
Montem or the Company	Montem Resources Limited ACN 623 236 831 a company incorporated under the laws of the State of Victoria, Australia.
Mt	Million tonnes.
New Shares	Shares issued under this Prospectus.
Noteholder	The holder of a Convertible Note.
Offer	The invitation to apply for New Shares under this Prospectus comprising the Broker Firm Offer and the Institutional Offer, as described in Section 6.
Offer Period	The period commencing on the Opening Date and ending on the Closing Date.
Offer Price	The offer price payable for New Shares, being \$0.25 per New Share.
Offer Proceeds	The number of Shares issued under the Offer multiplied by the Offer Price.
Official List	The Official List of ASX listed companies as maintained by ASX.
Opening Date	The date on which the Offer opens for Applications for Shares, being 10 August 2020, unless amended.
Options	Options for Shares issued under the EIP and the Consultant Options, as the case may be.
Ore Reserve	The meaning given to that term in the JORC Code. Broadly speaking an Ore Reserve is an economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that at the time of reporting extraction could reasonably be justified.
Performance Rights	Performance Rights convertible into Shares as described in Section 11.6.

PMRU	Prairie Mines & Royalty ULC, a corporation incorporated under the laws of the Province of Alberta, Canada.
Projects	Each of the Tent Mountain Restart Project, the Chinook Project and the Greenfield Projects, as the context requires.
Prospectus	This document and includes the electronic form of this Prospectus.
Prospectus Date	The date the Prospectus was lodged with ASIC, being 31 July 2020.
Purchase Agreement	The asset purchase and sale agreement entered into between GTG and PMRU on 22 June 2016, and amended on 21 September 2016.
SFO	Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong.
Share	One fully paid ordinary share in the capital of Montem.
Shareholder	A registered holder of Shares.
Share Registry	Automatic, being the duly appointed share registry of Montem at the date of this Prospectus.
Shipping Agreement	The shipping agreement between Westshore Terminals and Montem Alberta dated on or before the Prospectus Date.
Shortfall Shares	The total number of New Shares for which Applications have not been received to complete a fully-subscribed Offer.
Solicitor's Tenement Report	The legal tenement report contained in Section 4 prepared by McLennan Ross.
SRK	SRK Consulting (Canada) Inc.
Technical Assessment Report	The technical assessment report prepared by SRK in relation to Tent Mountain as set out in Annexure 1 to this Prospectus.
Teck Resources	Teck Resources Limited of Vancouver, British Columbia, Canada.
Tent Mountain Mine	The project described in Section 3.3.
Tent Mountain Mine Restart Project	The project to restart mining at the Tent Mountain Mine as described in Section 3.3.
Underwriting Agreement	The underwriting agreement entered into between the Company and the Underwriter on or about the Prospectus Date.
WCC	Westmoreland Coal Company, a corporation incorporated under the laws of the Province of British Columbia, Canada.
Westshore Terminals	Westshore Terminals Limited Partnership.
William Buck	William Buck Audit (Vic) Pty Ltd ACN 116 151 136.

References to a time in this Prospectus are to Australian Eastern Standard Time (AEST) unless otherwise stated.

References to "Q" or "Quarters" for a year are to calendar quarters, ending 31 March, 30 June, 30 September and 31 December.

ANNEXURE 1:

Tent Mountain Mine Technical Assessment Report



Montem Resources

Technical Assessment Report for the Tent Mountain Mine Re-start Project, British Columbia, Canada

Prepared for

Montem Resources Ltd.



Prepared by



SRK Consulting (Canada) Inc.
April 2020

Technical Assessment Report for the Tent Mountain Mine Re-start Project, British Columbia, Canada

Prepared for

Montem Resources Ltd.
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Australia

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Web: www.montem-resources.com

Prepared by

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Effective Date: 1 April 2020
Report Date: 29 April 2020

Authored By:

Paul Dagenais, *MBA, MASc*
Principal Consultant (Mining)

Robert McCarthy, *PEng. (APEGA)*
Principal Consultant (Mining)

File Name: Tent_Mtn_Technical_Assessment_Report

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Important Notice

This report was prepared as a Technical Report for Montem Resources Ltd. by SRK Consulting (Canada) Inc. as part of a team of consultants contracted by Montem (“the Team”). The quality of information, conclusions and estimates contained herein is consistent with the level of effort involved in the Team’s services, based on: i) information available at the time of preparation, ii) data supplied by outside sources, and iii) the assumptions, conditions, and qualifications set forth in this report. This report is intended for use by Montem subject to the terms and conditions of its contracts with SRK and the Team and to the relevant securities legislation. The contracts permit Montem to include this report in the Prospectus as a technical report and lodge it with relevant securities regulatory authorities. Except for the purposes legislated under relevant securities law, any other uses of this report by any third party are at that party’s sole risk. The responsibility for this disclosure remains with Montem. The user of this document should ensure that this is the most recent Technical Report for the property as it is not valid if a new technical report has been issued.

Currency is expressed in Canadian dollars and metric units are used, unless otherwise stated. The Report uses Australian English.

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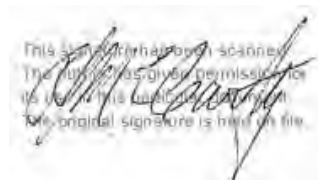
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Competent Persons Statements

The information contained in this report that relates to JORC reserves statements for the Tent Mountain Mine are derived from a feasibility study completed in April 2020. This report is based on, and fairly and accurately reflects in the form and context in which it appears, the information in the supporting documentation relating to Exploration Targets, Exploration Results, Mineral Resources and/or Ore Reserves compiled or reviewed by Mr. Robert McCarthy, who is an employee of SRK Consulting (Canada) Inc. Mr. Robert McCarthy is a Professional Engineer registered with the Association of Professional Engineers and Geoscientists of Alberta and a Competent Person as defined in the JORC Code (2012 Edition of the “Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”) having sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken. Mr. Robert McCarthy consents to the inclusion of the matters based on his information in the form and context in which it appears in the Prospectus and has not withdrawn his consent before lodgement of this Prospectus with ASIC.

The coal reserves at Tent Mountain, presented in this report, have been classified and reported in accordance with the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (December 2012), prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

Signed and sealed:



This stamp or handwritten signature is a scanned image of a signature. The signature is in black ink and appears to read 'Bob McCarthy'. The stamp is a rectangular box with a light gray background and contains the following text: 'This stamp or handwritten signature is a scanned image of a signature. The original signature is filed on file.'

Bob McCarthy, PEng. (APEGA)

Dated: April 29, 2020

Acronyms and Abbreviations

Distance	
µm	micron (micrometre)
mm	millimetre
cm	centimetre
m	metre
km	kilometre
in	inch
ft	foot
Area	
m ²	square metre
km ²	square km
ac	acre
ha	hectare
Volume	
L	litre
m ³	cubic metre
ft ³	cubic foot
BCM	banked cubic metres
LCM	loose cubic metres
Mass	
kg	kilogram
g	gram
t	metric tonne
kt	kilotonne
lb	pound
Mt	megatonne
oz	troy ounce
wmt	wet metric tonne
dmt	dry metric tonne
Pressure	
psi	pounds per square inch
Pa	pascal
kPa	kilopascal
MPa	megapascal
Elements and Compounds	
Au	gold
Ag	silver
As	arsenic
Cu	copper
S	sulphur
CN	cyanide
NaCN	sodium cyanide

Other	
°C	degree Celsius
adb	air dried basis
cfm	cubic feet per minute
elev	elevation
hp	horsepower
hr	hour
kW	kilowatt
kWh	kilowatt hour
M	million or mega
mamsl	metres above mean sea level
mph	miles per hour
ppb	parts per billion
ppm	parts per million
s	second
V	volt
kV	W
kV	kilovolt
\$k	thousand dollars
\$M	million dollars
tpa	tonnes per annum
tph	tonnes per hour
tpd	tonnes per day
mtpa	million tonnes per annum
Ø	diameter
Acronyms	
SRK	SRK Consulting (Canada) Inc.
CIM	Canadian Institute of Mining
NI 43-101	National Instrument 43-101
JORC	Joint Ore Reserves Committee of the Australian Institute of Mining and Metallurgy
ABA	acid- base accounting
AP	acid potential
NP	neutralisation potential
ML/ARD	metal leaching/ acid rock drainage
PAG	potentially acid generating
NAG	non-acid generating
RC	reverse circulation
IP	induced polarisation
ROM	run-of-mine
LOM	life-of-mine
HCC	hard coking coal
NPV	net present value
IRR	internal rate of return
Conversion Factors	
1 tonne	2,204.62 lb

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1 Introduction

1.1 Overview

Montem Resources Inc. acquired the Tent Mountain Mine property in 2016 and has been working since then to develop a plan to re-start operations that were suspended in the early/mid-1980s. This work involved completing sufficient exploration and resource drilling, combined with resource modeling, to support an updated JORC compliant resource report for the deposit. In addition, Montem has initiated environmental baseline, community and Indigenous Peoples consultation and engagement to support applications to government to re-start the mine.

The Tent Mountain Mine is a surface mineable metallurgical coal deposit in southwest Alberta/southeast British Columbia. It is planned as a conventional truck-and-shovel open cut mine, targeting an overall life-of-mine run-of-mine (ROM) strip ratio of approximately 8.8:1 (BCM/ROM t). The mine plans to produce 1.8 million tonnes of ROM coal per year, resulting in approximately 1.1 million tonnes of annual saleable product coal. The Tent Mountain Mine product will be marketed as a high-quality Tier 2 hard coking coal (HCC).

The mine was the subject of a public interest discussion and decision during the 1970s through the submission and review of applications and an Environmental Impact Assessment. The subsequent Mine Permits, Licences and a variety of other approvals have been maintained since the mine suspended active operations in the 1980s. Throughout the ensuing years, and a variety of owners, the Tent Mountain Mine has been reserved as a “future” project. Tent Mountain has an active Coal Exploration Permit, valid Mine Permits for both Alberta and BC and an Environmental Protection and Enhancement Act (EPEA) operating approval. The mine is the re-start of a previously approved project that has not increased its production rate above 5,000 tonnes per day nor expanded its footprint by more than 50%. On 28 April 2020, Montem received notice from the Impact Assessment Agency of Canada that the Tent Mountain Mine, as currently defined, will not require federal review.

Since operations were suspended in the early/mid-1980s, surface runoff and precipitation has accumulated in the bottom of what was designated Pit 4. This pit lake is a closed basin and currently contains approximately 4.5 million cubic metres of water, more than enough to supply water to the process plant for the duration of the mine life. The re-use of the Pit 4 water is a key component of Montem’s operational plan for Tent Mountain, as the mine is located within the South Saskatchewan River Basin, which is closed to the issuance of new industrial water licences.

Montem has developed an operations and closure plan that will minimise environmental impacts from the mine, with impact modelling forecasting an improvement in downstream water quality compared to what currently exists at the compliance point downstream of the mine site.

The project has robust economics (post-tax NPV = C\$129M, IRR = 17.3%, payback = 5 years), at the Base Case pricing of US\$130/t. At the Empirical Case (10-year historic realised) pricing of US\$156/t, project economics improve significantly (post-tax NPV = C\$351M, IRR = 33.3%).

1.2 Purpose of Report

Montem Resources Limited engaged SRK Consulting (Canada) Inc. to provide an independent Technical Assessment Report (TAR) of its Tent Mountain Coal Mine and associated Feasibility Study for inclusion in the Prospectus to be issued by Montem to support the proposed listing on the ASX. The TAR will be a Public Report, as described by the VALMIN Code, 2015 Edition (Australasian code) and summarises the most pertinent technical and economic components of the project.

1.3 Scope of Work

This SRK report provides a technical assessment of the Tent Mountain Mine assets and independent technical opinion as to the reasonableness of the information supporting the Tent Mountain Mine, including the conceptual mine plans and the identified opportunities and issues associated with development of the Assets. However, the TAR does not constitute an audit and SRK is unable to warrant the accuracy of the information provided by third parties.

The scope of work of the review included a preliminary review of the project based on a site visit to Tent Mountain by SRK specialists. The scope involved a full review of resource estimates, process test work and design, infrastructure, development plans and logistics, environmental and social issues and implementation plans.

Where appropriate, SRK's review has assessed the resource estimates in accordance with Australian industry standards and for compliance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, December 2012 (referred to herein as "the JORC Code"). This report has been prepared in accordance with the relevant requirements under the Listing Rules of the ASX and the practice notes and policy statements issued by the Australian Securities and Investment Commission (ASIC) as they apply to the preparation of technical assessment reports.

SRK addressed the following scope of work when undertaking the review:

- Undertook a site visit by a Principal Consultant who is based in Vancouver, Canada
 - Met face-to-face with key staff on site
 - Observed the general site layout in comparison to the proposed mine plan footprints, facilities and infrastructure requirements and environmental management plan
- Attended a Montem management presentation and Q&A session in a subsequent visit to site
- Reviewed the JORC Coal Resource Estimate and Statement:
 - Reviewed the deposit geology and geological model of the project in consultation with the client consultant Dahrouge Geological Consulting Ltd., based out of Edmonton, Alberta

- Reviewed the Coal Resource estimate, ensuring appropriate methodologies and estimation parameters
- Reviewed the classification of the coal resource estimates
- Reviewed the compiled Statement of Coal Resources
- Commented on any geological or Resource related risks and opportunities
- Generated the mining feasibility plan including:
 - Development of the mine plan
 - Pit limit determination and mine layout criteria
 - Mining method selection
 - Application of mining and metallurgical modifying factors to convert in-situ quantities and qualities to ROM and marketable quantities and qualities
 - Mine design parameters taking into account, geotechnical, hydrogeological and environmental inputs
 - Forecast production rates and schedules ensuring they are practical and achievable
 - Equipment suitability for the characteristics of the deposit, proposed mining methods and production rate
 - Risks and opportunities associated with the mine plan
- Review of the planned CHPP, site facilities and infrastructure as designed and costed by the client consultant Sedgman Canada Ltd., based out of Vancouver, British Columbia
- Generated the JORC reserve estimate and report
- Reviewed and commented on the current environmental approval and permitting process in consultation with the client consultant Matrix Solutions Inc., based out of Calgary, Alberta
- Generated and/or reviewed project operating and capital costs covering:
 - The basis for cost estimation and estimated accuracy of the estimate
 - Forecast operating costs, including the basis for the estimated operating costs and their application over the life-of-mine schedule
 - Forecast capital costs, including the basis for the estimated capital costs and their application over the life-of-mine schedule
 - Comment on associated capital and operating cost opportunities and risks
- Discussed overall project risks and opportunities
- Presented the Draft Technical Assessment Report to Montem
- Finalised the Technical Assessment Report following Montem comment and questions

SRK also completed the following:

- Contributed to and compiled the Tent Mountain Mine Re-Start Project Feasibility Study
 - Generated the feasibility mine design and schedule, including detailed geotechnical engineering
 - Completed geochemical characterisation of waste rock and coal
 - Conducted the economic analysis of the project
 - Compiled contributions from client consultants:
 - Dahrouge – JORC resource estimate and geological model
 - Sedgman – processing (CHPP) and project infrastructure
 - Matrix – environmental approval and permitting, water management and water treatment
- Assembled the report and provided a draft Feasibility Study report to Montem for comment
- Incorporated feedback from Montem and generated final Feasibility Study report, including appendices of technical reports that supported the study

1.4 SRK Capability and Independence

The TAR is addressed to, and is for the benefit of, Montem's Directors, and the SRK opinion expressed herein may be relied upon by each member of the Due Diligence Committee (and their representatives) to the extent that each member understands that SRK is not conducting an audit and does not warrant the accuracy of the information provided by Montem, their consultants, employees or any associated parties. This report has been prepared as advisory information to Montem by the signatories. The review of the Coal Resource estimate and methodology has been conducted by Competent Persons, as defined under the JORC Code.

SRK is an independent, international consulting practice that provides focused advice and solutions to clients, mainly from earth and water resource industries. For mining projects, SRK offers services from exploration through feasibility, mine planning, and production to mine closure. Formed in 1974, SRK now employs more than 1,400 professionals in 45 offices on 6 continents. The Group's independence is ensured by the fact that it is strictly a consultancy organisation, holding no equity in any project and with ownership primarily by staff. This permits SRK's consultants to provide clients with conflict-free and objective support on crucial issues. This is particularly important for due diligence and feasibility studies, which form a large part of SRK's business. SRK employs leading specialists in each field of science and engineering. Its seamless integration of services, and global base, has made the company a leading international practice in due diligence, mine planning and permitting, feasibility studies and confidential internal reviews.

Among SRK's 1,500 clients are most of the world's major and medium-sized metal and industrial mineral mining houses, exploration companies, banks, petroleum exploration companies, construction firms and government departments.

SRK's principal line of business is the provision of independent engineering and scientific services to the mining industry. Roughly half of SRK's staff provide expertise related to mine planning, development, and operations, ranging from structural and economic geology to mine engineering and detailed mine planning. The other half of SRK's staff provide mining-related environmental science and engineering services, ranging from permitting to site closure, including technical specialties such as mine waste geochemistry, tailings management, hydrogeology and geotechnical engineering.

Internationally, SRK has worldwide coal experience spanning a broad spectrum of exploration, management, resource and reserve analysis, metallurgical studies, surface and underground mine design, technical due diligence, operations optimisation and total project feasibility.

SRK has assessed the Tent Mountain assets of Montem on the basis of both specific information provided by Montem and individual experience in relation to the estimation of resources, life-of-mine plans, production and productivity estimates, coal quality assessments, manpower estimates, environmental requirements and compliance, workforce and community issues and Health, Safety and Environmental standards and compliance.

A draft copy of this report has been provided to Montem to review the accuracy of the data used and for the correction of any material errors of fact, omissions of relevant information, or inclusion of incorrect or unreasonable assumptions that have been relied upon in this TAR. Under no circumstances did Montem direct SRK in any way as to the content, assessment or conclusions presented within the report.

SRK's fee for preparing this report was based on its nominal professional daily rates plus reimbursement of incidental expenses. The fees were agreed based on the complexity of the assignment, SRK's knowledge of the assets and availability of data. The fee paid to SRK for this engagement was C\$49,644. The payment of this professional fee was not contingent upon the outcome of this report.

Total fees paid to SRK by Montem for all work associated with the Tent Mountain Project, including field investigations, reserve study, feasibility study and the TAR are C\$1,352,104.

1.5 Limitations and Exclusions

The contents of this Report have been created using data and information provided by or on behalf of Montem. In SRK's opinion, the information provided was reasonable and nothing discovered during the review suggested that there was any material error or misrepresentation in respect of that information. SRK has no reason to believe that any material facts have been withheld. SRK has not independently validated information generated by third parties, consultants or contractors to Montem.

SRK accepts no liability for the accuracy or completeness of data and information provided to it by, or obtained by it from, Montem or any third parties, even if that data and information has been incorporated into or relied upon in creating this report. The report has been produced by SRK using information that has been provided to SRK as at the date stated on the cover page. SRK is under no obligation to update the information contained in the report at any time after the date shown on the cover page, though SRK reserves the right to change its view of any of the conclusions set out in this Report should any of the fundamental information provided to SRK materially change.

The report specifically excludes all aspects of legal issues, commercial and financing matters, land titles and agreements, except such aspects as may directly influence technical, operational or cost issues and where applicable to the JORC Code guidelines.

Notwithstanding the above, in SRK's opinion, the data and information provided by or on behalf of Montem was reasonable and sufficient for the purposes of the JORC Code 2012 and VALMIN Code 2015 Edition. Nothing discovered during the preparation of this Report suggests that there was any significant error or misrepresentation of such data or information.

1.6 Materiality

SRK has adopted the Australian Accounting Standards Board AASB 1031, which proposes that the materiality of information or data can be assessed in terms of the extent to which its omission or inclusion could lead to changes in total value:

- Equal to or less than five percent – immaterial
- Between five and ten percent – discretionary
- Equal to or greater than ten percent – material

These guidelines were used only generally, as this report only provides an estimate of the value of the Tent Mountain Mine and does not include a valuation of Montem.

1.7 Indemnity and Sign-Off

SRK has signed a Master Services Agreement with Montem, pursuant to which Montem has agreed to hold harmless and indemnify SRK from and against any claims, to the extent they arise from the wilful, fraudulent or negligent acts or omissions of Montem or its officers, directors, employees or contractors (other than SRK).

SRK personnel who contributed to the preparation of this Report and have provided corresponding professional sign-off as Competent Persons are:

- Robert McCarthy, PEng. (Principal Consultant - Mining) – Practitioner

SRK will give its written consent to the inclusion of this TAR in the Prospectus and all of the information to be contained in the Prospectus that has been extracted directly from the TAR.

1.8 Site Inspection

A site visit was conducted by SRK Principal Consultant Robert McCarthy, PEng., accompanied by SRK Senior Consultant Grant Carlson, PEng. and Montem management and site personnel in June 2019.

1.9 Inherent Mining Risks

Coal mining carries a relatively higher risk, when compared to many industrial and commercial operations, because it is conducted in an environment where not all events are predictable.

Each coal deposit is unique and the nature of the coal deposit, the occurrence and quality of the coal, and its behaviour during mining and processing can never be wholly predicted. Estimations of the tonnes, quality and characteristics of a coal deposit are not precise calculations, but instead are based on interpretations and drilling samples which, even at close drill hole spacing, provide only a small sample of the whole coal deposit.

An experienced management team can identify the known risks and put in place measures to mitigate the potential for interruptions resulting from such risks. However, the extent of knowledge is limited and there is always the possibility that unexpected or unpredicted events may occur. Therefore, it is not possible to remove all risks or to state with absolute certainty that events that may have a material impact on the operation will not occur.

Forward-looking production and economic estimates cannot be fully anticipated by SRK as they are dependent on numerous factors that are beyond the control of SRK. These factors include, but are not limited to, site-specific mining and geological conditions, the capabilities of management and employees, availability of funding to properly operate and capitalise the operation, variations in cost elements and market conditions, and developing and operating the mine in an efficient manner. Unforeseen changes in legislation and new industry developments could also substantially alter the performance of a mining operation.

2 Overview

2.1 Property Location and Description

The centre of the property is located at 49°34'20"N, 114°42'20"W, approximately 16 km southwest of Coleman in the Crowsnest Pass region of Alberta, Canada (Figure 2.1). The city of Calgary is located approximately 250 km to the northeast by road. The property straddles the Alberta-British Columbia border and includes 11 Alberta coal leases, 10 Alberta freehold titles, 5 Alberta freehold surface rights titles and 1 British Columbia coal lease.

Access to the property is via the historical mine haul road south off Highway 3, also known as the Crowsnest Highway. The property is 6 km south of a main rail line operated by Canadian Pacific Railway, providing potential access to export terminals in Vancouver and Prince Rupert. The tenements are also situated 2 km from the Coal Mountain Rail Spur in British Columbia, operated by Teck Resources Ltd.

2.2 History

Coal was first noted in southeastern British Columbia around 1845 by Father Pierre-Jean DeSmet, a Jesuit missionary. Coal mining in the Crowsnest Pass area began in 1898 at Fernie, British Columbia, and in 1901 at Frank, Alberta. Coking coal was additionally extracted from seams at Hillcrest, Coleman, Bellevue, and other smaller communities within Alberta, continuing into the 1950s.

Between 1922 and 1929, the Spokane and Alberta Coal and Coke Company ("SACC") extracted coal from two underground mines within the Crowsnest Syncline (North Boulton area) (Smith, 1982). It is estimated that less than 100,000 tonnes of coal were mined from North Boulton. According to Panchysyn et al. (1973), SACC also carried out underground mining at South Boulton; however, there is no data regarding this operation.

Coleman Collieries Ltd. acquired the Alberta coal leases of the Tent Mountain property sometime prior to 1949; in 1949, Coleman Collieries acquired the British Columbia coal licenses for the property. Starting in 1948, Coleman Collieries began intermittently mining at North Boulton and Pit 2. In addition to the mining, Coleman Collieries conducted some drilling at these prospects, as well as at Pit 4 and Pit 5. There is no accurate record of exploration programs completed prior to 1973. Between the 1960s and early 1970s, Vard Johnson completed maps and cross-sections of the property.

In 1973, Coleman Collieries, with the assistance of Manalta Coal Ltd., initiated an extensive exploration program that consisted of drilling and adit drivage; the initial focus was on evaluation of coal potential in Pit 3 and Pit 4. In 1975 and 1976, Coleman Collieries drove three adits: one in the East Flank of Tent Mountain and two in the Southern Extension area. Additionally, Coleman Collieries excavated approximately 40 trenches as part of their exploration program. Suspension of operations at Coleman Collieries took place in 1983.

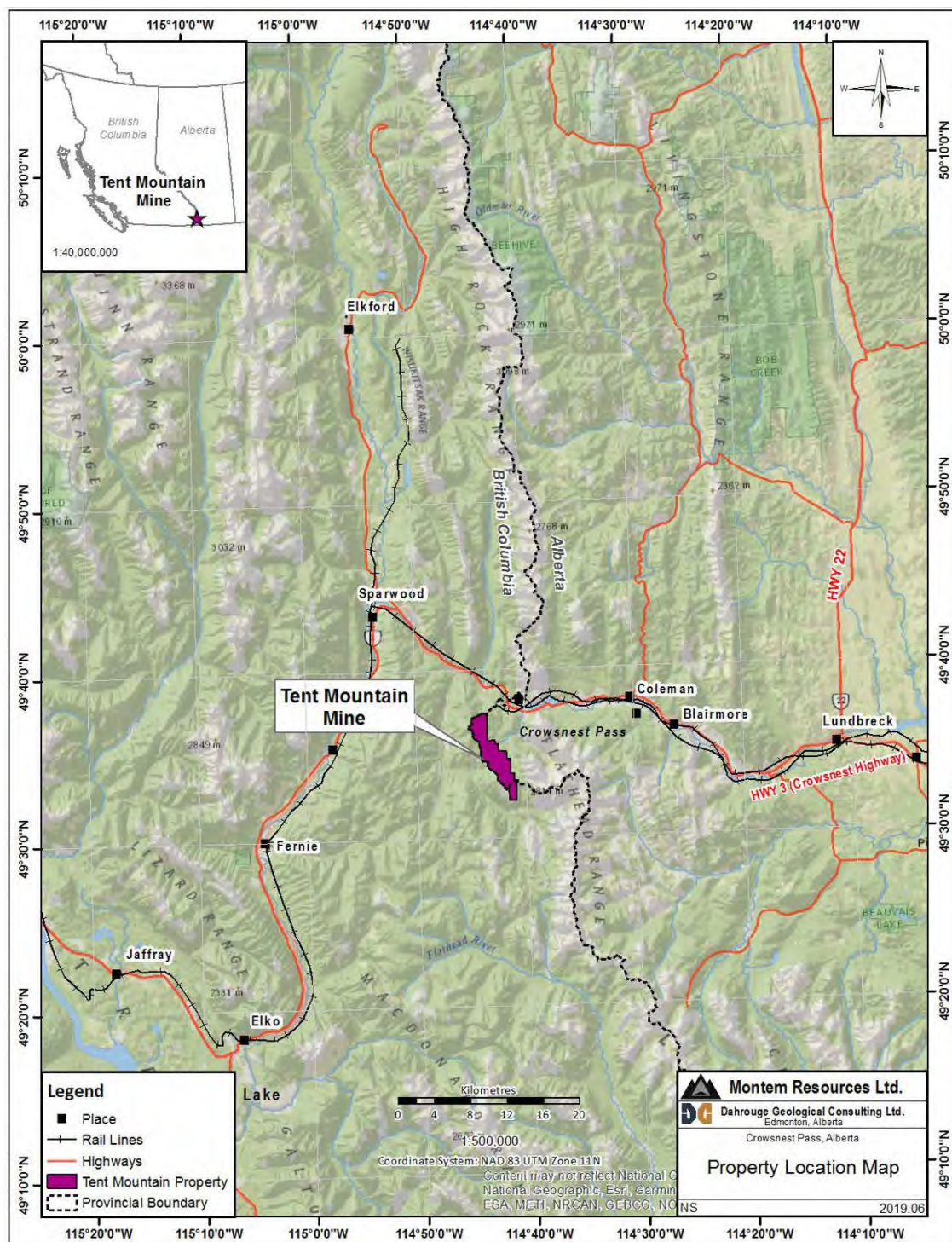


Figure 2.1 Tent Mountain Mine location

In 1982 the property was acquired by Norcen Energy Resources, then by Manalta in 1985 and then by Luscar Ltd., in 1998. Luscar was an independent public company in 1998. Sherritt International and the Ontario Teachers Pension Fund Board took control of Luscar in 2001. The Luscar name was changed to Prairie Mines & Royalty Ltd. in 2006 and Sherritt became sole owner in 2008. In 2014, Westmoreland Mining LCC purchased Sherritt International's coal business and Prairie Mines & Royalty ULC became its subsidiary. In 2016, Montem Resources Alberta Operation Ltd. made an agreement to purchase the Tent Mountain property from Prairie Mines & Royalty ULC.

2.3 Ownership

The property is currently owned by Montem and is comprised of freehold titles and coal leases that encompass an area of approximately 1,670 ha (Figure 2.2). It includes 11 Alberta coal leases, 10 freehold Alberta land titles and 1 British Columbia coal lease. In addition, Montem holds 5 freehold titles with surface rights only. Four of these overlap coal leases owned by Montem and one is northeast of the main property covering the access road.



3 Coal Resources and Reserves

3.1 Coal Resources

In 2019, Montem contracted Dahrouge Geological Consulting to complete an updated coal resource estimate for the property, in accordance with the JORC Code (2012). This statement covers the Tent Mountain property area and coal resource estimate reported as of 20 February 2020 (Table 3.1).

Table 3.1 In-place open cut coal resources summary by province (effective February 20, 2020)

Province	In-Place Coal Resources (ktonnes)*			
	ASTM Group	Measured	Indicated	Inferred
Alberta	Medium Volatile Bituminous	3,655	40,796	5,193
British Columbia	Medium Volatile Bituminous	0	7,290	3,183
Total		3,655	48,085	8,376

* inclusive of reserves

The technical team has reviewed the JORC Resource Statement and considers that the estimate of resources for the project appears to reflect the geological understanding of the project and no material issues with the resource estimate have been identified.

3.2 Coal Reserves

In 2019, Montem contracted SRK to complete a reserve estimate and associated feasibility study for the property, in accordance with the JORC Code (2012). This statement covers the Tent Mountain property area and reserves estimate reported as of 1 April 2020 (Table 3.2).

Table 3.2: Coal reserves for Tent Mountain Mine (effective April 1, 2020)

Category	ROM Coal (ktonnes)	Saleable Coal (ktonnes)
Proved	3,618	2,195
Probable	18,365	10,920
Total	21,984	13,115

Notes:

- Reserve is based on a minimum seam thickness of 0.6 m for coal not blasted through (dipping < 27° or > 45°), and 0.8 m otherwise.
- Reserve is based on a maximum ash content of 50%.
- Reserves consider dilution of 0.15 m (unless blasting through seams, where it is 0.25 m) and coal loss of 0.10 m (0.20 m where blasting through seams) per working section.
- Coal reserve tonnes are reported on ROM coal and saleable product bases, with moisture contents of 5% and 9%, respectively.
- Coal yields are based on washabilities at variable float-sink specific gravity to achieve a 9.8% ash product (1.47-1.54 SG).

The technical team has reviewed the JORC Resource Statement and considers that the estimate of coal reserves for the project appears to reflect the geological, mining and economic understanding of the project and no material issues with the coal reserve estimate have been identified.

4 Geology

4.1 Regional Geology

The property is situated within the Lewis Thrust Sheet of the Rocky Mountain Front Ranges in southeastern British Columbia and southwestern Alberta (Smith, 1982). Regionally the area is bound by the north trending Livingston Thrust in the east, and the Erickson Fault in the west. Stratigraphy of the area is characterised by Precambrian to Upper Cretaceous rocks of the Fernie Group, Kootenay Group, Spray River Group, Etherington Formation, Rocky Mountain Group and Mount Head Formation (Figure 4.1, Figure 4.2). Economic coal potential in the Front Ranges lies in the Mist Mountain Formation of the Kootenay Group.

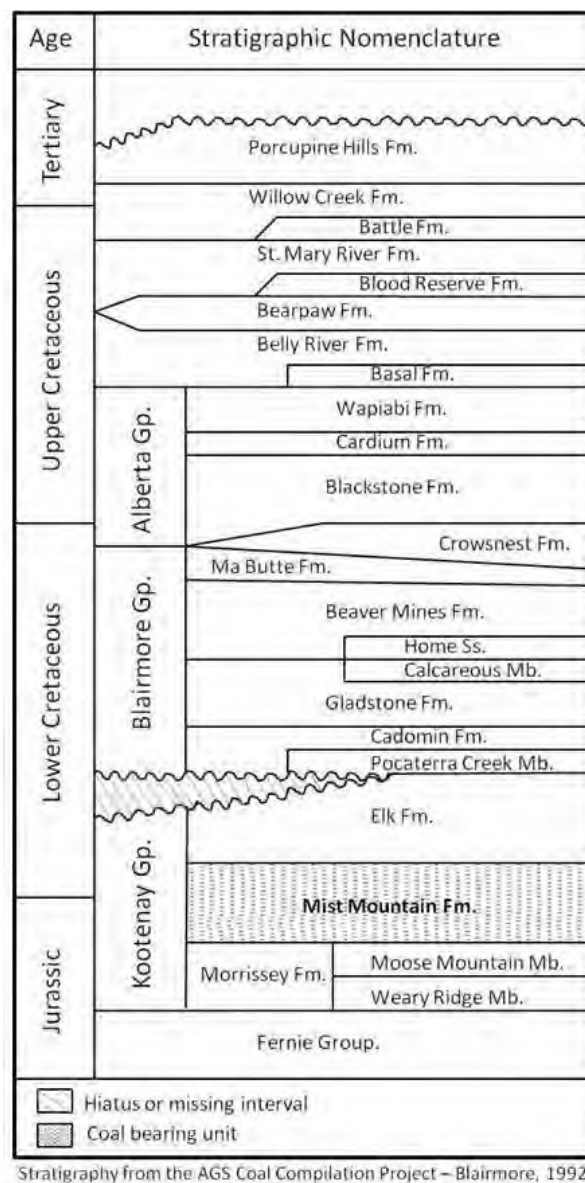


Figure 4.1 Stratigraphic column (Modified from Richardson et al., 1992)

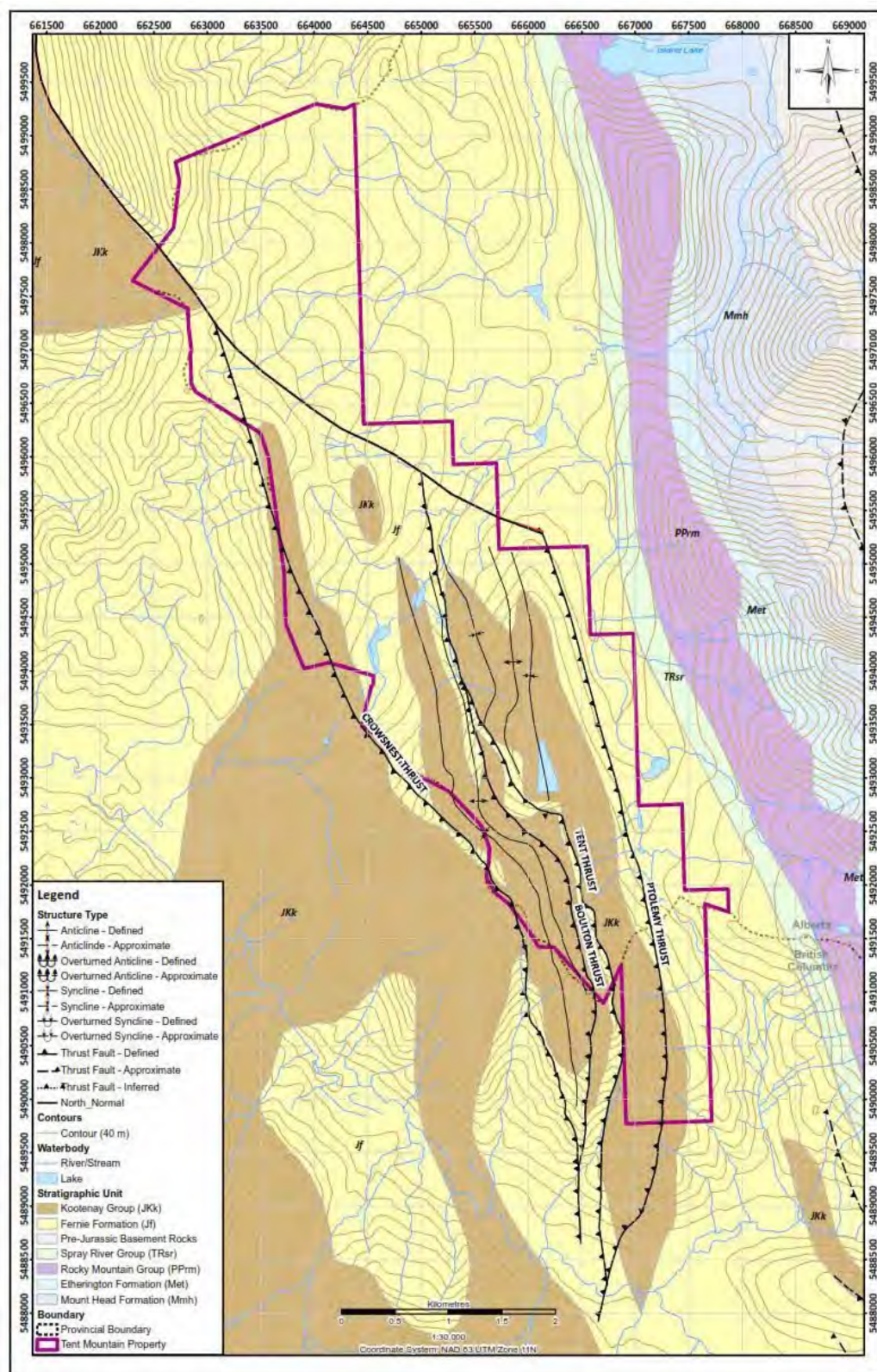


Figure 4.2 Regional geology map

4.2 Structural Geology

Stratigraphy in the area of the property was subject to extensive folding and faulting during the Late Cretaceous Laramide Orogeny. The major thrust faults that developed are the Ptolemy Thrust, Tent Thrust, Boulton Thrust and Crowsnest Thrust; these thrusts all generally dip to the west. Associated with these major thrust faults are major fold axial surfaces, which also generally dip to the west. The folds range from broad-upright to overturned-concentric, and they have been cut and repeated by thrust faults, tear faults, and late extensional faults. This major faulting and folding affected the coal seam thickness, lateral continuity, geometry and quality.

Although extensive deformation of coal-bearing strata has enhanced the economic potential of the region, it has also complicated mining and exploration. Bedding slip surfaces, joints and cleats, and extension, contraction and wrench faults have been recognised as the fundamental fabric elements within many of the major coal beds of the Kootenay Group (Norris, 1971). Notably, in other areas, shearing of coals has resulted in increased ash yields, locally promoted in situ oxidation and unpredictable roof conditions, making underground mining difficult.

4.3 Property Geology

The Tent Mountain property is dominantly comprised of strata from the Jurassic Fernie Group and Late Jurassic to Early Cretaceous Kootenay Group. On the property, the Mist Mountain Formation contains potentially economic coal. No intrusions have been mapped or interpolated to occur within the project area. In the south area of the property, the Ptolemy and Tent thrusts converge leaving only the Fernie Group, Moose Mountain Member and the lower part of the Adanac Member (including seam S2) strata in the Ptolemy Thrust Sheet.

All three members of the Mist Mountain Formation have been identified on the property: the Mutz, Hillcrest and Adanac. The Mutz Member comprises up to 90 m of fluvial siltstone with minor interbedded claystone and coaly partings. Coal seams S5, S6 and S7, as well as a minor coal seam between S5 and S6, occur in the Mutz Member. The Hillcrest Member is ridge-forming and lies conformably below the Mutz Member. It consists is up to 30 m of fluvial channel sandstone deposits with interbedded siltstone and claystone. The Hillcrest Member contains no major coal seams. The Adanac Member is recessive and lies conformably below the Hillcrest Member. It forms the base of the Mist Mountain Formation and consists of shale, siltstone and fine-grained sandstone. Coal seams S2 and S4 occur consistently, while coal seam S3 occurs intermittently in the Adanac Member on the property.

On the property, the complex interplay of thrusting, folding and high relief topography controls the distribution of coal seams and their associated sub-crops, as well as coal seam thickness. Generally, the Tent Mountain coal resources occur in a north-south direction along the strike of the western side of Ptolemy Fault, and in the synclines and anticlines between the Boulton, Tent and Ptolemy faults. Seams may be thickened by either faulting or folding, or they can be thickened by both mechanisms. Such an example is along the south wall of Pit 4, where seam S6 has been thickened along the axis of the Tent Anticline and subsequently thickened further by the Tent Thrust Fault (Wrightson, 1982).

The principal coal seams on the property, in descending topographic order, are seams S7, S6, S5, S4, S3 and S2. Each seam comprises multiple coal, dirty coal and parting horizons; average seam and parting (interburden) thicknesses are summarised in Table 4.1 and Figure 4.3. Seams S6, S5, and S4 are currently divided into three plies, and seams S3 and S2 are currently divided into two plies. Though the coal and sediment intervals appear to be complexly interbedded and interfingered, the seam packages have distinct geophysical signatures that can generally be identified along the currently known strike length of the deposit.

Table 4.1 Average coal seam and midburden thickness on the Tent Mountain property

Seam Package	Seam Package Thickness (m)	Composited Coal Thickness (m)	Composited Interburden Thickness (m)	Ply Name	Average Ply Thickness (m)
S7	1.96	1.96	0	S7	1.96
Midburden	40.00				
S6	7.02	3.91	3.11	S6U	2.43
				S6M	2.58
				S6L	2.01
Midburden	57.00				
S5	13.58	8.08	5.50	S5U	2.99
				S5M	3.33
				S5L	4.26
Midburden	39.00				
S4	6.99	3.65	3.34	S4U	2.10
				S4M	2.34
				S4L	1.65
Midburden	34.00				
S3	2.90	1.66	1.24	S3U	1.15
				S3L	1.18
Midburden	93.00				
S2	10.59	4.98	5.61	S2U	2.83
				S2L	2.20
Total	306.04	24.24	18.80		

Seam S2, the lowest seam in the sequence lies at the base of the Adanac Member. The seam is divided into two plies, S2L which averages 2.20 m thick and S2U with averages 2.83 m thick, exclusive on non-coal partings.

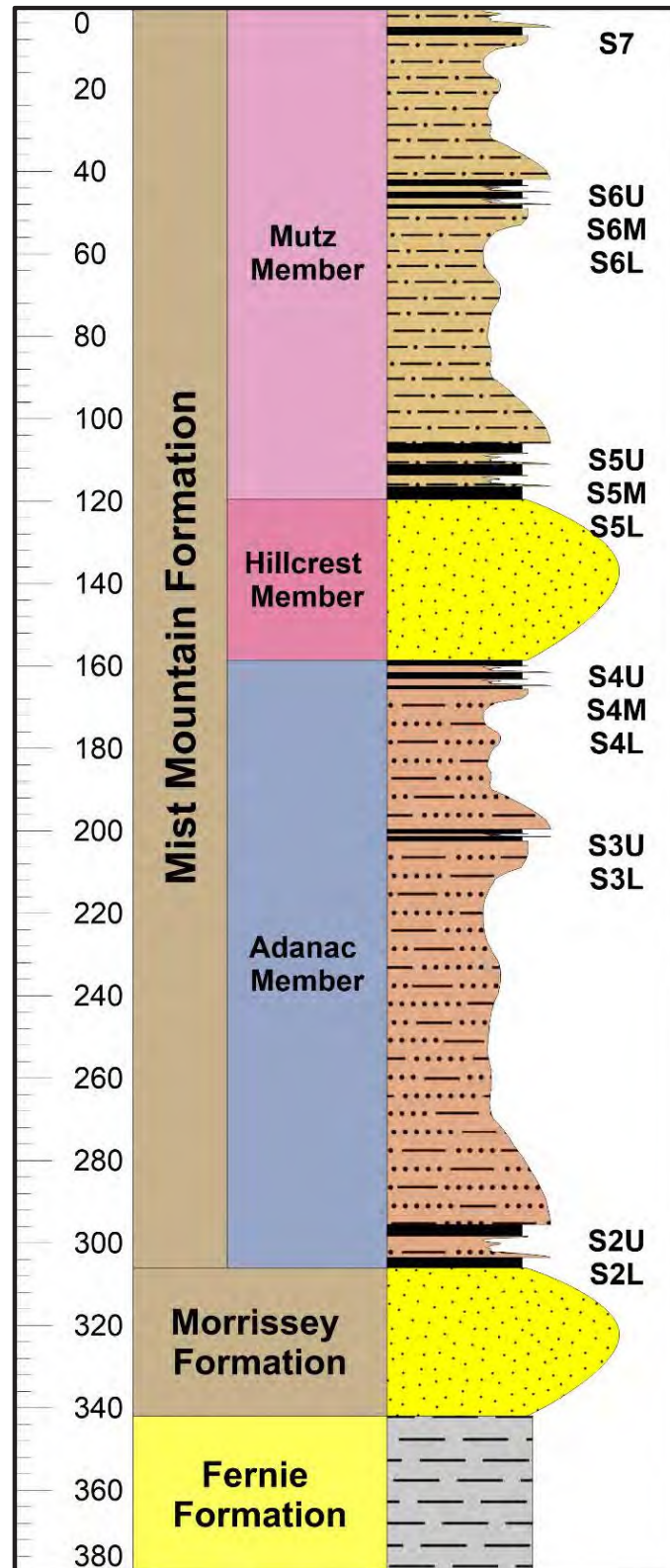


Figure 4.3 Tent Mountain stratigraphic column (modified from Richardson et al., 1992)

Seam S3 consists of an intermittent shaley coal and coal interval that lies in the middle of the Adanac Member, approximately 90 m above S2U. The seam is divided into two plies, S3L and S3U, averaging 1.18 m and 1.15 m thick, respectively. Due to the intermittent nature of the coal seam, previous geological models for the property did not include this marker seam; however, due to the additional data available to Dahrouge, it was incorporated into the current geological model. Historic work mixed intersections of S3 with intersections of S2, resulting in zones where S2 was projected closer to surface than the geology supported.

Seam S4 lies at the top of the Adanac member and is divided into three plies: S4L averaging 1.65 m thick, S4M averaging 2.34 m thick and S4U averaging 2.10 m thick.

Seam S5 is the lowest seam of the Mutz member and is divided into three plies: S5L averaging 4.26 m, S5M averaging 3.33 m and S5U averaging 2.99 m. The S5 seam is persistent and well developed on the property.

Seam S6 is the middle seam of the Mutz member, and is divided into three plies: S6L averaging 2.01 m, S6M averaging 2.58 m and S6U averaging 2.43 m. The S6 seam is a persistent and well-developed seam on the Property. Previous studies modelled S6 as one distinct geological unit; however, the additional data available to Dahrouge allowed the seam to be split into plies.

Seam S7 is the uppermost seam of the Mutz Member found on the property. The Seam is more variable than seams S5 and S6, and averages 1.96 m thick. Available data and coal intersections for seam S7 is limited; therefore, it has not been divided into plies and has been modelled as one geological unit.

4.4 Exploration

Resource development drilling on the property during 2018 and 2019 comprised 76 drillholes, totalling 8,784 m (Table 4.2). Hole types included air rotary, 6" large diameter core, reverse circulation and HQ diamond drillholes. Drillhole targeting was based off a drill plan created from the 2018 JORC resource model by Tamplin (2018). All holes drilled in 2018 and 2019 were incorporated into the 2019 geological model and 2020 Resource Statement.

Table 4.2 Drillhole summary (2018 and 2019)

Year	Hole Type	# Holes	Meterage
2018	Air rotary	12	1,211
	6" large diameter core	4	235
	HQ diamond drill	3	420
	Total	19	1,866
2019	Air rotary	30	3,822
	Reverse circulation	6	452
	6" large diameter core	14	1,099
	HQ diamond drill	7	1,545
	Total	57	6,918

4.5 Raw Coal Quality

The Tent Mountain raw coal quality database includes 59 coal seam intersections, made up of 52 samples from historical drillholes as well as 40 samples from the 2018 and 2019 drillholes. Historically, most of the coal intervals were sampled on a full seam basis rather than a more detailed ply basis that is now the standard for geological investigations. Historic practices resulted in the inclusion of thick partings and inferior coal bands (up to 2 m in thickness) in many of the thicker coal intersections. This dilution of historical samples increased raw ash and constrained the ability to assess the variability of coal quality within a seam. This issue was addressed during the 2018 and 2019 drilling campaigns when coal seams were sampled on a ply basis, facilitating the assessment of in-seam coal quality variability.

Historically, raw coal drillhole samples were analysed for ash content, and some samples were also submitted for proximate analysis (i.e., moisture %, ash %, volatiles %, fixed carbon %), total sulphur (S) %, relative density (RD) and crucible swelling number (CSN). All historical coal analyses were completed by certified laboratories in Canada and the US.

In 2018 and 2019, all coal plies were analysed for the following parameters: proximate analysis, S %, calorific value (CV) and relative density (RD). In-seam rock partings plus roof and floor rock samples were analysed for the same parameters.

Coal seam raw coal quality and thicknesses vary considerably over the property due to the structurally controlled variations in seam development and due to localised structural thickening. Much of the historic open-cut mining at Tent Mountain has occurred in zones of structurally thickened coal. The raw ash content of the coal seams varies from 12% to 43%, with the higher ash intersections occurring in the structurally thickened zones.

Weighted average raw coal quality results for each coal seam are presented in Table 4.3.

Table 4.3 Weighted average raw coal quality properties by seam (adb)

Coal Seam	Coal Seam Intersections	RD	Moist %	Ash %	VM %	FC %	Sulphur %
S2	10	1.52	1.2	26.2	22.5	50.1	0.44
S4	22	1.52	0.8	26.3	22.2	50.6	0.43
S5	17	1.49	1.0	24.1	23.9	51.0	0.41
S6	6	1.44	1.5	18.4	25.4	54.8	0.47
S7	2	1.50	1.0	25.3	25.2	48.5	0.73

4.6 Geological Model

The geological model was constructed using an implicit 3D modelling software, Leapfrog Geo™. A vetted database was imported into Leapfrog™, where it was validated, and any erroneous or conflicting data was amended.

The geological model incorporated the following data into its control points and interpretation:

- Historical surface maps, cross-sections and mine plans
- Surface mapping datapoints
- Drilling and trenching datapoints
- In-situ downhole Acoustic and Optical Televiewer measurements

The historical surface maps, cross-sections and mine plans were used to evaluate the geological structures and stratigraphic orientations, using 3D modelling software. These sections in combination with the historical drillhole database were used to design a working model that was revised and validated during the 2018-2019 drill programs.

The surface mapping control points and structure lines (faults, fold axes, seam outcrops and stratigraphic member contacts) were incorporated into the model, first using the more recent generalised surface mapping data and then expanding to the more complex Canadian Geological Survey (1996) mapping data. Historical surface data points were georeferenced and combined with those collected during the 2019 program and used to generate stratigraphic trends in LeapfrogTM structural modeling.

4.7 JORC Coal Resource

4.7.1 Historical Coal Resource Estimates

In 2005, Norwest Corp. completed a Resource Estimate on the Tent Mountain property for Sherritt International. Norwest incorporated data from 130 historical drillholes and estimated a coal resource of 68.4 Mt Indicated and 1.2 Mt Inferred medium volatile bituminous coal. This estimate was never submitted to the Canadian Securities administrators.

In 2017, Geoff Jordan Associates Corp., completed a Resource Estimate on the Tent Mountain property that re-evaluated and expanded on the 2005 Norwest Resource Estimate. The estimated resource incorporated data from 130 historical drillholes and estimated a combined open cut and underground resource of 61.8 Mt Indicated and 2.7 Mt Inferred medium volatile bituminous coal. This estimate was never submitted to the Canadian Securities administrators.

In 2018, Montem contracted Tamplin Resources Pty. Ltd. to complete a Competent Persons Report for the property in accordance with the JORC Code (2012). The final report used 115 of an identified 183 drillholes and estimated a Resource of 37 Mt Indicated and 8 Mt Inferred, surface minable medium volatile bituminous coal.

4.7.2 Current Coal Resource Estimate

In 2019, Montem contracted Dahrouge Geological Consulting to complete an updated resource estimate for the property, in accordance with the JORC Code (2012).

This statement covers the Tent Mountain Mine resource estimate that was reported February 20, 2020. For the purpose of resource classification, a surface minable resource was used. Surface resources are those resources with a cumulative stripping ratio of less than 20:1 (cubic metres of waste to a tonne of coal), an aggregate seam thickness greater than 0.6 m, and a vertical depth from surface of less than 500 m.

A more conservative minimum seam thickness cut-off of 0.6 m instead of 0.3 m is in common use for coals of the western Canadian Cordillera due to the greater structural complexity. The steep mountainous terrain at the Tent Mountain Mine limits the deepest portions of the resource to areas immediately below locally elevated terrain such as peaks and topographic highs. Overall, more than 80% of the resource occurs at depths of less than 300 m from surface, with the shallower portions of the deposit occurring in the more aerially extensive hillside flanks and valleys.

The in-place resources for the Tent Mountain property areas are summarised in Table 4.4 and are detailed by cumulative stripping ratio in Figure 4.4 to Figure 4.8.

Table 4.4 In-place open cut coal resources summary by province (effective February 20, 2020)

Province	In-Place Coal Resources (ktonnes)*			
	ASTM Group	Measured	Indicated	Inferred
Alberta	Medium Volatile Bituminous	3,655	40,796	5,193
British Columbia	Medium Volatile Bituminous	0	7,290	3,183
Total		3,655	48,085	8,376

* inclusive of reserves

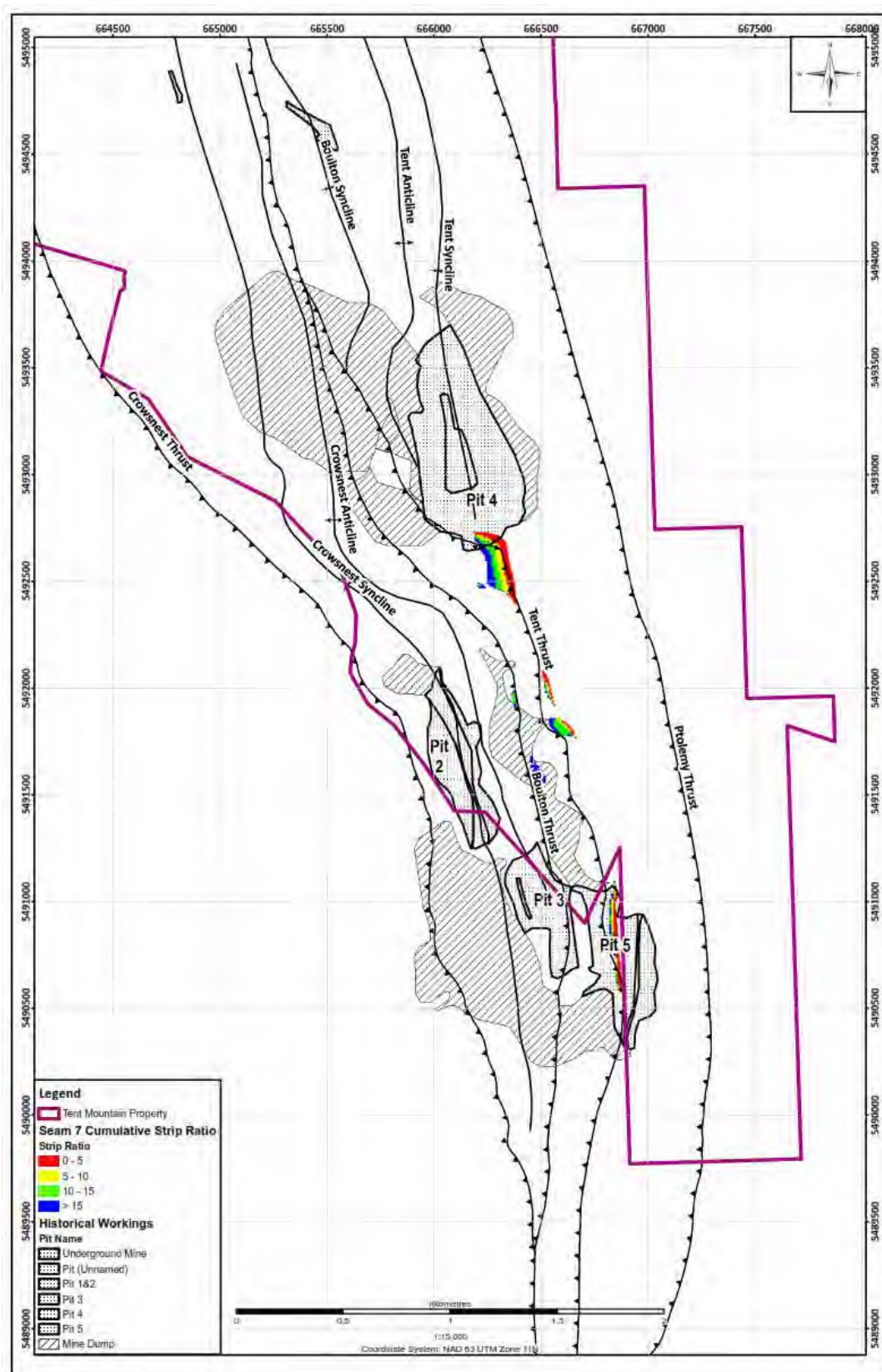


Figure 4.4 Seam 7 cumulative strip ratios

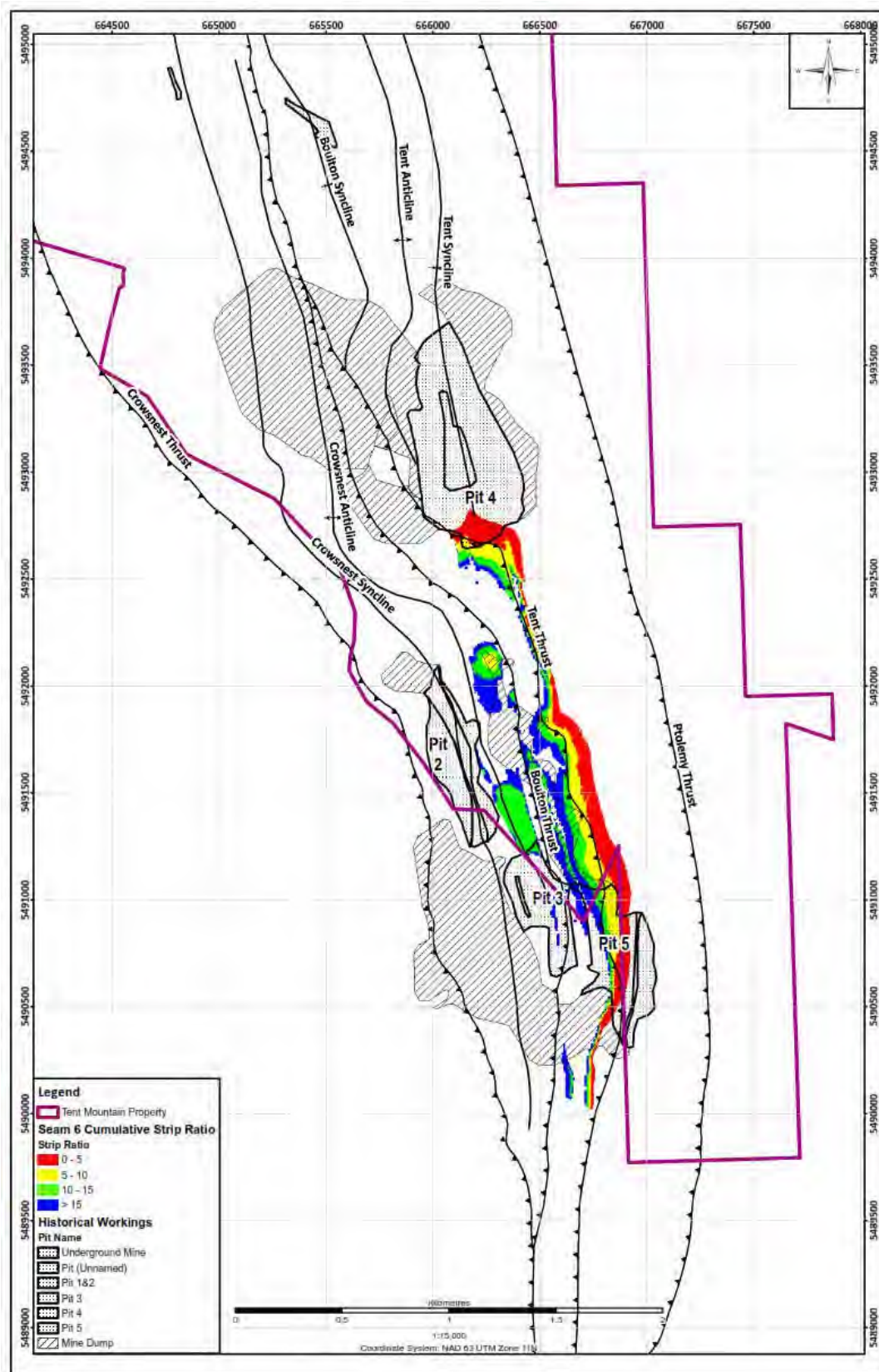


Figure 4.5 Seam 6 cumulative strip ratio

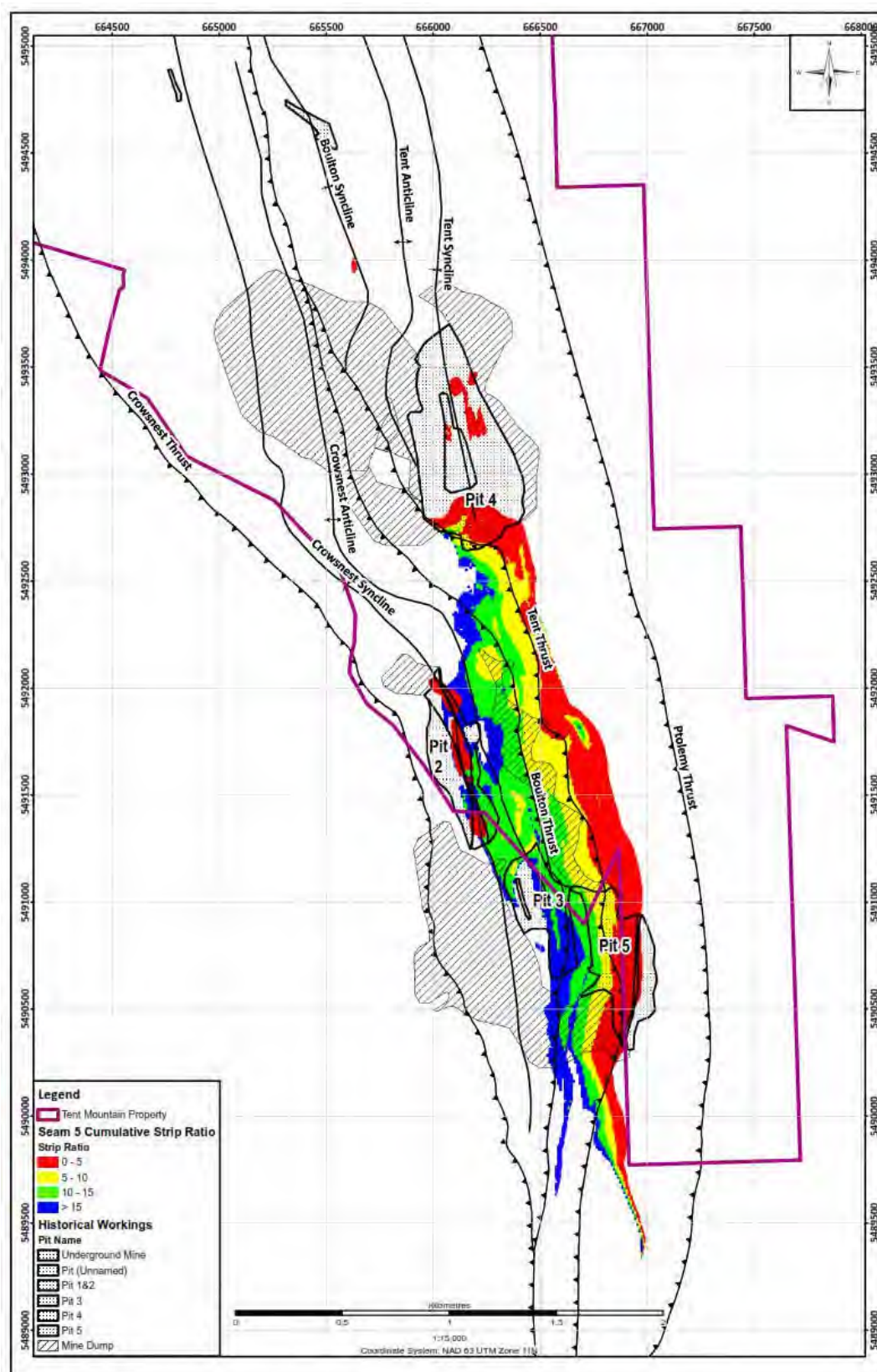


Figure 4.6 Seam 5 cumulative strip ratios

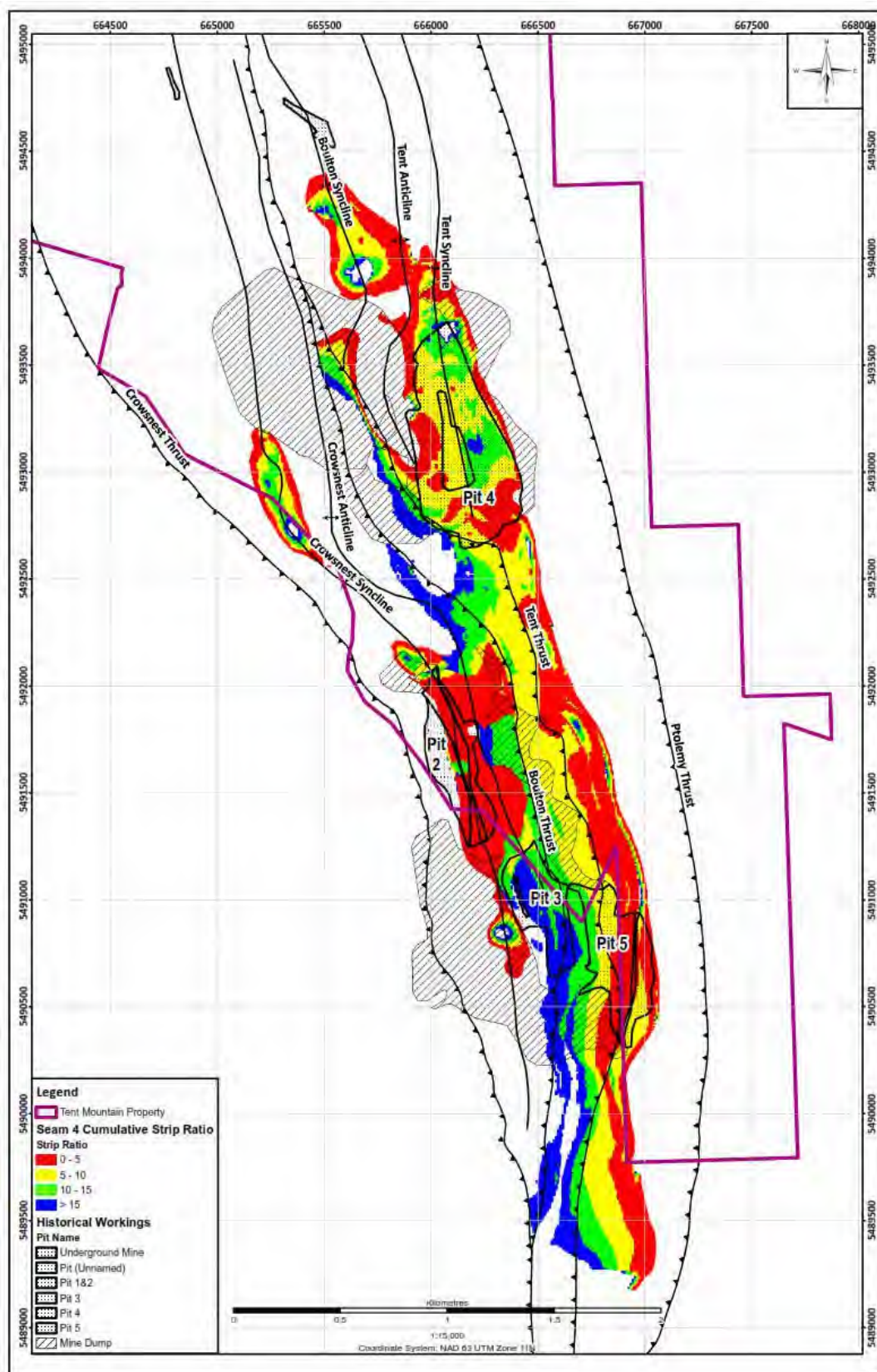


Figure 4.7 Seam 4 cumulative strip ratio

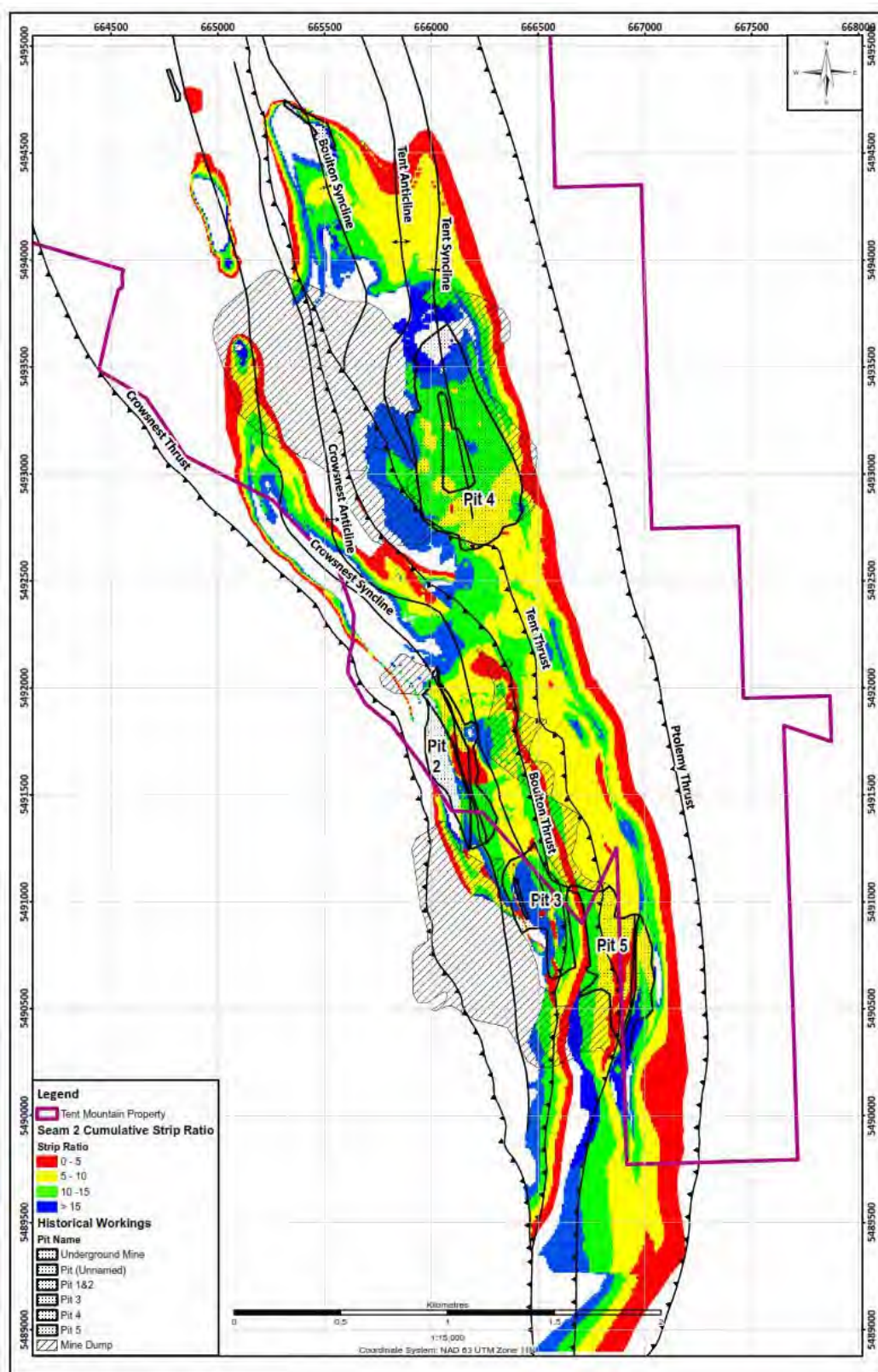


Figure 4.8 Seam 2 cumulative strip ratio

5 Mining

The key objectives of the mine plan developed for the feasibility study included the following:

- Utilise the 2019 geological model to define working sections within the in-situ coal seams
- Utilise working sections to estimate mineable coal tonnages on a ROM and product basis for use in mine design and production scheduling
- Provide for CHPP annual throughput capacity up to 1.8 Mtpa ROM, to support delivery of a nominal 1.1 Mtpa of a single hard coking coal product
- Select commonly used mining equipment that is of a size and quantity suitable to the geological conditions and production requirements
- Develop an efficient operation that considers mine safety and minimises mine operating and capital costs
- Development of manageable coal inventory levels within active pit areas and in ROM coal stockpiles to enable campaign processing as necessary to meet product-quality constraints
- Establish in-pit waste dumps as quickly as possible to minimise waste haulage and to create saturated backfill zones for selenium mitigation
- Develop plans that will ensure compliance with environmental regulations

5.1 Mining Method

Tent Mountain will be developed as a conventional open pit, truck-and-shovel operation as a result of the deposit's topography, and coal seam thickness and geometry.

The ultimate pit limits are divided into a series of pit phase designs, which are designed to exploit high value, low strip ratio areas of the deposit early in the schedule while also incorporating the project's water management plans and water storage requirements throughout the mine life.

5.2 Resource Model to Mine Design Model Conversion

In order to conduct mine planning and eventually generate an ore reserve for Tent Mountain, SRK undertook to convert the 2019 coal resource model by Dahrouge to a mine design model. This involved the following steps:

1. Definition of working sections based on thicknesses of mineable plies:
 - a. Removal of coal plies with greater than 50% ash
 - b. Minimum coal ply thickness of 0.6 m where coal seams are not blasted through (seam dips less than 9° and greater than 45°)

- c. Minimum coal ply thickness of 0.8 m where coal seams are blasted through (seam dips between 9° and 45°)
 - d. Maximum included rock parting in a working section of 0.45 m; greater parting thickness are separable and thus split the working section into two
2. Application of dilution and coal loss:
- a. Dilution is added as contact thickness at the top and bottom of working sections
 - b. Where seams are not blasted, 0.15 m total dilution is added to the working section
 - c. Where seams are blasted through, 0.25 m of total dilution is added to the working section
 - d. Diluting material is at 85% ash
 - e. Coal loss is removed also as thickness at the working section contacts.
 - f. Where seams are not blasted through, 0.10 m total coal is removed from the working section
 - g. Where seams are blasted, 0.15 m total coal is removed from the working section
3. Moisture adjustment from ADB (0.5-1.0% moisture) to ROM coal basis (5% moisture)

5.3 Economic Pit Limits

The ultimate pit limits of Tent Mountain were set using a pit optimisation process that generated a series of nested pit shell with increasing incremental strip ratios. Many areas of the pit design are set due to the geometry of the coal seam footwalls. In certain areas of the ultimate pit shell, the extent of the pit shell was adjusted from the optimised pit shell selected in order to accommodate water management and water storage requirements.

5.3.1 Incremental Strip Ratio Analysis

An incremental strip ratio analysis was performed using Whittle™ software. The mine design block model was imported into the software with anticipated mining costs, coal yield curves and coal revenue values applied. The revenue was modified over a range of cases by multiplying the coal value by a revenue factor which ranged from 0.30 to 1.3. The result of that analysis was a series of nested pit shells. Each of the nested ultimate pit shells was evaluated for its ROM coal strip ratio and product coal strip ratio.

The target strip ratios for the feasibility study pit shell selection were 8.0 BCM/t on a ROM coal basis or 13.0 BCM/t on a product coal basis. The pit shell corresponding to the target product coal

strip ratio was selected because the product coal strip ratio is more important for the economic outcomes of the project and it also includes more coal and a longer mine life.

After selection of the ultimate pit shell as described above, the potential water storage volumes of the target pit shell were assessed to determine if the pit shell would meet the requirements of the project's water management plan. It was determined that additional water storage capacity would be required at certain times in the mine life and as such, the Boulton Pit was reassessed along with the eastern slope of the East Flank Phase 3 (discussed in Section 6.3.1) to adjust the ultimate pit shell to achieve the desired water storage volumes.

5.4 Pit Geotechnical Engineering

SRK provided support and training for geotechnical field programs conducted at the end of 2018 and mid-2019. The field programs included surface exposure mapping and geotechnical core logging, sampling, photographing and testing. Selected drillholes were; surveyed using geophysical methods (orientation, optical and acoustic), packer tested to profile hydraulic conductivity and completed with vibrating wire piezometers (VWPs). Laboratory geomechanical testing was done on representative core samples.

Along with historical information, SRK interpreted large-scale secondary structures and built 3D wireframes. SRK collaborated with Dahrouge Geological Consulting Ltd. (Dahrouge) to integrate these structures with Dahrouge's coal geology and regional structures 3D model. The final model by Dahrouge, and the 2019 resource definition pit shells, were used to define geotechnical domains and pit sectors. The surface water and groundwater data was used to define the site groundwater regime.

Most of the rock intact strength data values from the laboratory testing and field estimates are in the 'moderately strong' to 'strong' categories, however their histograms are widely distributed. The data for the calculation of rock mass ratings is also widely distributed. Although the population of lower values is generally relatively small, the lower values may be from low-strength, high-continuity beds which could define wall stability.

The small-scale structures data showed that bedding is pronounced and ubiquitous. Bedding angle and orientation are varied over the site associated with both brittle and ductile deformation. Two primary cross-joint sets were distinct in the data. One set typically strikes parallel or sub-parallel and dips orthogonal to bedding and the second set typically strikes perpendicular to both bedding and the other joint set. The large-scale secondary structures (large faults, minor faults and shear zones) data was generally consistent with the known regional (primary) fault patterns. The dominant fault orientation is dipping at steep to intermediate angles to the east-northeast and at intermediate angles to the west-southwest. SRK produced a 'fault matrix' to define their geomechanical characteristics.

There are two broad categories of large-scale failure modes in open pit rock slopes; i) structure-controlled and ii) rock mass-controlled. In the case of Tent Mountain, the dip of bedding and structural features relative to the pit walls are of primary interest. Due to the long history of surface coal mining in the region there are relatively well-understood empirical criteria for highwall, footwall

and end wall design. Using criteria for: i) bench height (12 m selected), ii) stacking (single or multi), iii) bench width (8 m minimum) and stratigraphy in the 3D coal geology model, SRK defined inter-ramp and overall pit wall configurations for each pit domain. Pit geotechnical domains (I to VIII) were defined by SRK based on rock type, concentration of major structures, bedding and pit wall geometry.

Using the structural data and ranges of pit wall orientations, the susceptibility and likelihood of rigid-block kinematic failure modes were assessed at bench-scale for each geotechnical domain. The assessment showed that there was typically low to medium likelihood of kinematic failures except for geotechnical domain IV and VII where the likelihood was high. These domains are in the upper highwall of East Flank 3 and footwall of Upper East Flank pits respectively.

Kinematic assessment of the larger-scale structures highlighted several areas of concern for potential deep-seated failure on secondary structures; wedge failure on North-dipping fault in the Domain VI highwall, planar failure on West-dipping fault in the Upper East Flank (UEF), and back-release on faults sub-parallel to the pit walls in the East Flank 2, East Flank 3 and UEF areas. The faults defining these blocks are classified as 'medium' confidence and as such, investigating these should be a focus of targeted drilling. It is likely that other large-scale structures not captured in the current coal geology model could also influence wall stability.

To analyse overall pit stability, two-dimensional limit equilibrium slope stability analyses (using deterministic and probabilistic methods) were carried out for representative/critical sections. Three sections were chosen representing the zones of: i) steepest dipping bedding, ii) higher structural complexity, and iii) higher design pit slopes. Industry-standard design acceptance criteria from Read and Stacey (2009) were adopted to evaluate the results. Multiple groundwater scenarios with different seepage face heights (drained and undrained) and distribution of hydraulic conductivity values were used. The results were that the expected overall slope factor of safety (FoS) were greater than, or equal to (Section B-B'), a value of 1.3. Adversely oriented faults behind the pit face, and sensitivity to groundwater conditions, influence stability in Section B-B'.

In summary, the stability of the Bolton, East Flank 1, Westridge, East Flank 2, East Flank 3 and East Flank 4 pit slopes will be defined by bedding, joints and fault structures. Where large-scale structures are absent, the analyses suggest that the rock mass is generally moderate quality and sufficiently strong to resist overall-scale instability. Due to the complex geological setting, design of the Tent Mountain pits needs to be robust and flexible. Additional site investigations via targeted drilling, and an improved coal geology model, will be needed prior to mining to confirm that the pit wall design criteria are appropriate in the areas where there are data gaps.

SRK's recommended geotechnical design criteria for the design domain ultimate pit walls are shown in Figure 5.1.

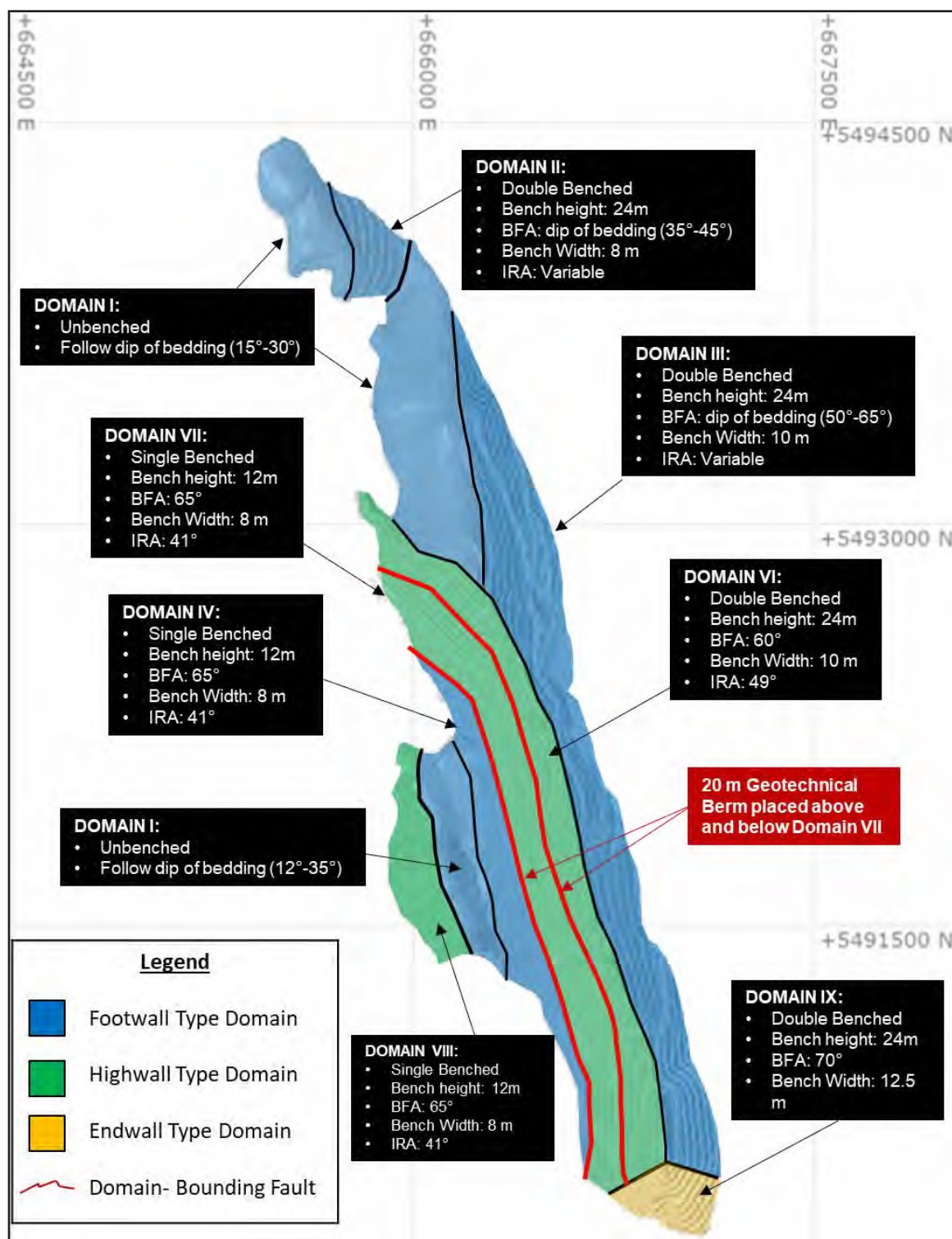


Figure 5.1 Pit slope design criteria for ultimate pit walls

5.5 Pit Design

The ultimate pit design and interim pit phases are based on the Whittle exercise described in Section 6.2 along with the adjustments made for water storage. The pit slopes were designed according to the geotechnical design criteria laid out by SRK including where single or double benching was appropriate, stack heights and geotechnical berms to decouple the pit walls, and footwall slope height requirements.

The pit designs also include industry standard designs for mine haulage roads that are designed for safe and efficient two-way haulage, adequate safety berms and maximum efficient haulage ramp slopes. The final pit design parameters are provided in Table 5.1.

Table 5.1 Pit design parameters

Parameter	Units	Value
Bench Height	m	12
Benches Between Berms	#	Double and single
Two-way Ramp Width	m	24
One-way Ramp Width	m	18
Design Ramp Gradient	%	10
Minimum Mining Width	m	80
Maximum Stack Height	m	120
Geotechnical Berm Width	m	20

The ultimate pit design, including the modifications for water storage, and the ultimate waste rock storage facilities are shown in Figure 5.2. The volumetrics of the ultimate pit design are summarised in Table 5.2.

Table 5.2 Ultimate pit volumetrics

Parameter	Units	Value
ROM Coal	M tonnes	22.0
ROM Ash	%	32.6%
Yield (9% moisture)	%	59.6%
Overburden	M BCM	29.7
Waste Rock	M BCM	164.3
LOM Strip Ratio (ROM coal)	BCM/t	8.8
LOM Strip Ratio (Product coal)	BCM/t	14.8

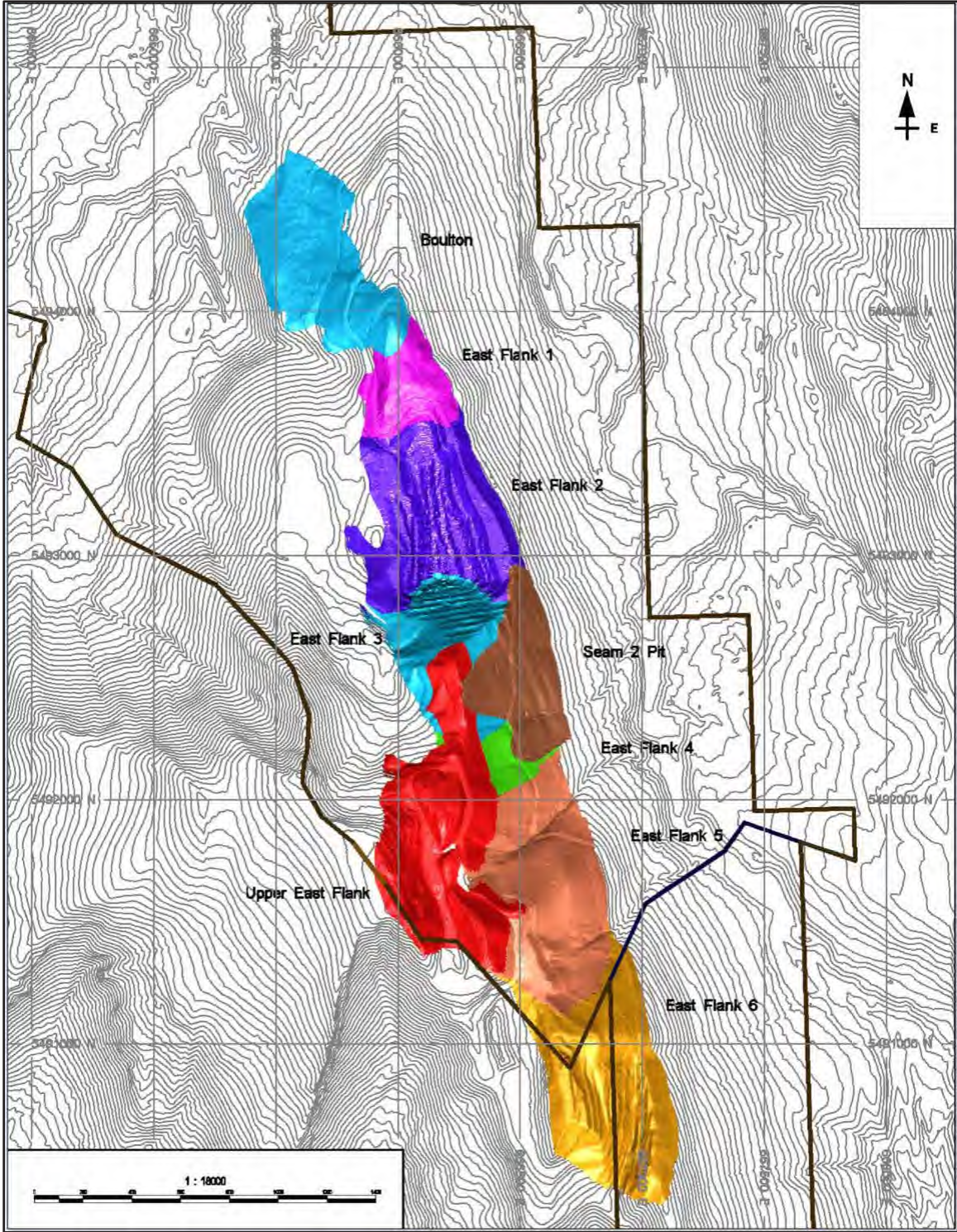


Figure 5.2 Tent Mountain ultimate pits and waste rock storage facilities

5.5.1 Pit Phase Definition

Pit phases were determined by location, topography, strip ratio, coal release and backfill strategy. Two zones of the deposit were identified as peripheral to the main syncline coal zone, the Upper East Flank (UEF) and the Boulton pit. The Boulton pit is located north of the historic “Pit 4” and adjacent to the processing plant location. It was identified as a potential water storage location. The UEF is the zone in the upper elevations of the East Flank zone where the coal seams are perched in a higher fault block and result in a zone of low strip ratios for upper benches. This is also the area of the historic Pit 1 and Pit 2.

The main East Flank zone of the deposit extends from the process plant location down into British Columbia where the coal seams daylight. The East Flank zone is divided into six panel phases from north to south, which mine down the syncline in the direction of increasing strip ratios.

Lastly, the Seam 2 Trench is a modification to the ultimate pit shell in order to create additional water storage (discussed in Section 5.7) required for the water management plan. The 2 Seam Trench mines the eastern slope of East Flank 3 and it excavates a zone between the East Flank pit shell and the valley to the east where surface water will be stored throughout the mine life.

Table 5.3 summarises the pit phase volumes.

Table 5.3 Pit phase volumes

Pit Phase	ROM Coal Mined (000's tonnes)	Waste Volume Mined (000's BCM)
Boulton	1,515	14,615
Seam 2 Trench	758	8,867
Upper East Flank	3,241	14,351
East Flank 1	297	5,055
East Flank 2	1,846	22,861
East Flank 3	4,378	37,114
East Flank 4	603	6,281
East Flank 5	4,153	38,561
East Flank 6	5,193	46,853
Total	21,984	194,559

Cross sections are shown through Boulton-EF1 (Figure 5.3) and through UEF-EF5 (Figure 5.4), and a long section through the East Flank phases (Figure 5.5). Plan views of the phase and waste storage facility (WSF) development are provided in Section 5.8.

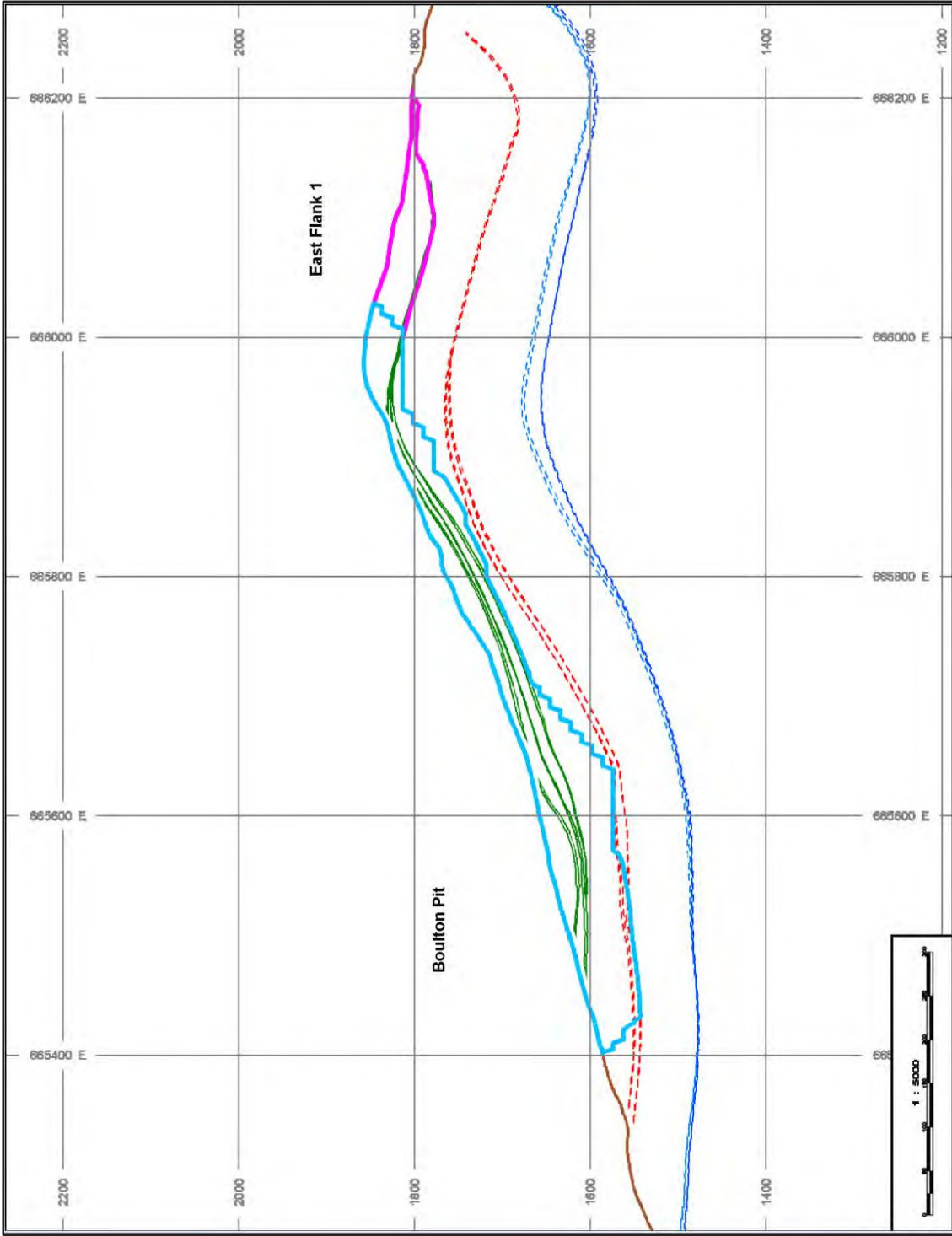


Figure 5.3 Tent Mountain cross section (Boulton - EF1)

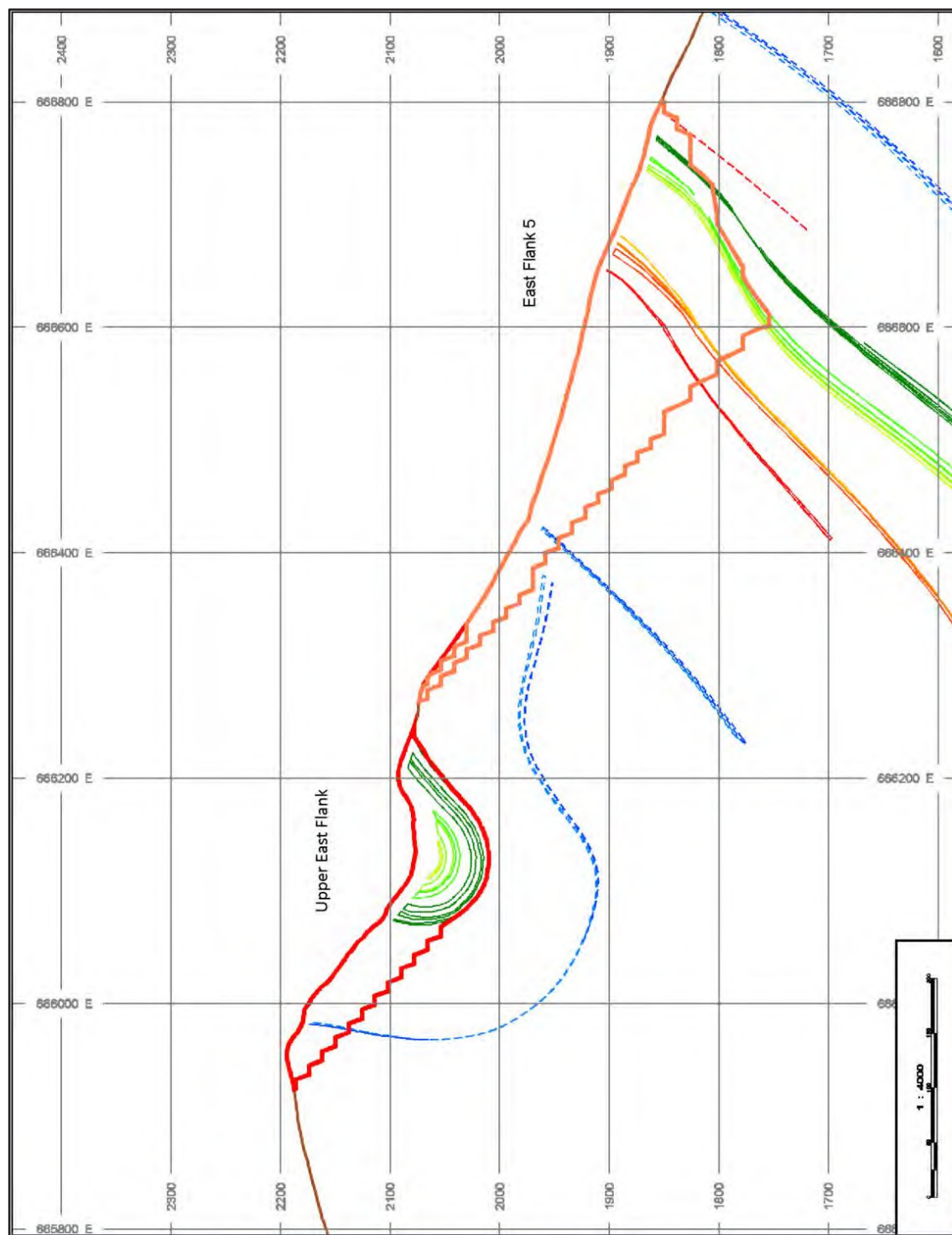


Figure 5.4 Tent Mountain cross section (UEF - EF5)

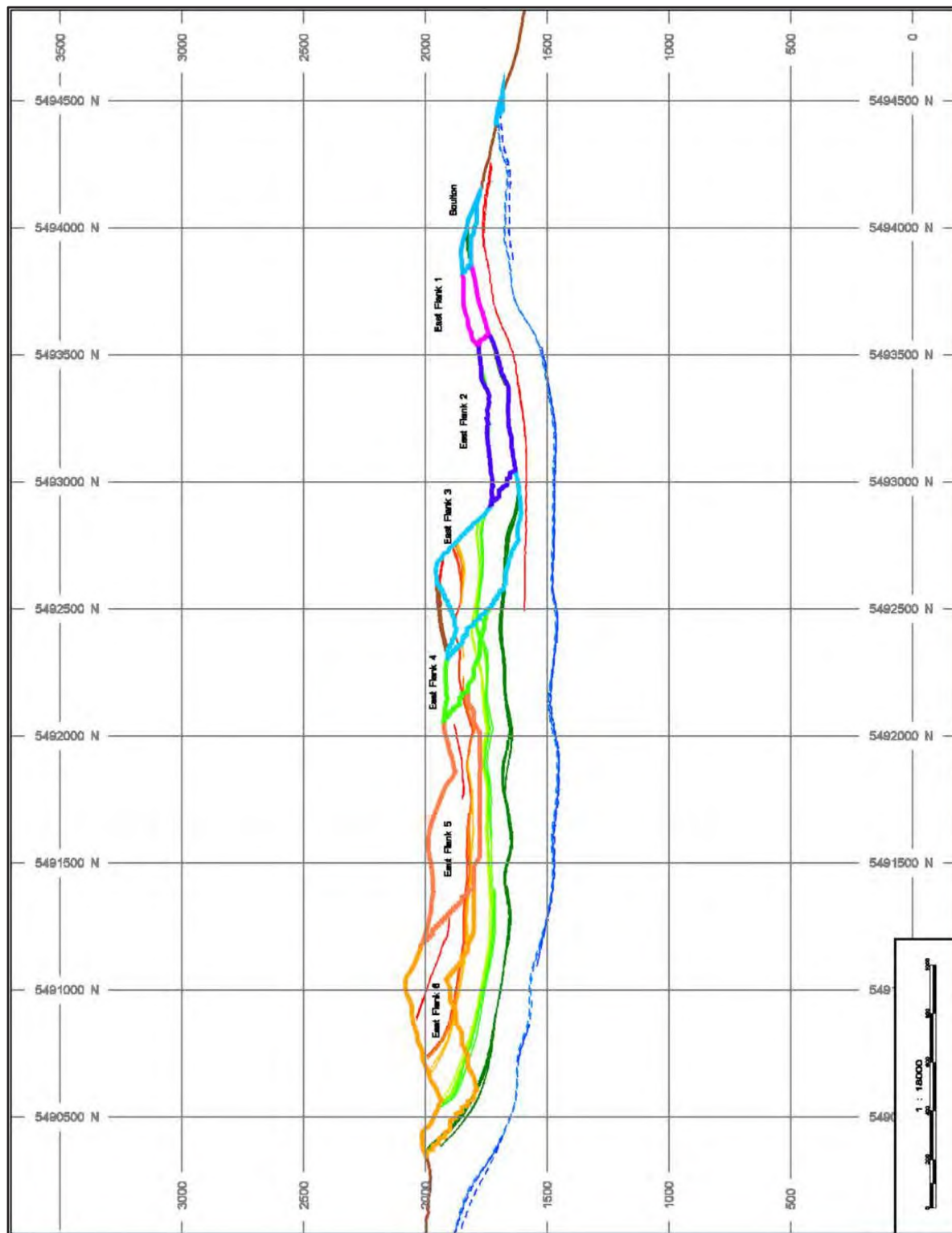


Figure 5.5 Tent Mountain long section (East Flank phases)

5.5.2 Access

Coal and waste rock haul access is facilitated through a network of permanent and temporary haul roads and ramps. The main coal haul road is via the eastern haul road, which runs directly south from the processing plant along the eastern crest of the East Flank pit phases. Boulton pit is designed with a ramp in its highwall that facilitates access from the processing plant through Boulton pit to the upper benches of the WSFs. The UEF valley WSF also acts as a fill road and provides haulage routes to the UEF pit. There is also a secondary haul route utilising the safety berms in the western highwall of the East Flank pits and reaches the processing plant via the Boulton pit ramp.

5.6 Waste Storage Facility Design

WSFs are designed to ensure physical stability throughout the mine life and into perpetuity. Benching, drainage, geotechnical stability, operational efficiency and closure are all factors considered during the design of waste rock facilities. As there were limited opportunities to place waste rock and overburden externally due to topographical and project footprint constraints, backfilling was utilised wherever possible. WSFs are constructed either by end dumping as backfill or by “bottom-up” methods in ex-pit facilities using 60 m lifts at reclaimed slopes of 2:1.

Figure 5.6 shows the ultimate WSFs at the end of mine life.

The UEF valley WSF provides fill road access and a short haul opportunity for waste rock from the UEF pit. The Northwest External WSF is the main waste rock destination early in the mine’s life prior to backfill opportunities being available and is constructed “bottom-up”. Once the Boulton pit is exhausted, it is utilised as a saturated backfill, which assists with selenium management. These two waste rock destinations are built up until the early East Flank phases are completed, which will then provide ample backfill and short haul opportunities. The upper benches of the later East Flank phases will have short hauls into the UEF pit backfill.

Rejects from coal processing totaling approximately 2% by volume are co-mingled with waste rock in the WSFs. Waste rock storage facilities will be re-sloped to 3:1 at closure.

5.7 Water Storage

The Tent Mountain Mine will utilise the water stored in Tent Mountain’s historical “Pit 4”, located in what will eventually be mined out as East Flank Phase 2, as process water in the first five years of operations. Subsequently, a new reservoir will be established to receive and store water from the Pit 4 lake before it is mined. This reservoir is referred to as the Seam 2 Trench and is mined prior to the adjacent East Flank Phases 3 and 4. A summary of the two reservoirs and their storage capacities are shown in Table 5.4.

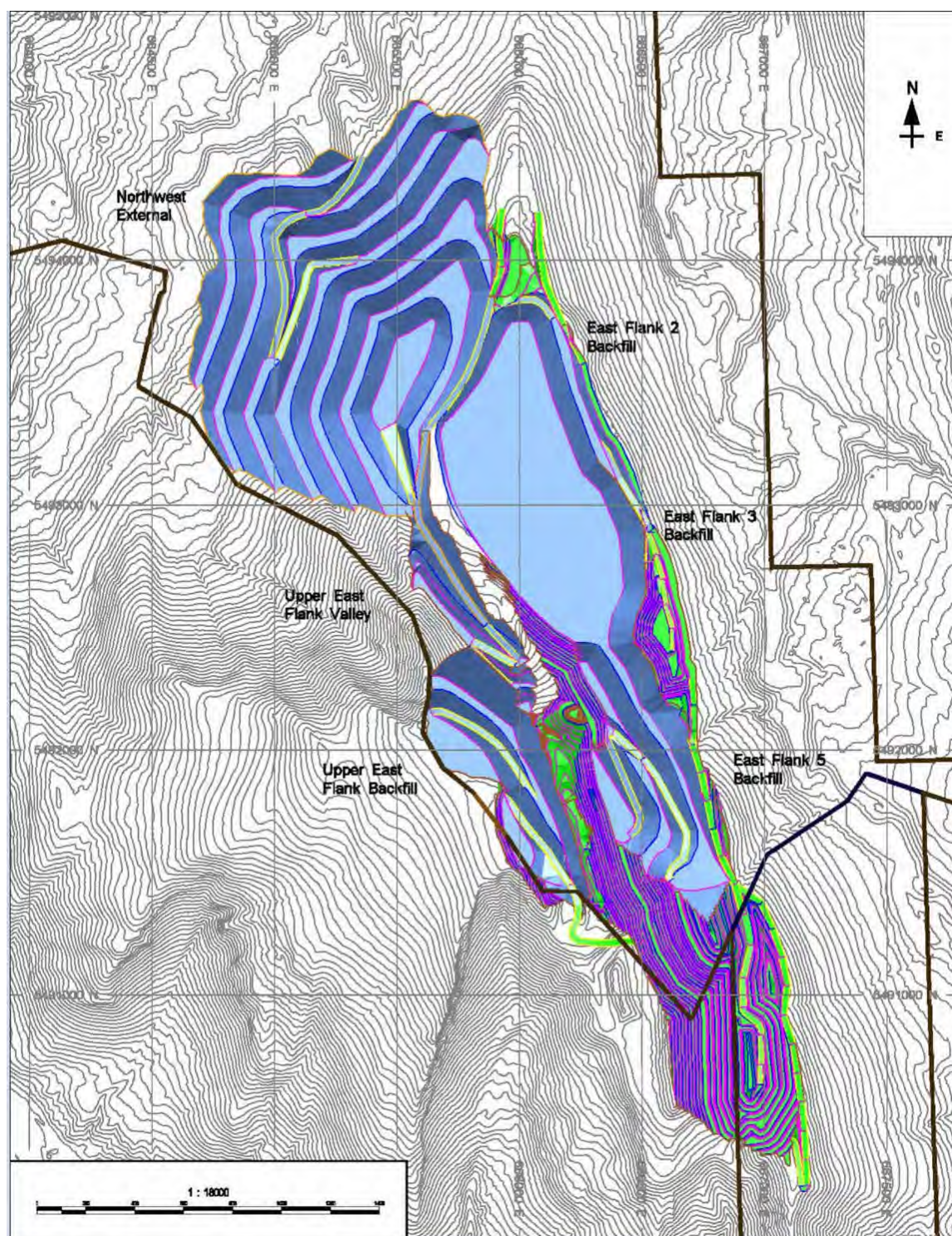


Figure 5.6 Ultimate WSFs at end of mine life

Table 5.4 Reservoirs and storage capacities

Reservoir	Storage Capacity (m ³)
Historical "Pit 4"	4,530,000
Seam 2 Trench	2,500,000

Utilising the UEF pit for water retention was considered but ultimately discarded as an option as Pit 4 and Seam 2 Trench provided sufficient capacity with closer proximity to the processing plant, while the UEF could be utilised as a waste backfill location once the pit is exhausted.

5.8 Mine Schedule

The mine schedule assumes a 24-hour, 365-day a year operation with certain operating constraints over winter during periods of heavy snowfall, especially for clearing and soil salvage operations.

Pre-production activities associated with the mine plan commence in September 2021 with processing plant operations starting in January 2022. The mine plan was prepared using quarterly pre-production periods followed by monthly periods for years 2022-2023, quarterly for years 2024-2025, and then annually from 2025-2034 culminating in a 14-year mine life.

The mill targeted an annual production rate of 1.8 Mt ROM coal with a 50% ramp-up in its first month.

The schedule was driven by a balance of the following main factors:

- Mining the lowest strip ratio coal in early mine life
- Maintaining adequate water supply to the processing plant
- Opening up sufficient waste backfill capacity as required

Subsequent to satisfying these main drivers, further scheduling modifications were made to optimise loading and haulage requirements. A maximum of ten benches per annum was assumed for any given mine phase. Raw coal inventories (total in-pit and ROM stockpiles) were kept to a maximum of 60,000 tonnes.

The UEF is targeted early in the mine life as it has the lowest strip ratio coal available, and waste can be short hauled to the adjacent UEF valley WSF facility or otherwise downhill. Boulton pit is excavated next. Waste is stored in external facilities until backfill opportunities are available after Boulton pit is exhausted. Mining continues south through the East Flank Phases 1-6, and waste is backfilled as opportunities arise. The preliminary mine schedule is shown in Table 5.5, where overburden and waste rock have been combined into one value (Waste Volume Mined).

5.8.1 Period Plans

Plan views of the phase and waste storage facility (WSF) development (Year 1, 2, 3, 5 and 10) are provided in Figure 5.7 to Figure 5.11.

Table 5.5 Mine production schedule

	Plan Total	1 2021	2 2022	3 2023	4 2024	5 2025	6 2026	7 2027	8 2028	9 2029	10 2030	11 2031	12 2032	13 2033	14 2034
Calendar Days		184	365	365	366	365	365	365	366	365	365	365	366	365	365
Raw Coal Mined (air dry) (000's dmt)	21,096	1	1,688	1,748	1,702	1,729	1,703	1,736	1,770	1,689	1,726	1,766	1,735	1,727	373
ROM Coal (5% moisture) (000's mt)	21,984	1	1,759	1,822	1,774	1,802	1,775	1,809	1,844	1,760	1,799	1,841	1,808	1,800	389
Waste Volume Mined (000's BCM) (w/o)	194,528	2,224	9,294	15,863	21,144	19,557	20,717	16,979	17,632	21,214	18,012	14,075	11,499	5,612	707
Strip Ratio (%)	8.8	1,499.9	5.3	8.7	11.9	10.9	11.7	9.4	9.6	12.1	10.0	7.6	6.4	3.1	1.8
Swell Factor (%)	30%														
ROM Coal Mined															
UEF	3,241	1	1,703	1,324	212										
Boulton	1,515		18	390	639	468									
EF1	297			21	77	199	1,001	741	1,397	67					
EF2	1,846				0	103	764	987	95	421					
EF3	4,378		38	70	139	917		12	339	1,272	1,485	999	1,808	1,800	389
EF4	603				33	41	5	45	13		314	841			
EF5	4,153					6	5	23							
EF6	5,193														
Seam2	758			16	675	67									
Total	21,984	1	1,759	1,822	1,774	1,802	1,775	1,809	1,844	1,760	1,799	1,841	1,808	1,800	389
Waste Volume Mined															
UEF	14,351	2,224	7,305	4,277	546										
Boulton	14,615		434	4,309	6,054	3,817									
EF1	5,055			1,914	1,658	1,483									
EF2	22,830				275	4,811	12,952	4,792	7,677	45					
EF3	37,114		1,555	4,327	4,692	7,659	4,416	6,743	1,369	1,752	6,750	2,930	11,499	5,612	707
EF4	6,281				468	1,050	1,336	1,642	6,932	19,418	11,263	11,145			
EF5	38,561					277	2,013	920	1,654						
EF6	46,853			1,036	7,450	78		2,881							
Seam2	8,867					382									
Total	194,528	2,224	9,294	15,863	21,144	19,557	20,717	16,979	17,632	21,214	18,012	14,075	11,499	5,612	707
Waste Destinations															
UEF External WSF	3,462	2,224	1,238												
Northwest EXT	44,804		8,055	15,863	20,886										
BP Backfill	51,622				258	19,557	17,368	13,178	1,262	4,129	18,012	12,220	11,203	5,612	707
EF2 Backfill	17,496								13,366	17,085		1,855	296		
EF 3 & 4 Backfill	47,318														
EF 5 Backfill	13,057														
EF 5 Backfill Cap	6,616														
UEF Backfill	10,154	2,224	9,294	15,863	21,144	19,557	20,717	16,979	17,632	21,214	18,012	14,075	11,499	5,612	707
Total	194,528	2,224	9,294	15,863	21,144	19,557	20,717	16,979	17,632	21,214	18,012	14,075	11,499	5,612	707

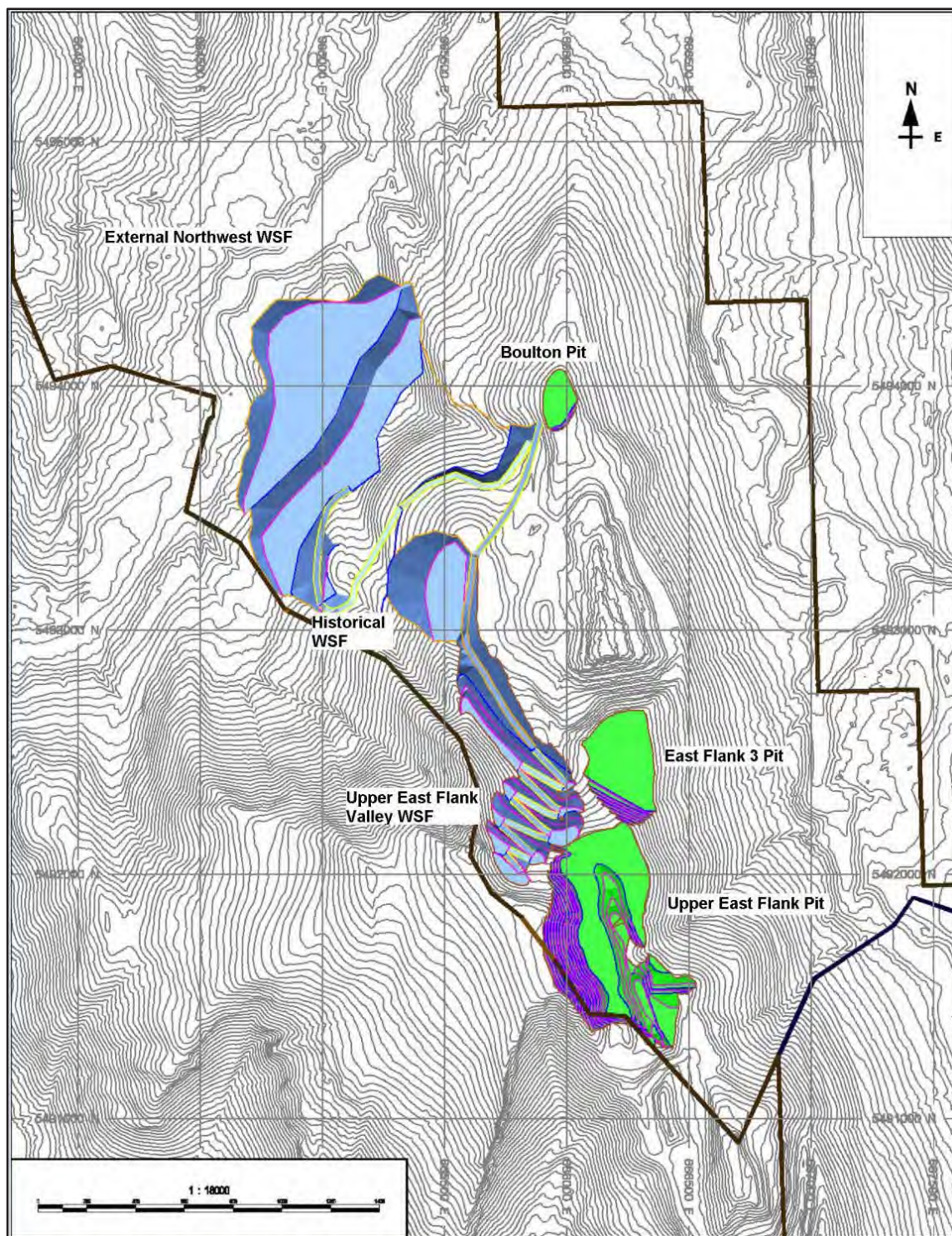


Figure 5.7 Tent Mountain development (end of Year 1)

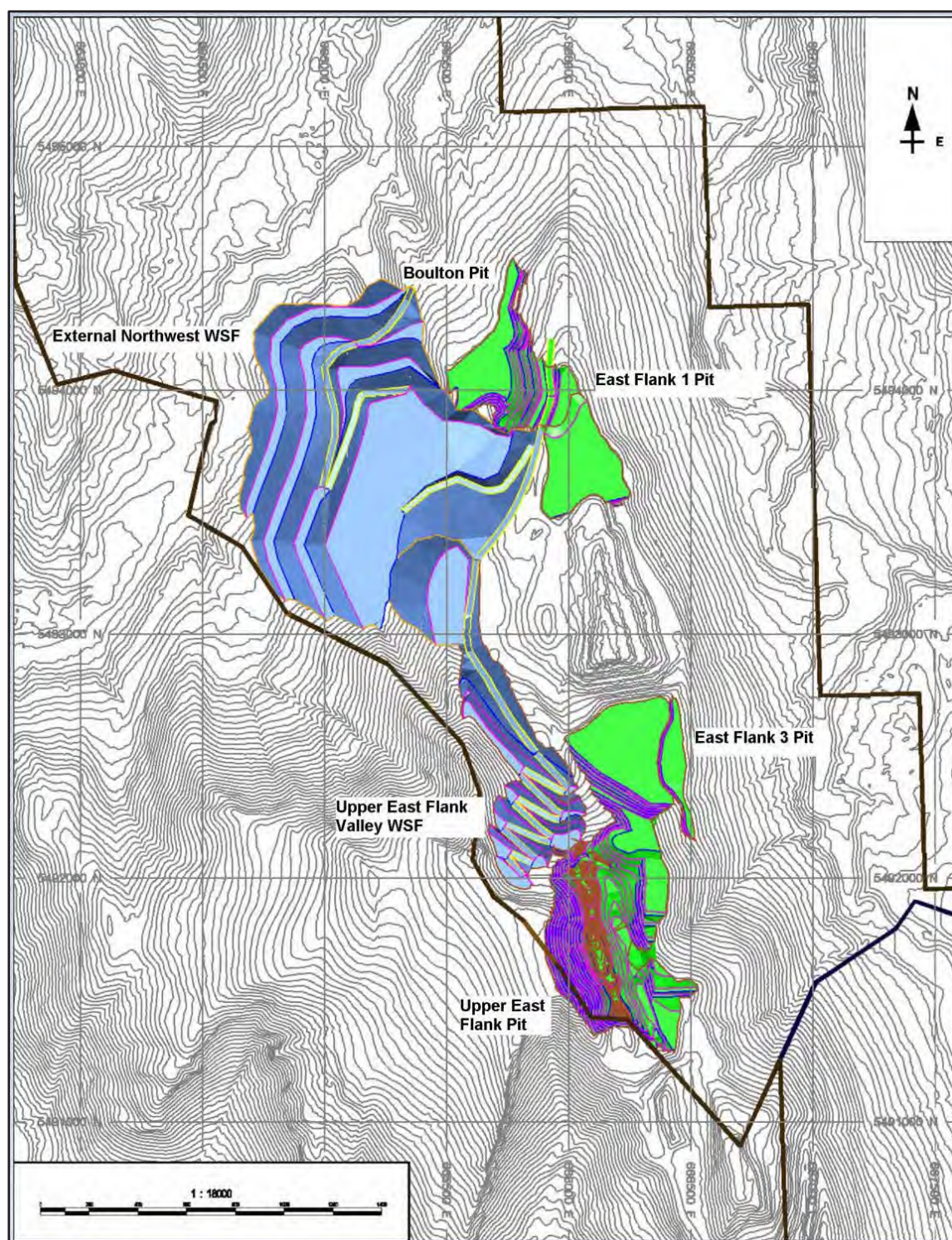


Figure 5.8 Tent Mountain development (end of Year 2)

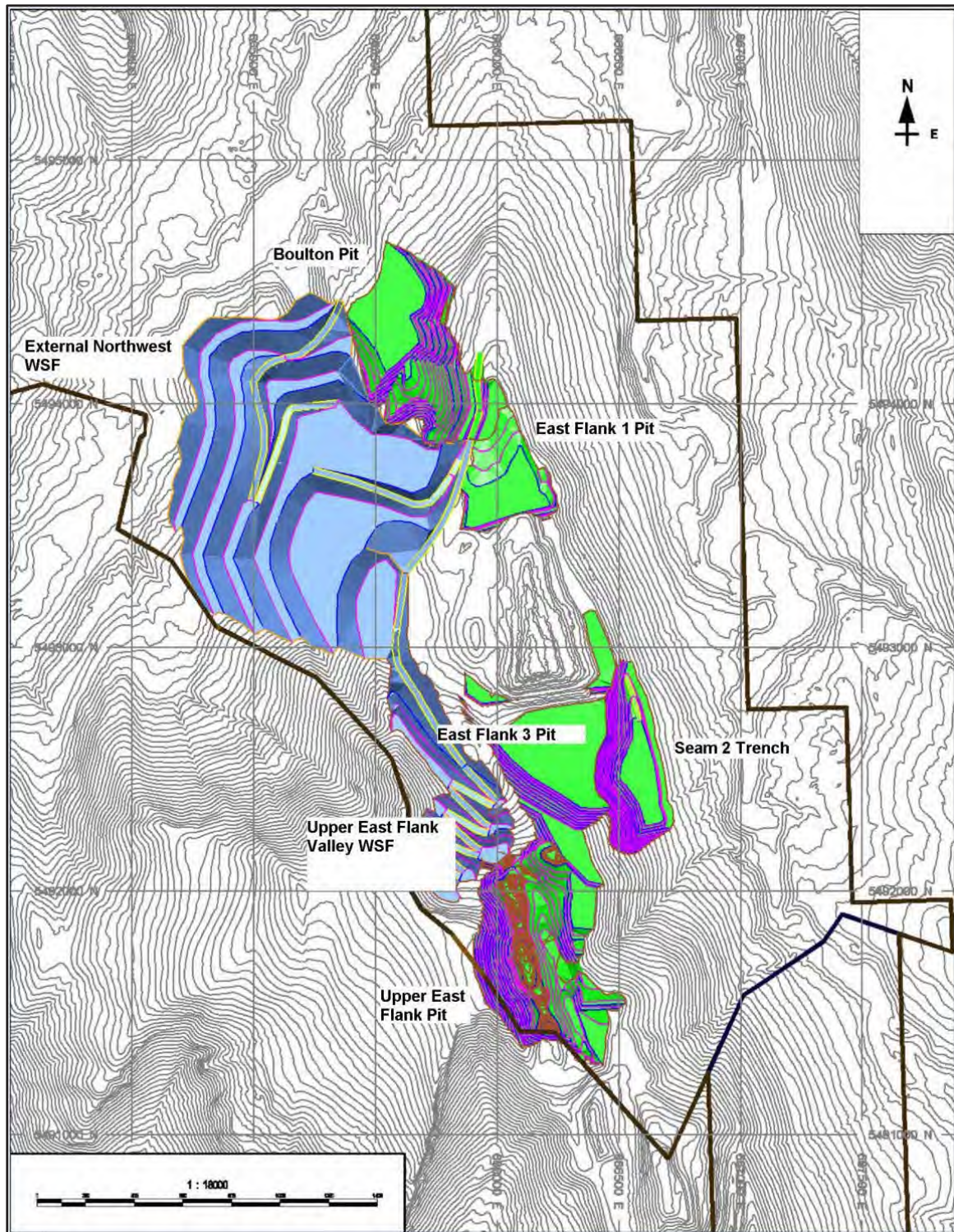


Figure 5.9 Tent Mountain development (end of Year 3)

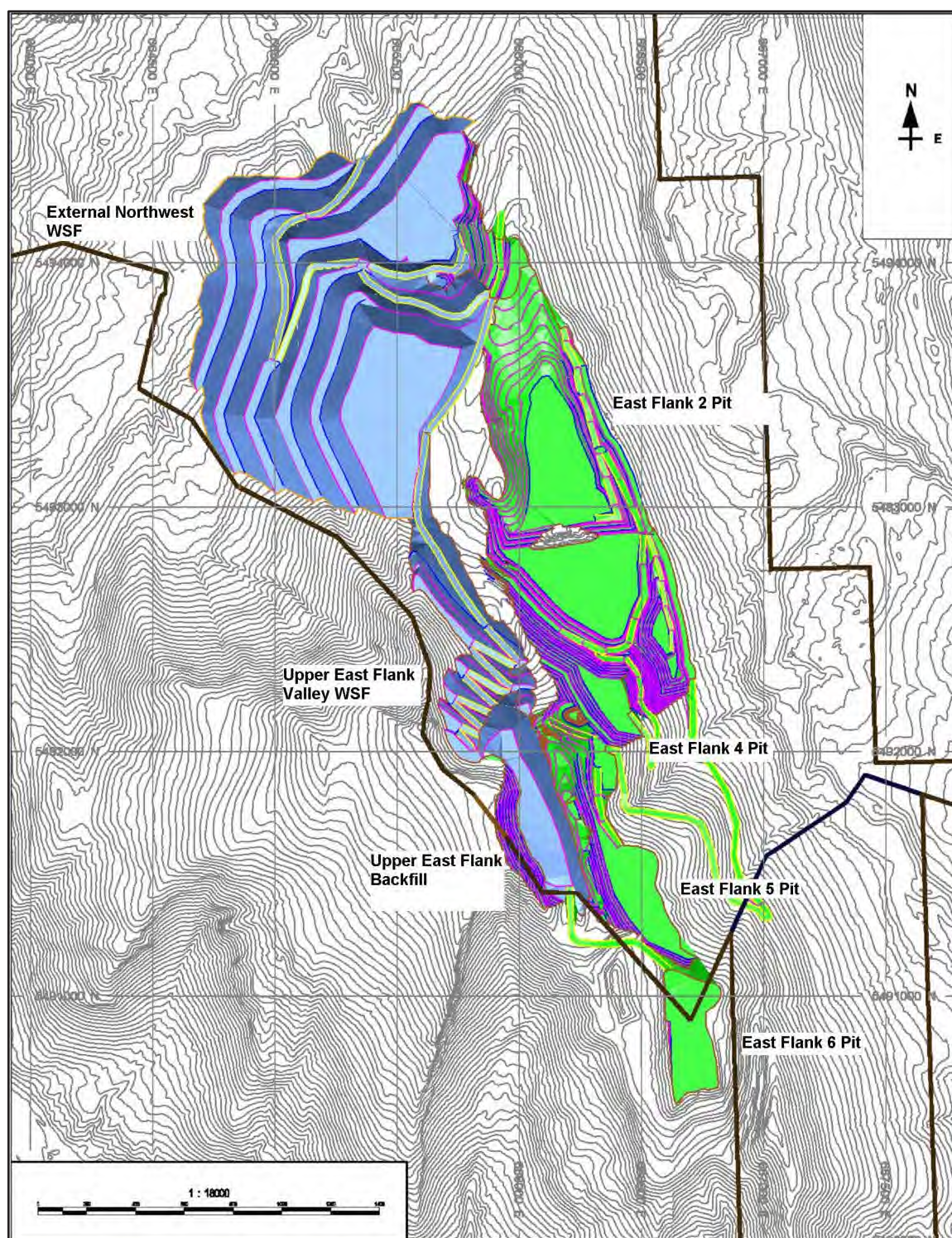


Figure 5.10 Tent Mountain development (end of Year 5)

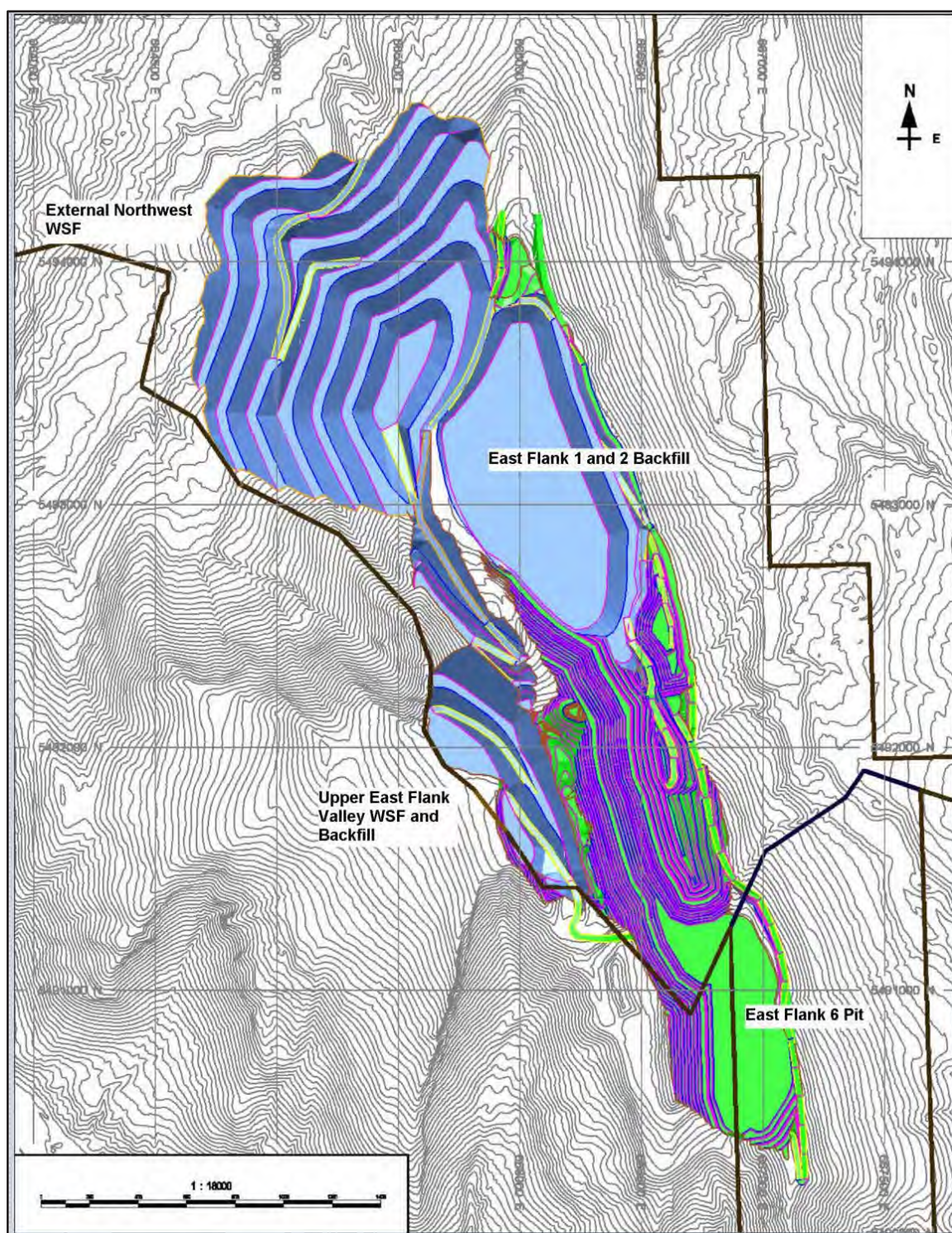


Figure 5.11 Tent Mountain development (end of Year 10)

5.9 Mine Equipment and Labour

5.9.1 Equipment Selection

Considering mining rates and coal structures, the primary mine production equipment selected consist of (Table 5.6):

Table 5.6 Primary mining equipment

Primary Equipment Description	Maximum # of Units
Diesel loading equipment	
22 m ³ (29 yd ³) front shovel loader	2
12 m ³ (16 yd ³) wheel loader	2
Haul trucks	
134-tonne (150-ton) for coal, with coal box	2
181-tonne (200-ton) for waste	14
Crawler-mounted drills	
Rotary tri-cone drill (270 mm or 10 5/8-inch dia)	4
Down the hole hammer drill (DTH) (150 mm or 6-inch dia)	2

Appropriate-sized support equipment was selected to complement the production equipment. These include:

- 5.3 m blade track dozers (e.g. Caterpillar D10)
- 3.1 m³ backhoes (e.g. Komatsu PC800)
- 4.9 m blade graders (e.g. Caterpillar 16M)
- 91 tonne (75,000 L) water trucks (e.g. Caterpillar 777F WT)

5.9.2 Equipment Fleet Sizing

Numbers of equipment were derived from the mine plan physical quantities and unit productivities. The productivities were derived from first principles, considering equipment capacities, cycle times, and in the case of haul trucks, haul profiles and speed on grade estimates. Initial derivations of equipment numbers showed fluctuations that required smoothing. Consequently, the mine schedule was modified to remove peaks and valleys in the equipment fleet requirements. The resulting requirements for primary mine production equipment is provided in Figure 5.12.

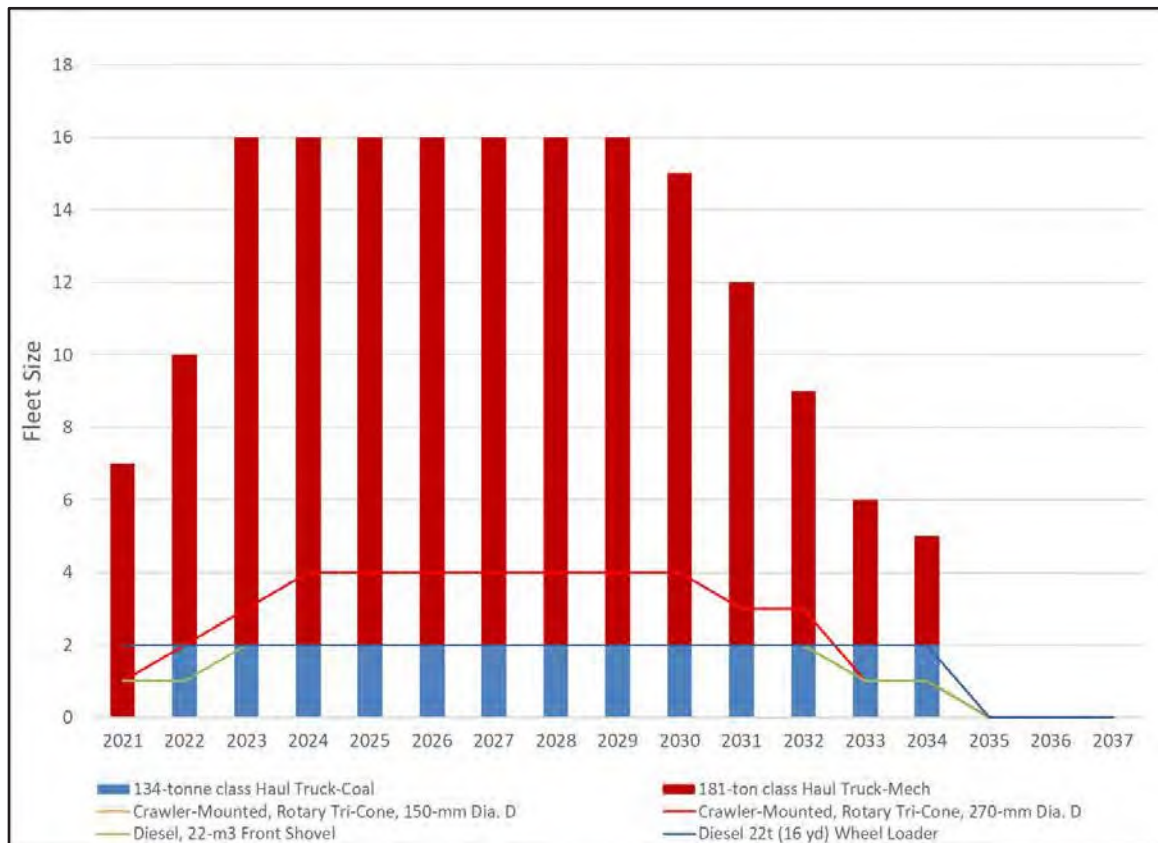


Figure 5.12 Primary mine production equipment requirements

5.9.3 Labour

Labour requirements are derived directly from the mine equipment requirements in the case of mine operators. The number of operators is rounded up to have full complements per crew, and additional consideration is given for adding additional personnel for vacation-sickness-absenteeism (VSA). Between rounding up for crews and application of VSA, 15% more operators than directly estimated are accounted for.

Mine maintenance labour is derived as a percentage of mine operators. For the Tent Mountain Mine, a percentage of approximately 35% was used.

Management, administrative and technical staff were selected based on industry experience for Canadian mountain mining operations and for an operation the size of Tent Mountain. The estimate for mining included only those personnel associated with mine operations, mine maintenance, purchasing and technical services.

The labour requirement for the Tent Mountain Mine schedule is provided in Figure 5.13.

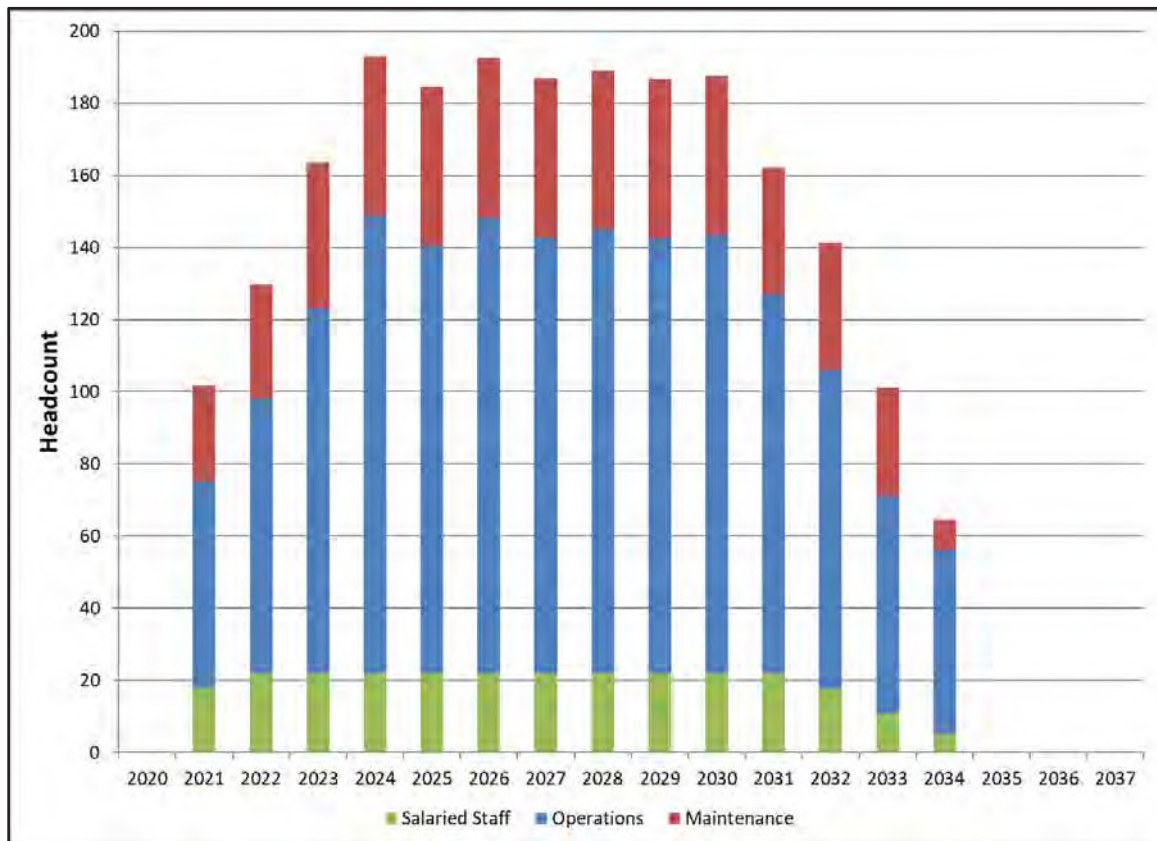


Figure 5.13 Mining labour requirements

5.10 Mine Operations

5.10.1 Drilling and Blasting

Production Drilling and Blasting

Production drilling is to be provided by rotary drills capable of drilling 270 mm holes. These are to be supplemented by smaller DTH drills drilling 150 mm holes in pioneering applications or as back-up to the larger drills.

Holes encountering coal are to be geophysically logged and, as required, sampled for coal quality. Drill holes that intersect coal seams can be backfilled to establish a 1.5 m standoff above the coal seam and a 2.0 m non-blasting zone below the coal seam. Drilling costs have been included to cover the additional cost of using both drills, changing hole lengths, and varying drill pattern requirements.

Production blasting is to be accomplished with both ammonium nitrate and fuel oil (ANFO) and emulsion explosives. The latter is to be used where wet hole conditions are encountered and was assumed to be 25% of the holes.

A powder factor of 0.63 kg/BCM was targeted in drill pattern design, based on experience with similar rock types.

Wall Control Drilling and Blasting

Four methods of wall control drilling and blasting will be utilised in the development of the Tent Mountain pits:

- Footwall
- Benched footwall
- Benched highwall
- Permanent pit end wall

The footwall method will require modification of the production patterns to drill the wedge between the last full-length production hole that does not intersect the footwall coal seam or encroaches within the 1.5 m coal seam standoff limit and the remaining of the holes up dip.

The benched footwall drilling pattern will include stub, buffer and production holes and will be drilled using the 270 mm drill. The benched highwall and permanent end wall stabilisation drilling will include the use of pre-split, stub, buffer and production drilling.

Drilling costs have been included to cover the additional cost of use of the small diameter drill.

Wall control patterns will be drilled off and shot to an open face as a trim blast to minimise energy reflected back into the highwall and its associated wall damage. The pre-split holes will be loaded and shot one pattern ahead of the trim blast.

The benched highwall and permanent end wall control blasting will include the use of pre-shear, stub and inner buffer rows, and will use reduced powder factors, decoupled loads and air decking to minimise highwall damage, yet ensuring adequate rock fragmentation. The outer buffer and crest holes will utilise standard loading.

5.10.2 Waste Mining

Once blasted, waste rock will be loaded by the hydraulic shovel into the 181-tonne trucks to be hauled to designated waste storage facilities. Generally, these facilities are constructed from the bottom up in 60-metre lifts. As back-up, the front-end loader may also load the waste trucks, but coal trucks are never to haul rock.

5.10.3 Coal Mining

Coal mining is accomplished with the front-end loader loading the dedicated 134-tonne coal box haulers. They are supported by small backhoes and track dozers that either pull off waste wedge material from above or pull/push it down from below. The dozers will only be used in this capacity when shallower dips are present, which is the minority of the time.

5.10.4 Mine Support

Support equipment will actively perform road and dump maintenance duties in addition to assisting in the loading operations. Road construction, repairs, watering and snow removal will be prevalent. Track dozers will also build accesses and drill platforms in pioneering areas.

5.11 Mine Dewatering

There are three types of water that will need to be managed on site:

- Water in existing historic pits (the quality of which is suitable for discharge to the environment)
- Precipitation and runoff before entering pits or waste rock storage facilities (the quality of which is also suitable for discharge to the environment)
- Mine-affected water, namely precipitation/runoff/seepage directly interacting with pits and/or WSFs (the quality of which requires treatment in the form of saturated rock fills, biochemical reactors and wetlands to attenuate selenium, nitrate and some metals prior to discharge to the environment).

Management of water in existing pits and dewatering of active pits is detailed below, while management of mine-affected water is described in Section 9.2.

5.11.1 Dewatering from Existing Pits and Water Supply

There are six water bodies currently on site (Figure 5.14), two of which will need to be drained prior to commencing mining:

- The South Pond located in the southern section of the lease, which contains an estimated 55,000 m³ water. This will be drained in an initial dewatering program.
- Pit 4, the previously mined pit that has flooded and contains an estimated 4.5 Mm³. East Flank Phase 2 will require Pit 4 to be drained completely so that the bottom of that phase can be mined out.
- The other four water bodies (Lower Pond, Dump Pond, Pond 3 and Pond 2) are legacy water bodies created during prior operations to act as sedimentation ponds and they will be used again during the Tent Mountain Mine re-start as part of the water management plan (Section 9.2).

The mine water balance incorporates the mine water sources that include the two standing water bodies (South Pond and Pit 4) within the mine footprint and phase/pit water from inflow sources such as precipitation and runoff.

Water in Pit 4 will be the primary source of water for the coal processing facility for the first five years of clean coal production. Concurrent to supplying water to the plant, water will be pumped from Pit 4 to fill the Seam 2 trench once its excavation is complete. After the water has been drained out of Pit 4, the Seam 2 trench reservoir will supply processing water for the remainder of the mine life. Water from Pit 4 not used directly by the plant or pumped to the Seam 2 trench reservoir will be pumped to the sedimentation basin above Lower Pond for discharge to the environment at a rate not to exceed 15% above monthly average stream flow.

The water quality of Pit 4, South Pond, precipitation and runoff collected within a pit or phase has been determined to meet environmental release standards with the exception of total suspended solids (TSS). To reduce TSS and meet the release criteria, the mine water will be pumped into sedimentation basins above either the Lower Pond or Pond 2.

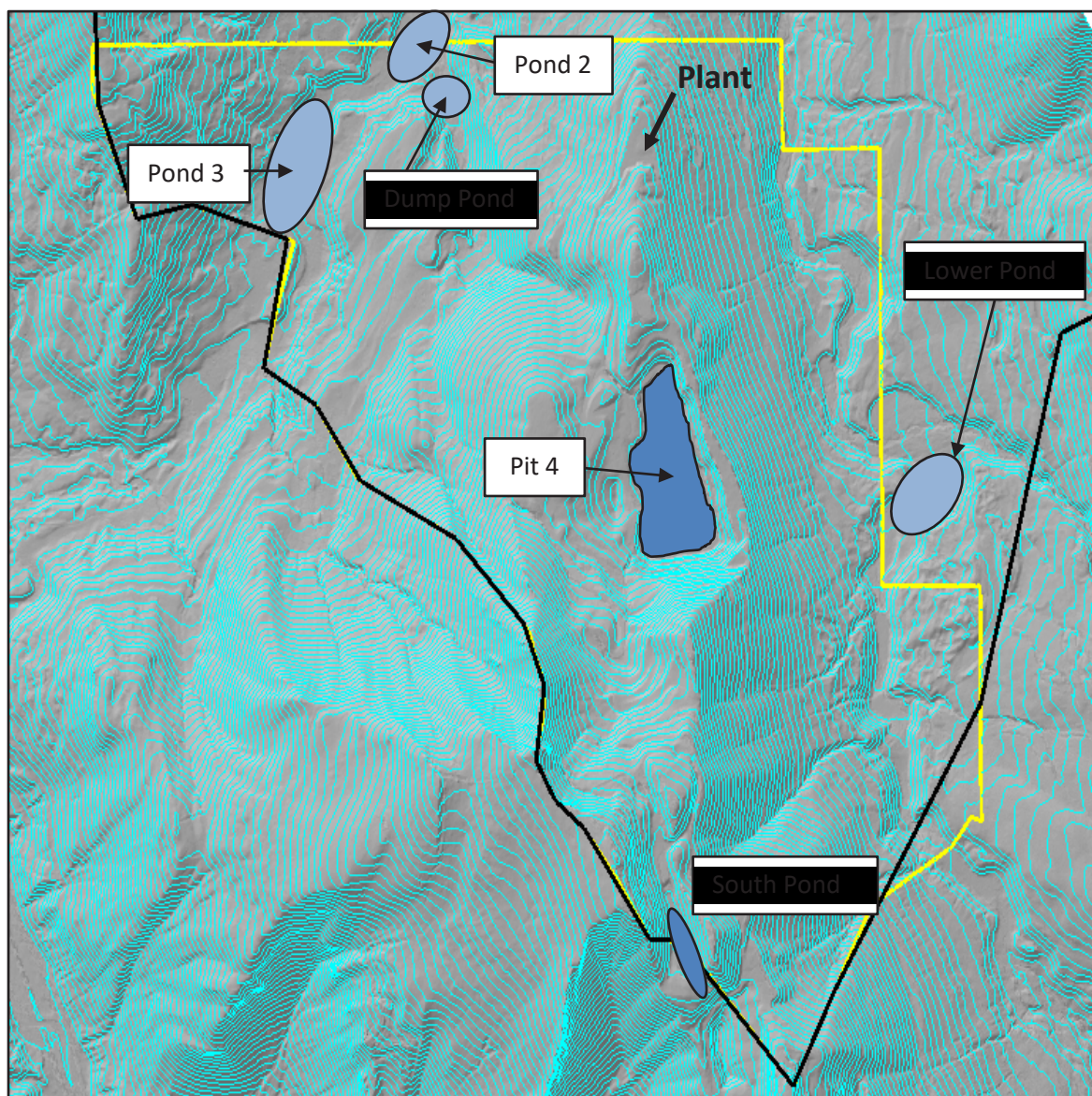


Figure 5.14 Site-wide water bodies

5.11.2A Active Pit Dewatering

Mine water management of the open pits will utilise centrifugal pumps to remove groundwater and precipitation. This water has been determined to meet federal environmental release standards with the exception of TSS. To reduce TSS and meet the release criteria, the mine water will be pumped into sedimentation basins above either the Lower Pond or Pond 2. The dewatering system is designed to handle a 1-in-5 year storm event.

Electricity will be generated and supplied to the pumps from 200 kW mobile, skid-mounted diesel generator sets. Each generator set can power two pumps.

5.12 Coal Reserve Estimate

The coal reserve for the Tent Mountain Mine, as validated by positive economics (Section 11), are provided in Table 5.7.

Table 5.7: Coal reserves for Tent Mountain Mine (effective April 1, 2020)

Category	ROM Coal (ktonnes)	Saleable Coal (ktonnes)
Proved	3,618	2,195
Probable	18,365	10,920
Total	21,984	13,115

Notes:

- Reserve is based on a minimum seam thickness of 0.6 m for coal not blasted through (dipping < 27° or > 45°), and 0.8 m otherwise.
- Reserve is based on a maximum ash content of 50%.
- Reserves consider dilution of 0.15 m (unless blasting through seams, where it is 0.25 m) and coal loss of 0.10 m (0.20 m where blasting through seams) per working section.
- Coal reserve tonnes are reported on ROM coal and saleable product bases, with moisture contents of 5% and 9%, respectively.
- Coal yields are based on washabilities at variable float-sink specific gravity to achieve a 9.8% ash product (1.47-1.54 SG).

6 Coal Processing and Quality

6.1 Coal Processing

Sedgman Canada Inc. was commissioned by Montem to develop the coal handling and processing plant (CHPP) for Tent Mountain. The Tent Mountain CHPP will employ the proven technologies found in modern metallurgical coal plants, including dense media separation, reflux classifiers and flotation. Sedgman has significant experience designing and operating such plants internationally.

6.1.1 Plant Design

The principal CHPP design objectives for Tent Mountain include:

- The facility will be designed for a 15-year operating life. Regular maintenance and housekeeping and appropriate and timely capital replacement will be required to achieve this life and beyond enabling this facility to be utilised after the completion of this mine.
- The facility will be designed for an annual operating run time of 7,200 hours
- The CHPP plant will be designed to receive and process 250 t/h of as-received ROM coal
- The CHPP will be designed for a safe and economical operation suited to the seasonal weather conditions

The design for the Tent Mountain CHPP will use a pre-assembled modular approach for the CHPP and tailings dewatering areas, as compared to the traditional stick build construction methodology (Figure 6.1, Figure 6.2). The pre-assembled modular strategy offers the following benefits, which have been incorporated into the study schedule and capital cost estimate:

- Maximising the offsite pre-assembly of the modules, which reduces the onsite construction duration, particularly with respect to the low productivity winter months
- Reducing on-site durations reduces site construction costs
- Controlling supply and fabricated items together with quality inspections prior to delivery, lowers erection and re-work risks on site
- Allowing easier expansion capability through the addition of pre-fabricated process modules

Whilst compact, the CHPP layout still allows for good access for inspection and maintenance activities. The CHPP modules will be enclosed by a pre-engineered steel building that supports an overhead crane. Once on-site, the modules will rest on a concrete foundation to facilitate hosing and clean-up. The plant modules stack on top of each other with locating pins to guide and secure final placement. Once the plant modules are stacked in the required arrangement, inter-connecting services are installed between the modules.

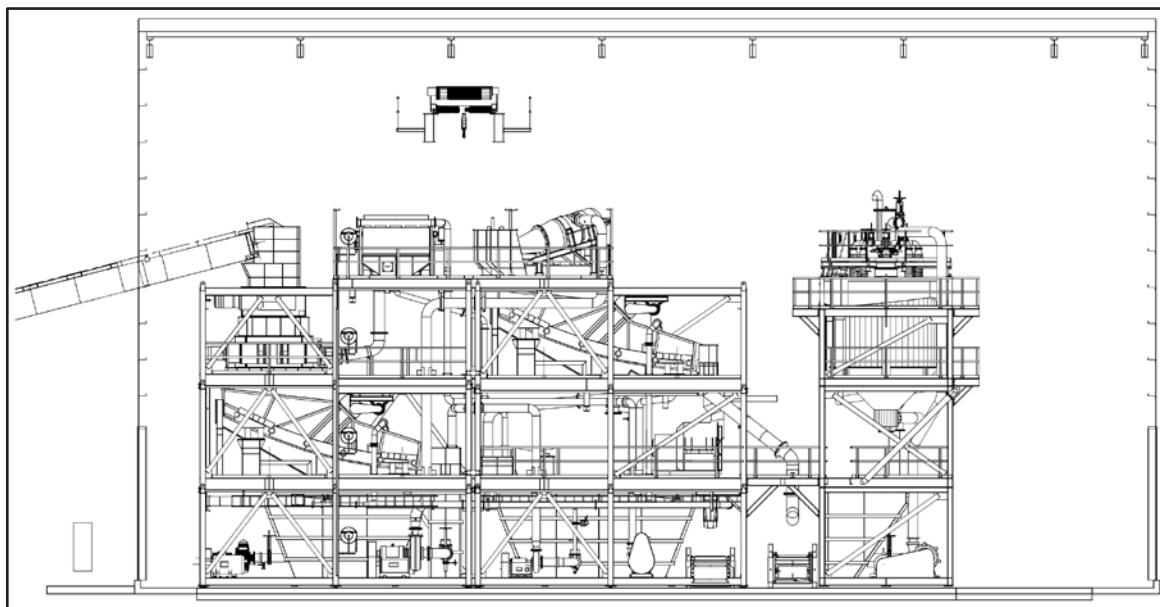


Figure 6.1 CHPP general arrangement (section plant feed)

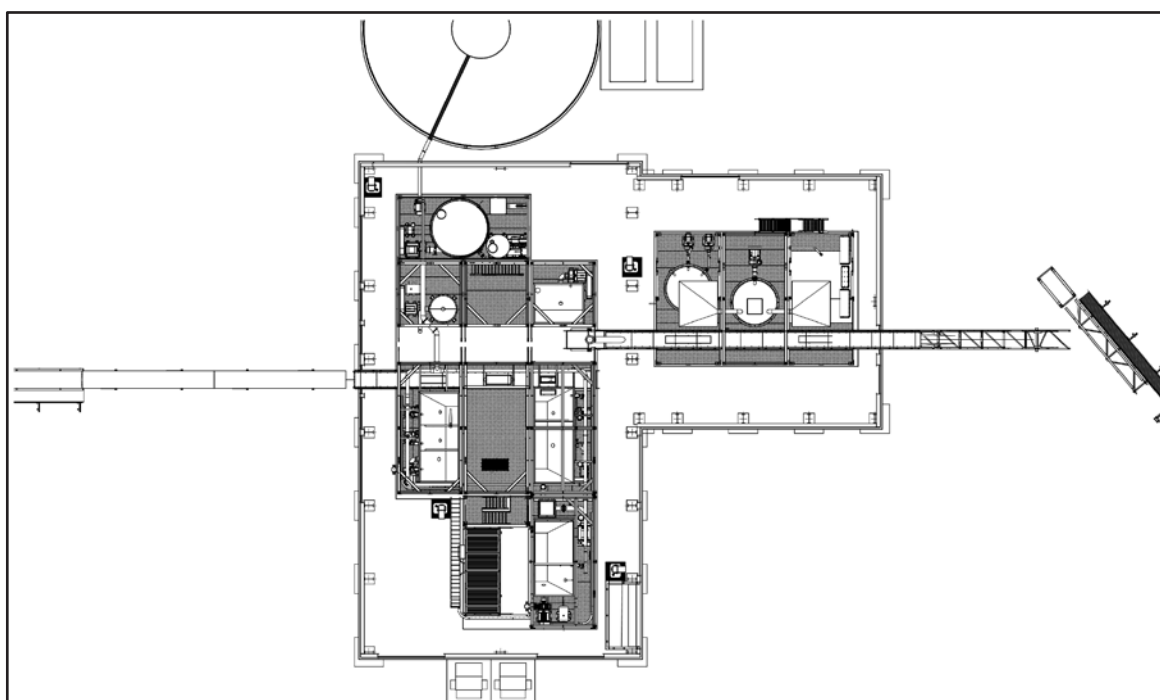


Figure 6.2 CHPP general arrangement (sump floor)

The CHPP pad area is 1.5 m lower than the heavy vehicle area and mine infrastructure area, providing a separation of heavy and light vehicles. The raw coal stockpile is located on the elevated heavy vehicle area pad, where the raw coal is reclaimed and fed using a front-end loader to a hopper/feeder breaker and transferred to the plant feed conveyor. Site office and plant workshop buildings are located on the southwest corner of the pad, along the light vehicle access road. The heavy vehicle maintenance shop is located on the south end of the pad and will include space allowing for future expansion of the building.

6.1.2 Process Overview

The block flow diagram in Figure 6.3 provides a high level CHPP process overview.

Haul trucks will deliver ROM coal from the pit and will dump directly onto the ROM stockpile. Raw coal from the ROM stockpile will be reclaimed by a front-end loader and transferred onto the feeder breaker hopper. The feeder breaker will feed material onto the raw coal conveyor, which will elevate the raw coal directly into the CHPP, feeding into the secondary sizer feed chute. The raw coal conveyor will discharge into the dual roll secondary sizer for reduction to a nominal -50 mm top size that discharges directly into the desliming screen feed box within the CHPP.

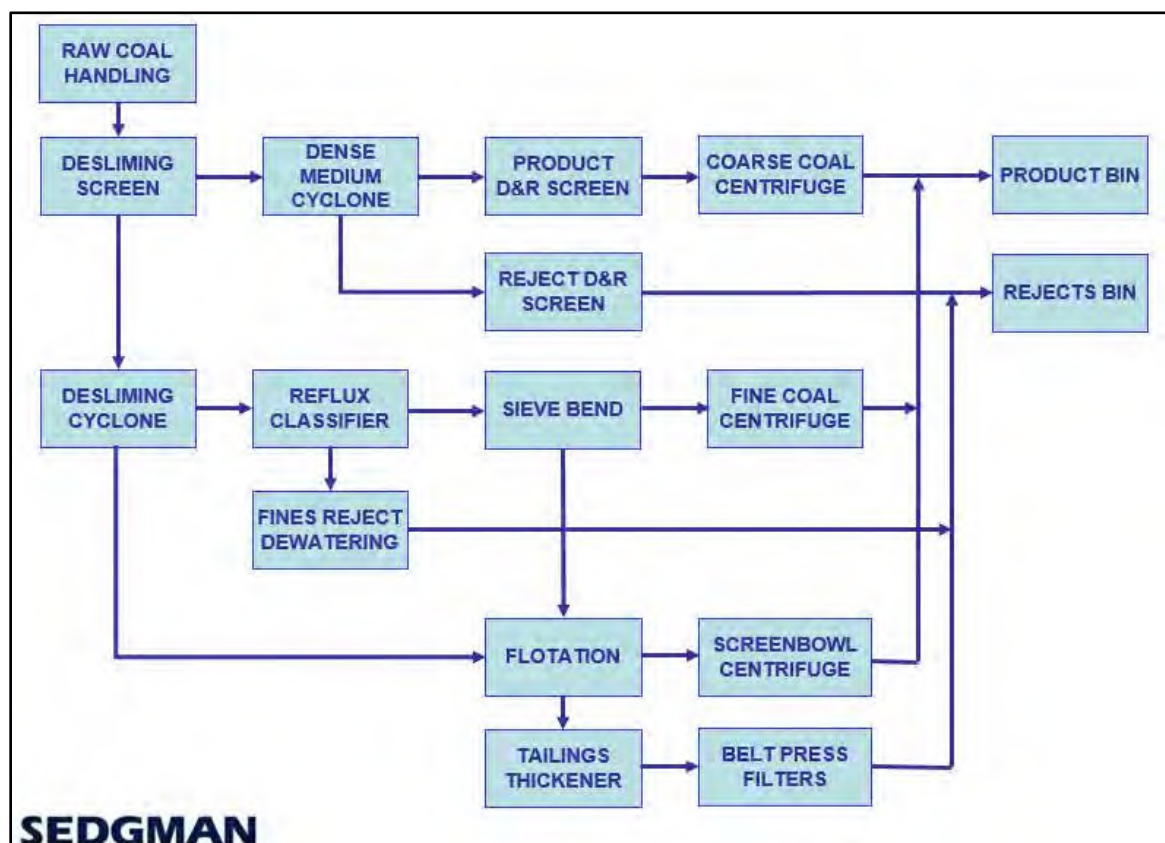


Figure 6.3 CHPP block flow diagram

Raw coal will be fed to the CHPP via a multi-slope desliming screen. Undersize material and water will be collected in the desliming screen underpan and piped into the deslime cyclone feed sump. Oversize will discharge from the end of the desliming screen and will be flushed with correct medium into the dense medium cyclone (DMC) feed sump. Mixed dense medium and coarse coal will be pumped from the DMC feed sump into a DMC cyclone. DMC overflow containing medium and product coal will discharge directly to a screen feed box that will distribute the slurry onto the product side of a partitioned multi-slope drain and rinse screen. Product coal will discharge from the end of the screen into the product centrifuge for dewatering. DMC underflow containing medium and reject coal will discharge directly into a feed box that will distribute the slurry onto the rejects side of the partitioned multi-slope drain and rinse screen. Reject material will directly discharge onto the rejects conveyor from the end of the screen.

The correct medium circuit will be controlled by maintaining over-dense medium in the correct medium sump and injecting clarified water into the suction of the correct medium pump to maintain the target operating density. Desliming screen undersize material will be pumped from the desliming cyclone feed sump into a set of desliming cyclones to separate the fine from the ultrafine raw coal.

Cyclone underflow will be pumped to a reflux classifier and the cyclone overflow will be piped to the flotation feed sump. Reflux classifier product will be further deslimed by a sieve bend and then subsequently dewatered in the fine coal centrifuge. Reflux reject material will report to the fines effluent sump and will be pumped to reject thickening cyclones for dewatering. Thickened fines reject material will gravitate to a high frequency dewatering screen and will directly discharge onto the rejects conveyor. Reject thickening cyclone overflow and dewatering screen undersize will report to the filtrate sump prior to being pumped to the thickener.

Deslime cyclone overflow and sieve bend underflow will report to the ultrafines feed sump where collector reagent (diesel) will be added. Ultrafine material will be pumped to and processed in two flotation cells operating in a rougher/scavenger two-stage flotation arrangement to maximise the ultrafine coal recovery. Flotation concentrate product from both cells will gravitate and be collected in the screenbowl feed sump and flotation tailings will gravitate to the tailings thickener for thickening prior to dewatering in the belt press filters.

Flotation concentrate will be pumped from the screenbowl feed sump to the screenbowl centrifuge for dewatering. Dewatered ultrafine product coal will be discharged from the screenbowl centrifuge onto the product coal conveyor and both centrifuge centrate and effluent will be collected in the partitioned screenbowl product sump. The screenbowl centrate will be recycled to the screenbowl feed for recovery of product and effluent will then be pumped to the tailings thickener.

Flotation tailings, fines reject thickening cyclone overflow, fines reject screen undersize and belt press filter filtrate will be fed to the tailings thickener. Thickener underflow will be pumped to the belt press filters feed sump at approximately 30% w/w solids. Clarified water will overflow the thickener into a clarified water tank and will be recirculated through the plant for process water requirements. Thickened tailings in the belt press filter feed sump will be pumped up to individual belt press filters by a dedicated feed pump for each filter. Belt press filter cake will discharge

directly onto the rejects conveyor for transfer to a radial stacker. Belt press filter effluent will report to the filtrate sump and will be pumped back to the tailings thickener.

Coarse, fine and ultrafine reject material will be combined on the rejects conveyor and will be discharged from the CHPP onto the rejects transfer conveyor, which will direct material into the rejects bin. The reject bin will have a storage capacity of 60 t and will be designed to load articulated (or equivalent) 28-t trucks for co-emplacement back in the pit.

Coarse, fine and ultrafine product material will be combined on the product conveyor and will be transferred from the CHPP and conveyed directly to a product loading bin. The bin will have a capacity of 150 tonnes and an overflow chute for emergency use. A cross-belt sampler and weigh scale will be installed on the product conveyor to allow for product coal sample collection and the instantaneous product rate and cumulative tonnes to be monitored and recorded.

6.2 CHPP Yield Simulations

The results from the 2018 and 2019 coal testing were combined with historical data and analysed by Australian firm A&B Mylec Pty Ltd (A&B Mylec), a specialist metallurgical consulting company. A&B Mylec determined the indicative product coal quality for the Tent Mountain Mine, as well as the CHPP yields based on the mining plan and the CHPP configuration.

Ash_yield curves are a useful method for understanding the washability profile of a resource by examining the behaviour of individual datapoints in a seam group. Each datapoint within a seam is simulated through the full range of CHPP cutpoints on a dilution-free basis (Figure 6.4).

Fixed density simulations were completed to facilitate the development of ROM ash vs yield equations, which were provided to mine planners for determination of reserves.

Likely practical yield from the coal resource has been obtained from plant simulations assuming a dense medium/reflux classifier/column flotation cell configuration. A&B Mylec undertook processing plant simulations and the determination of final product quality using their proprietary simulation package, Resource_Mastor©.

Processing yield will vary on a seam-by-seam basis, with about 90% of the reserve found in Seams 4, 5, 6 and 7, which exhibit yields from 57.6% to 68.9%. Product ash will average 9.8% with a tolerance of plus or minus 0.5% (air-dried basis).

The estimated average wet yield from the program was 60% with a product ash of 9.8% (air dried basis), utilising coarse coal cut point densities ranging from 1.49 to 1.54 g/cm³, with the potential for future plant/yield optimisation around the current strategy of producing a single product.

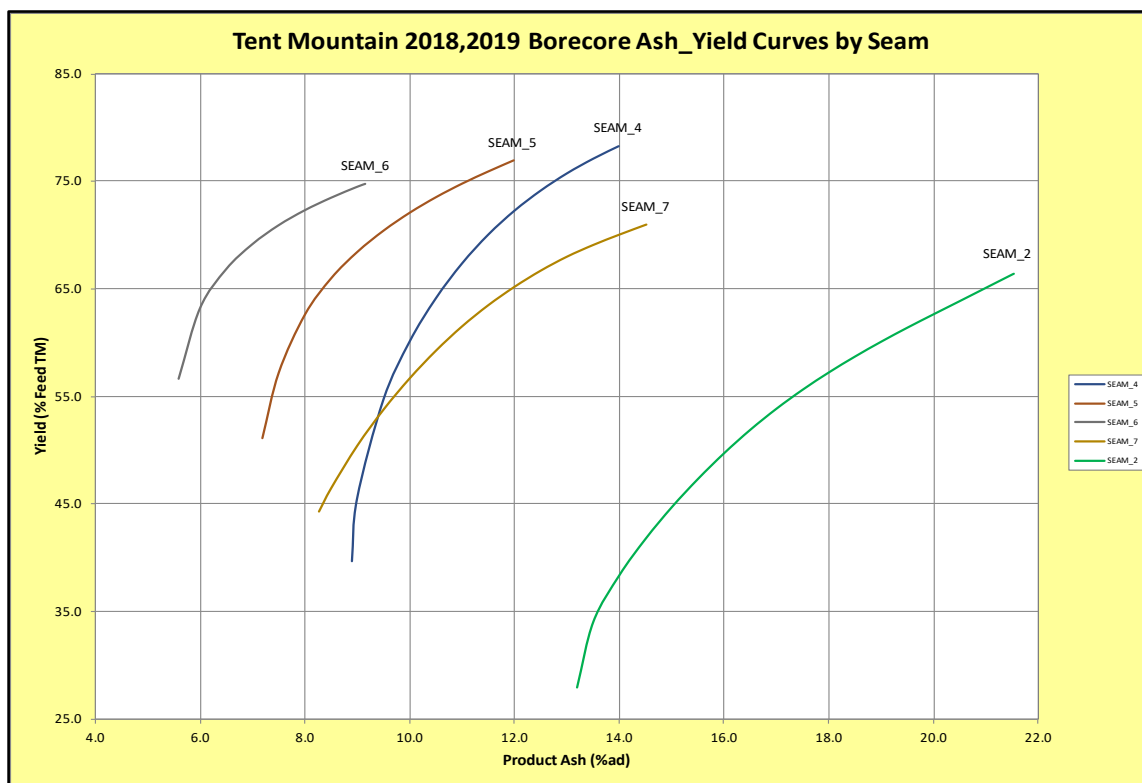


Figure 6.4 Ash_yield curves by seam group for the Tent Mountain Mine resource

6.3 Coal Quality

6.3.1 Product Quality

Coal at Tent Mountain is generally considered to be a medium volatile bituminous coal (based on ASTM D388), with a typical mean maximum vitrinite reflectance of 1.07. Raw Ash is considered moderate, averaging from 18.4% to 26.3% (air dried) for target seams.

Whilst the mine operated for an extensive period in the 1970s and 1980s, exporting hard coking coal to Japan, Montem undertook exploration drilling in 2018 and 2019 to supplement historical coal quality data. Two bulk sampling programs have been completed to assess product quality and blending options - one was tested at Birtley Laboratories in Calgary beginning January 2019 and the second at ALS in Brisbane beginning in August 2019. As a result of the bulk sampling process sufficient material was available for a full suite of washability and coal quality testing. Also, several small-scale oven carbonisation tests on blends representing the life-of-mine product blend (whole of resource blend) were performed at ALS.

A&B Mylec produced a seam by seam analysis of product quality, as well as a single product - the whole of resource blend (WOR) for the life-of-mine plan. This WOR blend targeted 9.8% ash.

Canada-based Kobie Koornhof Associates Inc., experts in Canadian metallurgical coal quality, analysed the individual seam products developed by A&B Mylec and estimated the coke strength after reaction (CSR) values for each seam and the WOR blend.

The results show despite the variation in quality amongst the six seams, particularly with regards to volatile content, ash, phosphorus, fluidity and dilatation, the WOR blend produced a coking coal product that can be characterised as a Semi-Hard to Hard Coking Coal, or Tier 2 Hard Coking Coal. The results of the blends in the small-scale oven exceeded a CSR of 50 (range 51 to 55), while the calculated CSR result of 62 (range 60 to 65) demonstrates that a semi-hard to hard coking coal similar to other Canadian hard coking coal products can be produced from Tent Mountain.

In general, the coal products from the seams demonstrate the following properties:

- Ash ranging from 6.3% to 14.1% (ad)
- Volatile matter ranging from 22.7% to 29.0% (ad)
- Total sulphur ranging from 0.46% to 0.64% (ad)
- Swell (FSI) of 4 to 8
- Moderate to high (but acceptable) phos in coal
- Maximum fluidity ranging from a low of 3 to 339 (ddpm)
- Vitrinite content of 52% with total reactivities of 72%

Carbonisation testing has demonstrated the WOR blend from the Tent Mountain Mine will produce a semi-hard to hard coking product, which will be marketed as a Tier 2 Hard Coking Coal. A&B Mylec provided some desktop analysis that indicates the product coal is likely to be highly regarded as a blend coal by steel mills, as expensive hard coking coal can be substituted in significant proportions with the Tent Mountain Mine WOR product.

6.3.2 Product Quality Variability

All coal projects experience structural and quality variability across a resource and there is a need to ensure the mine plan and coal processing and handling infrastructure cater for this.

Of primary importance for successful management of coal quality variability is a detailed geological model that allows for good understanding of variability across the deposit. For Tent Mountain, expected quality variability can be addressed with predictive exploration in advance of mining, ongoing reconciliation between the model and actual outcomes and regular updates of the model and corresponding mine plan and production schedule.

Wherever possible, raw coal will be campaign mined from a single source and directly fed to the CHPP to minimise double handling and to help control tracking of the original source of each batch of coal. The product will be sampled and analysed for basic product quality parameters during each shift or part of a shift if feed sources are changed during the course of a shift.

Based on a review of coal quality characteristics of the different seams at Tent Mountain, it was determined that coal blending will be required to produce the optimal export coking coal product specification. Blending for product coal quality will be achieved at the product stockpile. Trucks will dump into separate areas of the stockpile and within 12 hours, product specifications of that material will be known. A dozer will then be used to push the appropriate amount of product from each pile to the reclaimer for the train loadout to the required composite blend as determined by technical supervisors to meet shipment requirements.

6.4 Product Specifications

Montem is planning to generate a single coal product. Product specifications have been developed on a WOR basis using the Product Logic Model (PLM). The PLM considers beneficiation options for each individual seam, then blends the by-seam results together in the simulated product tonnes ratio to generate the WOR practical product ash and yield. Similarly, clean coal composite (CCC) data for each seam are blended in the same ratios to derive the indicative product specifications.

Based on the current mine plan, the indicative WOR product specification is presented in Table 6.1.

Table 6.1 Tent Mountain Mine coal quality (indicative) - Tier 2 Hard Coking Coal

TM (% ar)	ASH (% ad)	VM (% ad)	TS (% ad)	Phos in coal (% ad)	FSI	Vitrinite RoMax	CSR
9.0	9.8	25.6	0.50	0.089	5.5	1.07	51 – 55 (small oven) 60 – 65 (calculated)

7 Site Infrastructure

The project infrastructure required to support the mining operation is as follows:

- Access roads and logistics
- Electrical substation and distribution
- Buildings and facilities
- Fuel supply and storage
- Water supply and storage

7.1 Permanent Infrastructure and Facilities

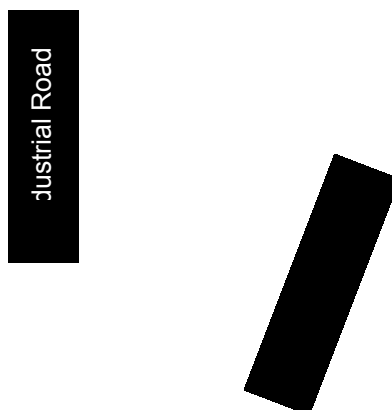
7.1.1 Access

Access to the coal handling and processing plant/mine infrastructure area (CHPP/MIA) will be achieved using the pre-existing road that branches off from Crowsnest Highway (Alberta Provincial Highway No. 3). The route between the highway and the CHPP/MIA covers 9.7 km and is highlighted in Figure 7.1. For transport of product coal to the train loadout area, the existing track between the main access road and the train loadout area will be upgraded to enable all-weather transport of product coal.

7.1.2 Power

Power will be supplied to the CHPP/MIA and train loadout areas by means of a 25kV overhead grid power feed. The 25kV supply will be brought onto the site to a local 25kV metering tank adjacent to the CHPP and train loadout areas. It has been assumed for the purpose of the study that the onsite 25kV overhead line and metering tanks will be supplied and installed by Fortis Alberta.

The 25kV network at the CHPP/MIA area will consist of an underground supply to the main CHPP substation (600 V). The MIA facilities and administration buildings will be fed from the CHPP substation.



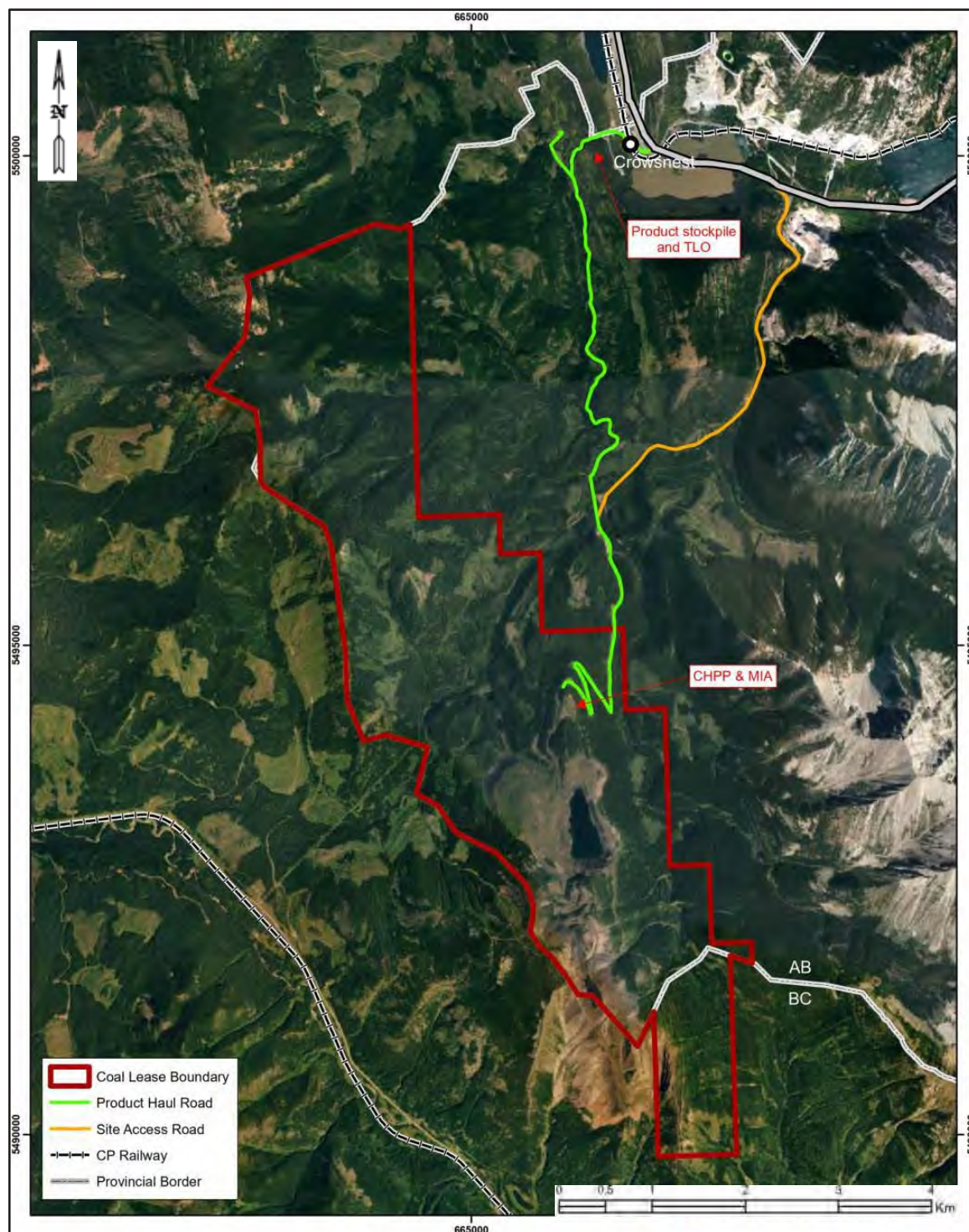


Figure 7.1 Site access roads

7.1.3 On-Site Buildings and Facilities

A schematic of the CHPP/MIA area is shown in Figure 7.2. The following buildings have been included in the plant capital cost:

- CHPP and tailings filter building, including:
 - HVAC (Heating, ventilation and air conditioning)
 - Overhead maintenance cranes; 10t overhead crane to service the CPP modules and a 2t overhead crane to service the belt press filters
 - Sufficient space for pre-placement of spares, clear avenues for maintenance activities
 - Access doors for maintenance vehicles, equipment maintenance and personnel
- Heavy vehicle maintenance workshop and tire shop, including:
 - 100' x 200' (30 m x 60 m) fabric building, with concrete floor suitable for 230t haul trucks (e.g. CAT 793F). This is designed to accommodate for 4x 230t haul truck-sized bays.
 - Haul truck suitable doors on one side of the building, and light vehicle doors on the other side where applicable (e.g., wash bay)
 - 10t self-supported overhead crane
 - The HV tire shop will be located close to the pit instead of the main CHPP and will consist of a 12 x 30 m fabric structure with concrete footings and a "PortaFloor" floor

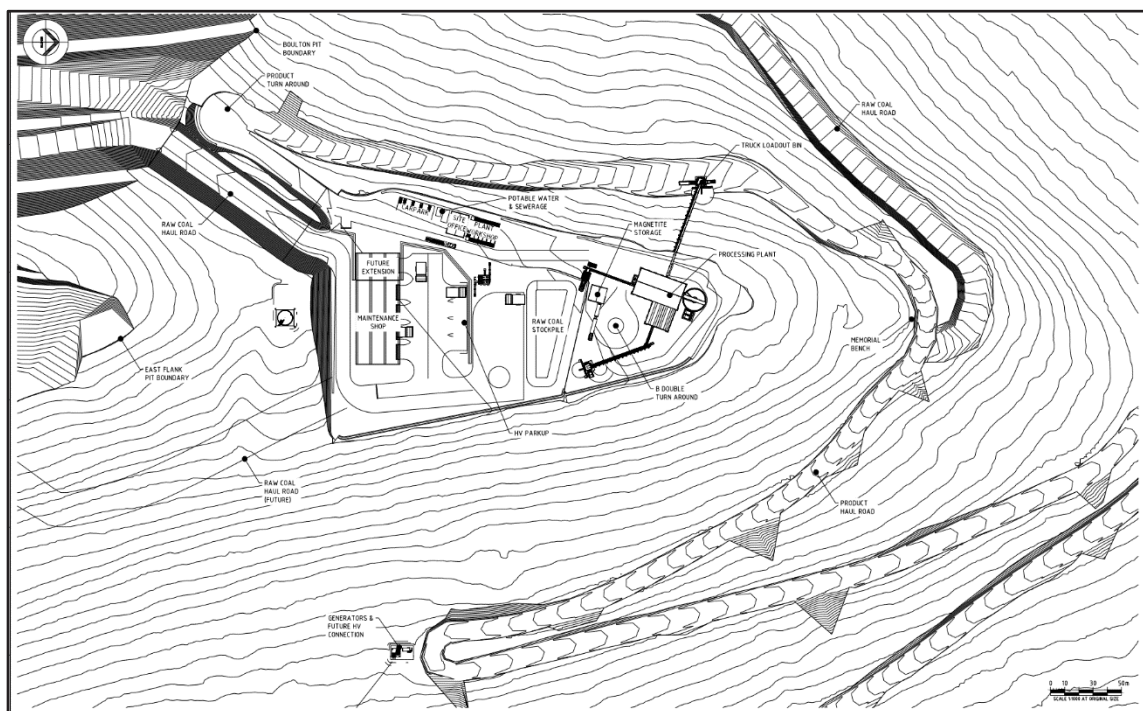


Figure 7.2 CHPP/MIA area

- CHPP workshop, warehouse and laboratory
 - The CHPP workshop/warehouse will be a pre-engineered fabric structure with an overall floor space of 293 m². The facility will be completely enclosed, insulated and heated. Sea containers, including the CHPP lab, will support the fabric arch structure, provide the side walls for the facility and will allow additional storage and secure space to be utilised.
 - The area will be divided into two bays:
 - The first bay will be used as a storage area with racks to hold critical spares and tools for servicing and maintaining the CHPP
 - The second bay will be used as a small service area for on-site repairs of CHPP equipment and minor servicing of mobile equipment
 - Major mobile equipment servicing will be conducted at the infrastructure workshop
 - The workshop/warehouse will include all internal lighting and HVAC infrastructure
 - The CHPP lab will consist of a prefabricated and modular 40ft container facility completely pre-outfitted with laboratory equipment and furnishings, lighting, power, heating, fume and dust extraction, ventilation and air conditioning (HVAC) equipment to enable year-round production sampling and monitoring. An additional heated 20ft container will be included and fitted to the 40ft lab for sample drop-off and storage.
 - The lab will be fitted out with laboratory and sampling equipment to allow shift raw and product coal ash, moisture and FSI determinations.
- Site administration office
 - The building will contain all on-board heating, air conditioning, plumbing and fittings so that the facility is in a fit for purpose condition once connected to the site power, potable water and sewage services. Sewage will be captured from the washrooms and collected in a portable storage tank that will be routinely emptied in town. Potable water will also be trucked in and stored in a potable water tank beside the office building.
- Magnetite storage shed
 - Magnetite will be stored in a shed approximately 30 m from the processing building. Standard highway trucks will dump magnetite into the shed, and front-end loaders will transport the magnetite to the processing building when required. The building will be approximately 11 m x 11 m x 8 m.
- Mine dry
 - Pre-fabricated building (18 m x 18 m) suitable for approximately 80 people and will include male and female showers and toilets along with benches and locker areas. There will also be a prefabricated office (9 m x 12 m) with space for an induction/training room, 2 offices and an open plan workspace next to the mine dry. A 40-50 m³/day potable water treatment plant and sewerage facility will also be installed. The area will have a light vehicle carpark so employees can drive to a single location and be bused up to the site.

- The mine dry location will be closer to Coleman, approximately 6 km from the mine access road

7.1.4 Fuel Supply and Storage

Diesel fuel will be supplied via a fuel dispensing station located between the heavy vehicle area and light vehicle road. There will be two 25,000L tanks filled via fuel trucks. Fuel tanks are skid-mounted self-bunded, and a monitoring system for fuel dispensing is also included. Gasoline trucks will be filled up in nearby towns.

7.1.5 Water Supply and Management

Raw and fire water will be pumped directly from the existing Pit 4 lake, located approximately 800 m south of the plant, for the first five years of operation. During this time, water will also be pumped out of the existing pit lake and into the Seam 2 trench reservoir, which will supply the plant for the remaining years of operation. There is sufficient water within the existing pit lake to supply water to the plant for the duration of operations. Water will be pumped to the raw/fire water tank located on the hill between the pond and CHPP. This tank location will allow the water to be gravity fed to the CHPP/MIA for normal operation, with only a small pump required for fire duty.

Potable water for the site administration office will be trucked up from the town facilities and stored in a tank next to the site office. The potable water tank will have a capacity of 22,500 L.

7.2 Train Loadout

B-Double trucks will haul the coal down the mountain to the train loadout (TLO) area (Figure 7.3 to Figure 7.5). The trucks will dump the coal onto a product stockpile, which will have a capacity of approximately 45,000 tonnes.

Blending for product coal quality will be achieved at the product stockpile. Trucks will dump into separate areas of the stockpile and within 12 hours, product specifications of that material will be known. A dozer will then be used to push the appropriate amount of product from each pile to the reclaimers for the train loadout, thereby achieving product quality specifications on a train-by-train basis.

Product coal on the stockpile will be reclaimed by an in-pile reclaim feeder that will be fitted with a breaker head set to break-up large frozen lumps of coal prior to conveying. The reclaim feeder will have a nominal capacity of 1,200 t/h. The in-pile reclaim feeder transfers broken up product coal onto the TLO reclaim conveyor and then to the TLO conveyor. A weigh scale will be installed on the TLO reclaim conveyor belt to control the reclaim feeder discharge rate (t/h) and to monitor the train load-out rate.



Figure 7.3 Train loadout area

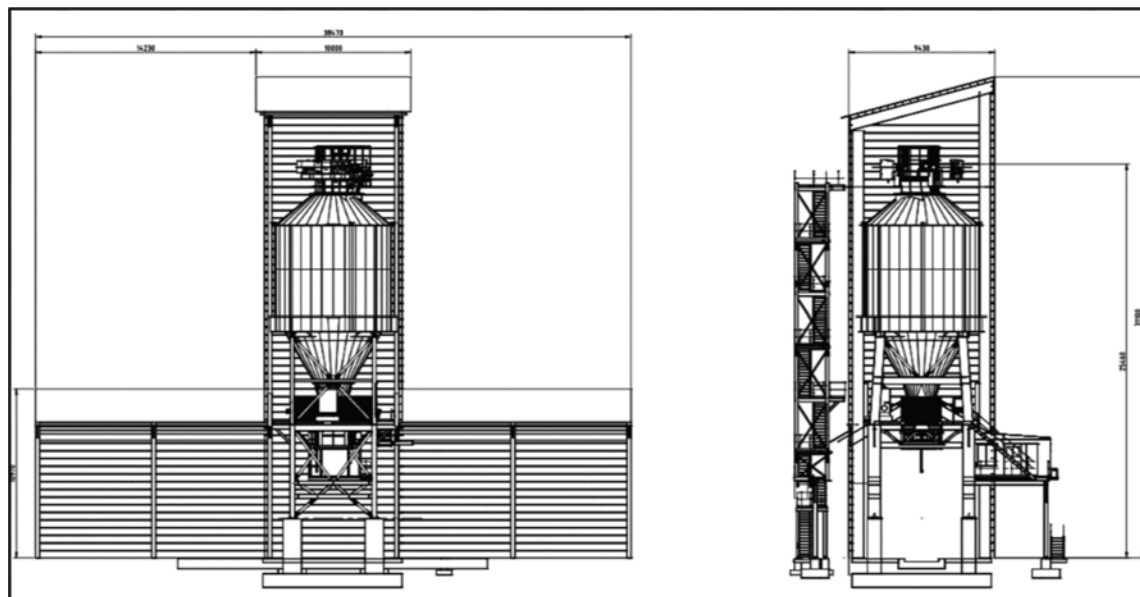


Figure 7.4 Train loadout product bin

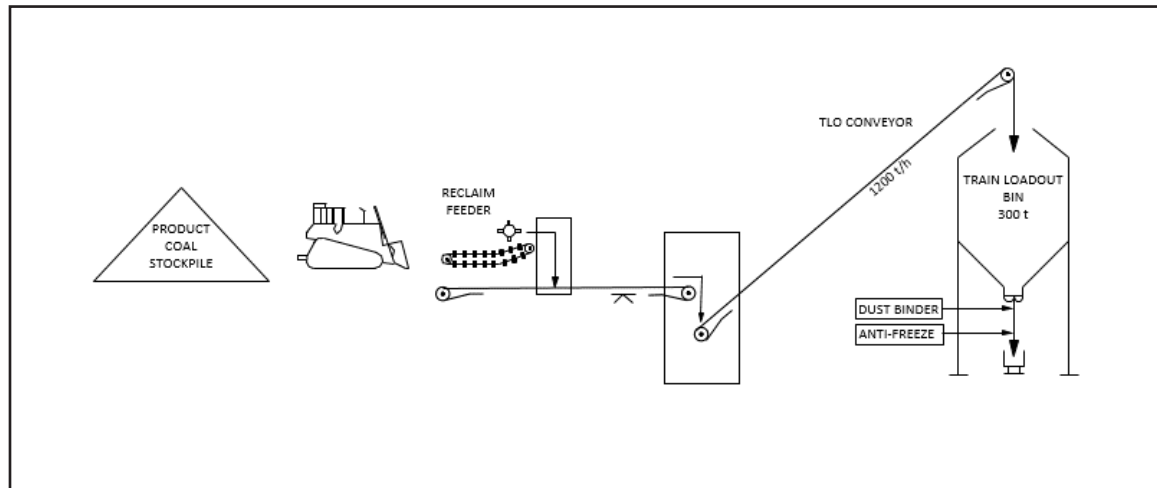


Figure 7.5T rain loadout schematic

The TLO conveyor will discharge product coal into the 300t TLO bin. The train loading system will be a flood loading arrangement. A hydraulic gate at the bottom of the bin will open and close using an electronic control system. The product coal will flow through the opened gate into a chute that will form the correct profile of coal into the rail cars below.

Sensors installed next to the rail tracks will detect the position of the rail cars and provide feedback for the opening and closing of the loading gate and to ensure the rail cars will have the correct profile of coal. Weighing of the wagons will be via a Meridian or similar type weigh scale system to enable automatic loading of the train.

At the rail siding, each rail car, once full, will be dosed with a dilute dustbinder chemical to seal and mitigate dust emissions during the journey from mine to port. During the winter months, anti-freeze will be applied to the empty wagons prior to filling to ensure no product coal freezes and sticks to the rail cars upon unloading at the port.

Train Breakdown and Re-assembly

Tent Mountain will utilise coal unit trains made up of 152 standard open top, aluminum rotary gondola coal cars plus four locomotives. Canadian Pacific Railway (CP) will configure Tent Mountain trains the same as other trains in coal service with two locomotives at the front, one mid-train and one at the rear. The gross weight on rail capacity for the CP system from Crowsnest to Vancouver is 130 tonnes per car, including the weight of the car, which allows a practical average loading of about 106 tonnes per car or 16,000 tonnes per train. With this average volume, about 67 train loads per year (one shipment every 5-6 days) are necessary to move 1.1 Mtpa.

The Tent Mountain rail yard will be constructed adjacent to the CP Crowsnest siding plus main line. Montem's facility will include a siding capable of allowing a complete unit train to clear CP's track before being positioned for loading. Detailed drawings of the rail siding area are shown in Figure 7.6 to Figure 7.8.

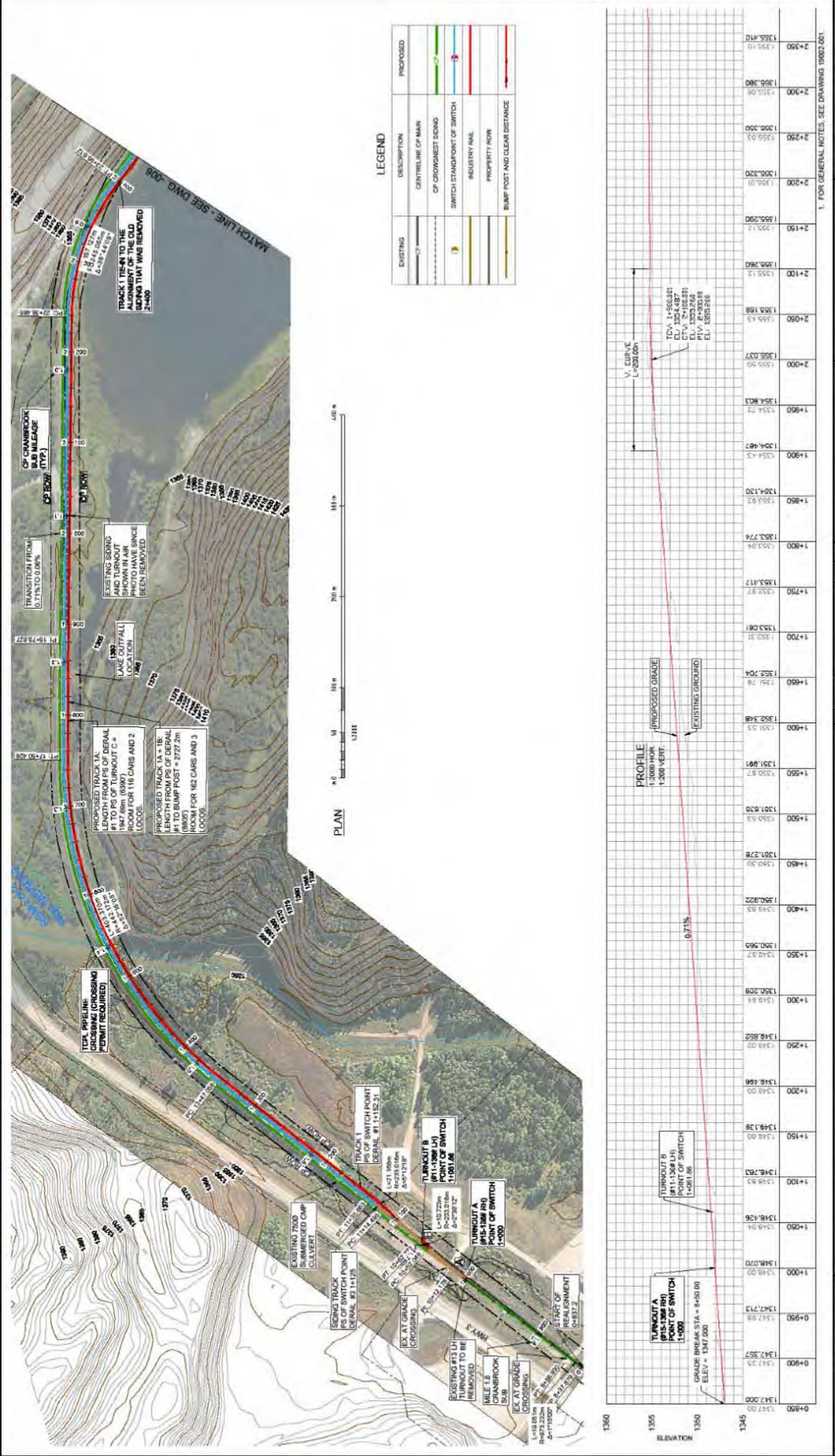


Figure 7.6 Rail siding layout

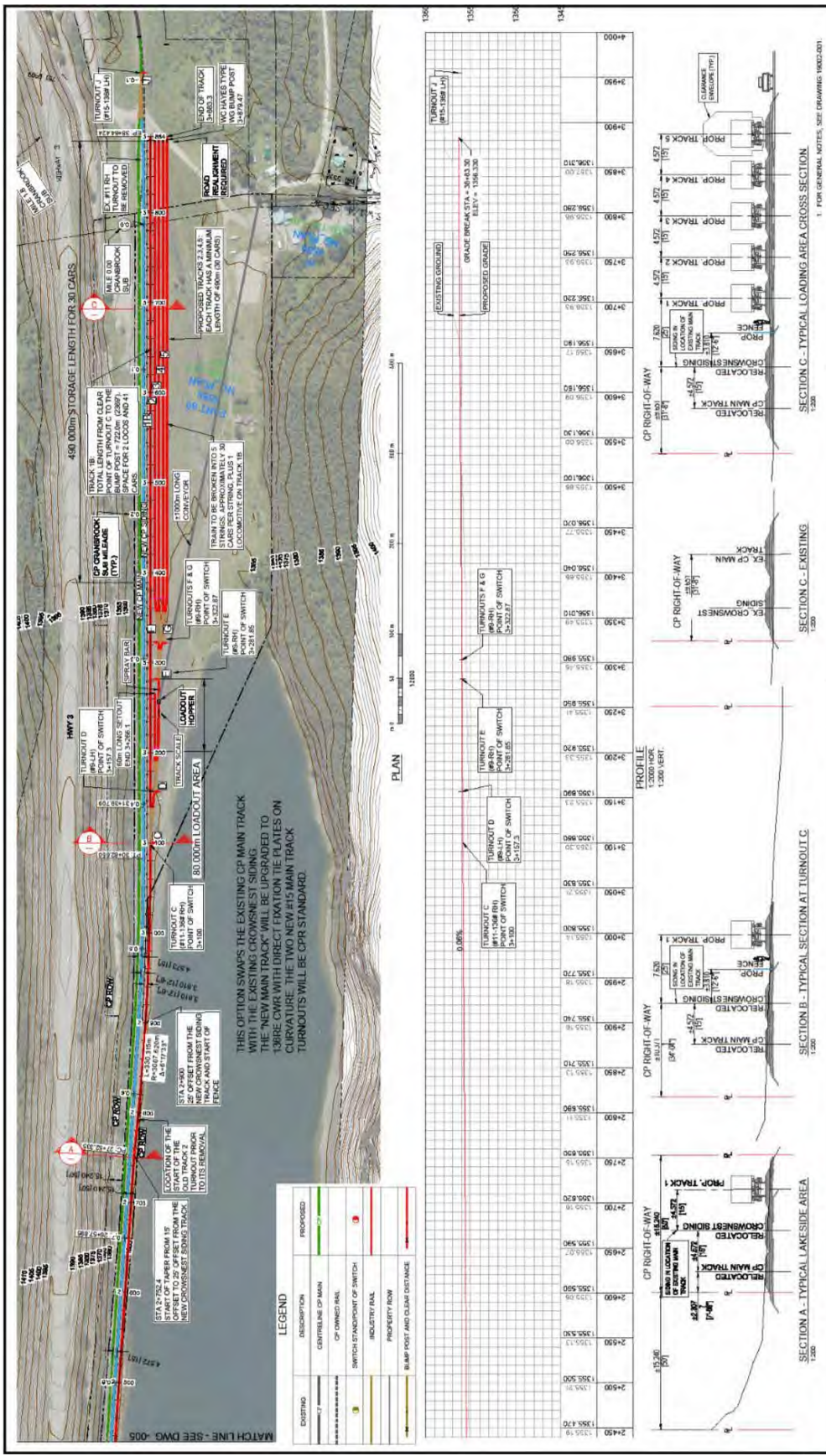


Figure 7.7 Rail siding layout (continued)

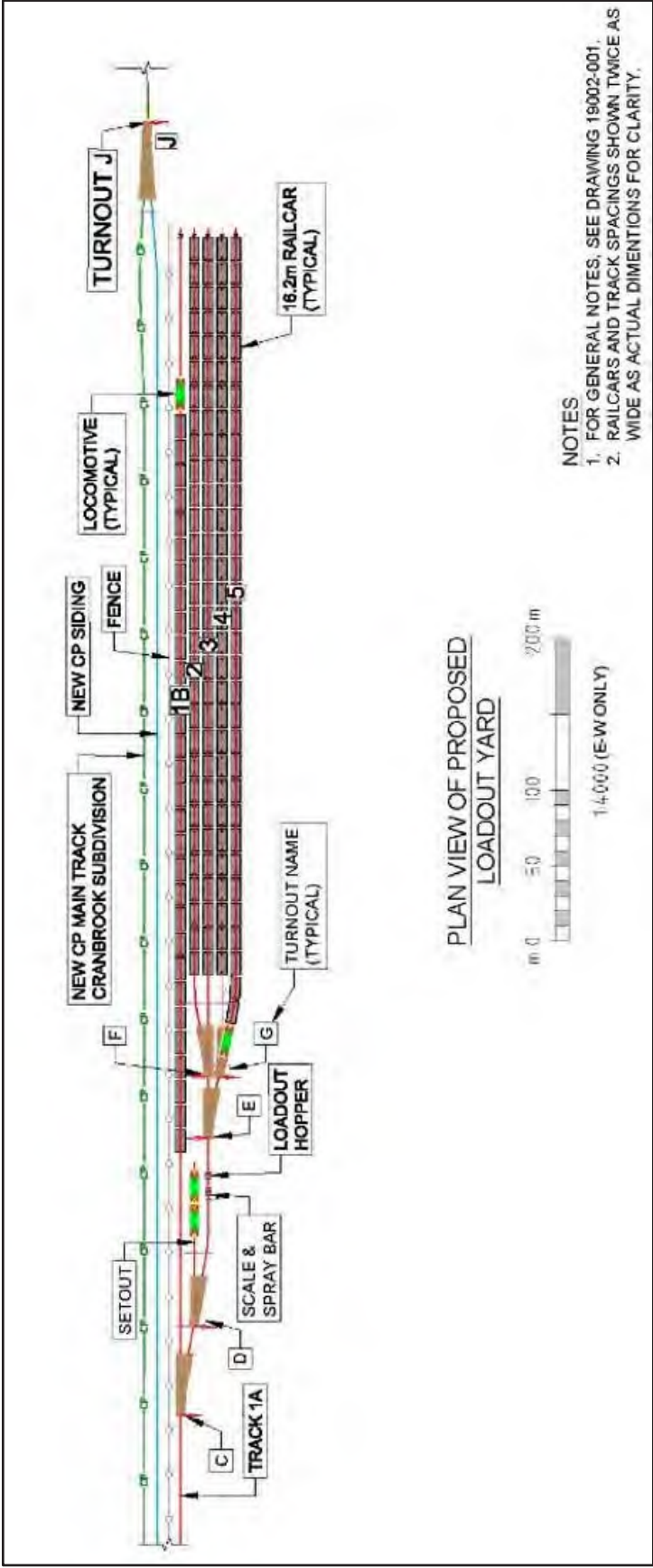


Figure 7.8 Tent Mountain train loadout track configuration

The loadout building will be located on a separate track with four ladder tracks leading from the loadout. The siding and ladder tracks will be used to sequentially load cuts of 30 to 32 cars with the locomotives pushing the cuts through the train loadout building at the constant loading speed. Between cuts, the train will be repositioned to allow the subsequent cut to be loaded.

The train will arrive with 2 head-end locomotives, a locomotive in mid-train and a locomotive at the end. If a Montem crew is immediately available at the empty train arrival they can immediately begin breaking down the train, otherwise the CPR crew must secure the train before leaving.

The lack of a long-tail track past the dumper requires the train to be broken into 5 sections as it is loaded. A longer tail track or a loop are not possible due to wetlands. One head locomotive has to be moved from the east end to the west end and the mid-train locomotive has to be set-out and then placed back into the train. The Site Safety Management Plan Rules in compliance with Transport Canada Regulations will require 4 handbrakes temporarily on each of the 30-car cuts for securement.

Once all cuts are loaded, the train will be re-assembled in its CP configuration, brake tested and positioned on the Montem siding ready for CP transport to Vancouver. A 60-metre long setout track adjacent to the loadout building facilitates the movement of locomotives between cuts for reassembly after all cars are loaded. A full unit train can be loaded within 24 hours from the time the train is positioned on the Tent Mountain siding until the loaded train is ready for CP transport.

The train breakdown and assembly procedure is as follows (see Figure 7.9):

- CP clears the train in Track 1 and hands over to Montem or secures it
- Using the west locomotive, Montem leaves and secures 32 empty cars and 2 east end locomotives in Track 1
 - A 30-car cut is loaded and secured in Track 2
 - Mid-train locomotive is secured in set-out track (mid-train power location varies 50-60% of the way back in the train)
- A 30-car cut is loaded and secured in Track 3
- A 30-car cut is loaded and secured in Track 4
- The 32 empty cars and 1 east end locomotive are picked up and the locomotive is switched into the set-out track
- A 30-car cut is loaded using Track 5
- These 30 loaded cars are then switched back into Track 1, connected to the east end locomotive and secured
- The final 32 empty cars are loaded using Track 5
- Reassemble the train, picking up one locomotive for the west end and one locomotive for the mid-train

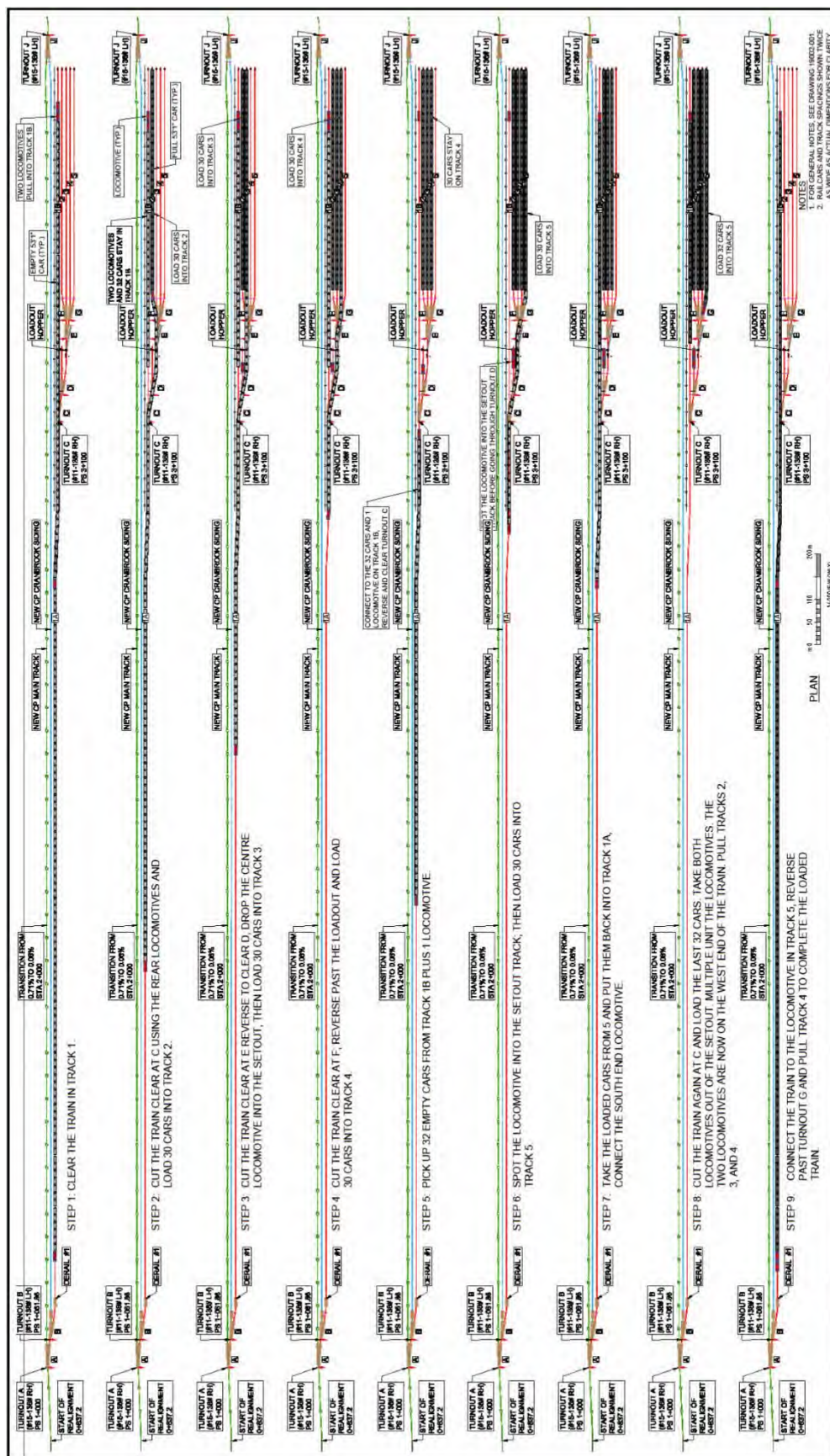


Figure 7.9 Train breakdown and assembly procedure

8 Coal Transport

Montem expects to export 100% of product from the Tent Mountain Mine to the seaborne market. Almost all of Canada's coal exports are shipped through the BC coastline mainly because the vast majority of Canada's export-quality coal deposits are located in Alberta and British Columbia.

The planned approach for the export of Tent Mountain coal is via rail to Westshore Terminals (Westshore) at Roberts Bank, BC within the Port of Vancouver. The total length of the Vancouver-destined route is approximately 1,050 km (Crowsnest Pass – Golden – Kamloops – Vancouver). Ridley Terminals in the Port of Prince Rupert, British Columbia (BC), can serve as an alternate port if required.

Westshore is Canada's largest coal export terminal by both capacity and annual throughput. Recently completed upgrades increased Westshore capacity to approximately 35-36 Mt per annum (Mtpa) and it has been handling about 30 Mtpa in recent years. In December 2019, Montem signed a memorandum of understanding to reserve up to 1.25 Mtpa of throughput capacity for Tent Mountain. Throughput charges are market competitive.

Montem is also engaged in ongoing discussions with CP regarding coal transportation to Westshore. CP has confirmed an interest in the business and that it has sufficient capacity within its network to handle the traffic.

8.1 Rail Infrastructure

The primary rail route for Tent Mountain production to Westshore terminal traverses CP and Canadian National Railway (CN) rail lines between Crowsnest Pass, Alberta (AB) and Roberts Bank, British Columbia (BC). The Tent Mountain loading track will connect to the CP at its designated station of Crowsnest. CP carries the coal northwest to Kamloops BC, via Golden BC, although a longer alternative routing through Calgary AB is available if any disruption has occurred in the Cranbrook or Windemere subdivisions connecting Crowsnest to Golden. Routing through the US is also possible by connecting with the Burlington Northern San Francisco (BNSF) rail line at Coutts AB about 250 km east of Crowsnest but again with longer routing.

The rail routing from Tent Mountain to the coal export terminals is illustrated in Figure 8.1 below. Beginning in Kamloops, CP and CN operate on each other's track into the BC lower mainland just outside of Vancouver under a directional running agreement. Westbound traffic runs on CN's right of way and eastbound on CP's. Within the lower mainland, the railways operate under a coproduction agreement by handling each other's traffic on their respective networks to increase overall capacity to move goods for export. Access to Westshore by CP is by virtue of running rights agreements allowing the railway to operate on sections of BNSF and BC Rail track connecting CP's lower mainland track to the terminal.



Figure 8.1 Rail routing from Tent Mountain Mine to export coal terminals

Tent Mountain will load 152-car unit trains typical for western Canadian coal shipments. Average volume per wagon is expected to be 106 tonnes, resulting in train volume of about 16,000 tonnes per train. With this average volume, about 67 train loads per year (one shipment every six days) are necessary to move 1.1 Mtpa.

In its 2017 investor fact book, referring to its network region that includes the coal route, CP indicated “CP has invested heavily in track infrastructure, including significant amounts of double track and centralised traffic control (CTC), to maximise capacity and productivity in our business corridor.” CP noted in its October 2018 Investor Day presentation that coal train cycle times have improved 20% since 2012. Montem is confident that the CP track investment, combined with its improved productivity, will provide ample capacity to handle Tent Mountain’s foreseen capacity requirements.

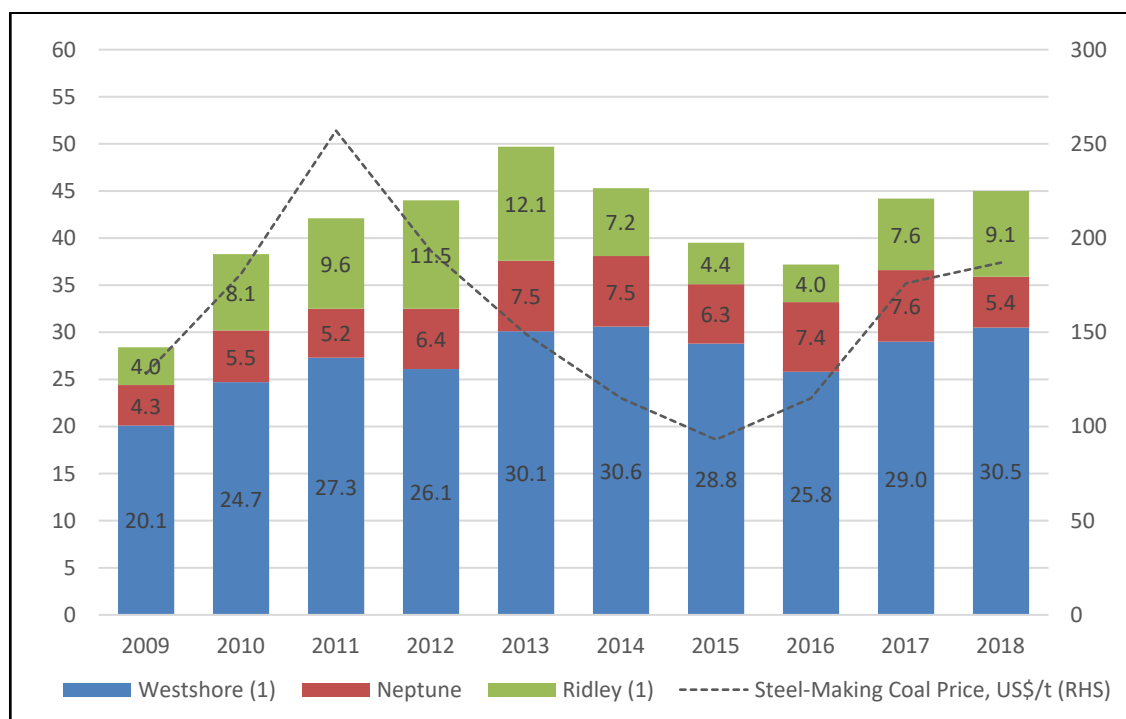
8.2 Port Infrastructure

Westshore Terminals is the largest coal export terminal in western North America and is located approximately 33 km south of Vancouver (by road). Westshore has long been the primary outlet for British Columbian and Albertan coal exports. In addition, U.S. producers also use this facility for thermal coal exports to Asian markets.

Montem has entered a memorandum of understanding (MOU) with Westshore to secure up to 1.25 Mtpa of throughput capacity and is currently discussing a definitive agreement. The terminal has sufficient capacity to handle Montem's Tent Mountain production, subject to entering a commercial arrangement, and both Westshore and Montem have expressed the intent to export Tent Mountain coal through Westshore in the MOU.

Westshore Terminals has recently completed a capital upgrade and replacement program that is expected to lift capacity from 33 Mtpa to around 35-36 Mtpa. The site comprises four stacker reclaimers, two shiploading berths (cape-size), and two tandem barrel rotary gondola car dumpers on 54 hectares of reclaimed land. Westshore is able to blend coal on a stockpile, on a conveyor, or in a ship's hold.

Exports of coal from Canada, and thus the utilisation of the logistics chain capacity, has fluctuated with industry profitability, driven by coal price cycles. Figure 8.2 shows shipments through BC ports over the past decade.



Note (1): Ridley and Westshore volumes include a small amount of petroleum coke.

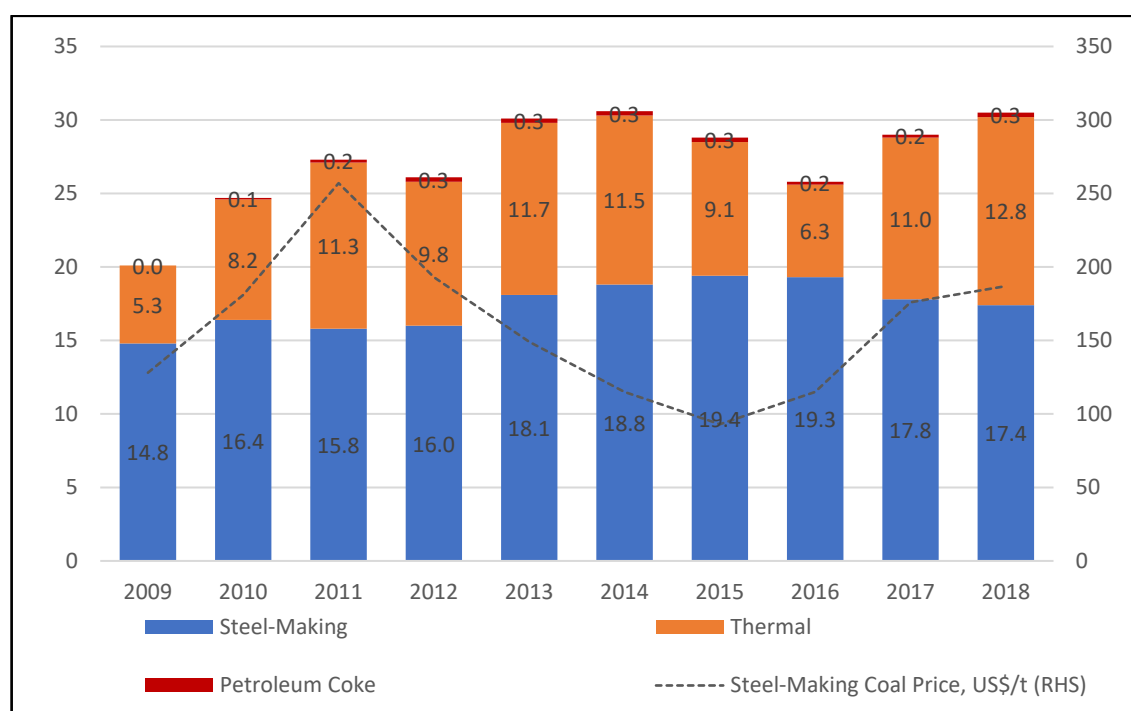
Source: Westshore Terminals Annual Information Form, March 18, 2019

Figure 8.2 Canadian Pacific coal shipments (Mt)

Alternate terminal facilities for the handling of coal from Western Canada are Ridley Terminals Inc. (Ridley) and Neptune Bulk Terminals (Canada) Ltd. (Neptune). Ridley operates a single-berth coal loading facility in Prince Rupert, approximately 1,500 kilometres north of Vancouver. This facility was built specifically to serve British Columbia's northeast coalfields, with throughput reaching 12.0 Mt in 2013. Ridley then experienced reduced volumes due to lower coal prices, with mines being idled or shut down, and bankruptcies of coal companies in the area. In 2018, Ridley handled approximately 9.1 Mt, when three mines previously served by Ridley were re-opened (in 2017-18) by their new owner, Conuma Coal Resources Ltd. Ridley reports that it has an overall annual throughput capacity of 16.0 Mt.

Neptune operates a three-berth terminal operation that handles various bulk commodities including coal, potash and fertilizer. Located in Vancouver's inner harbour, Neptune is owned by its shippers, including Teck Resources Inc., which holds a 46% interest and ships some coal through Neptune. Neptune's existing coal-handling capacity is to 12.5 Mtpa and is currently underutilised. Neptune is currently expanding its coal throughput capacity to 18.5 Mtpa. Teck has announced that it anticipates the project will be completed in the first quarter of 2021.

Westshore mostly handles "steelmaking" coal (coking coal), with Teck making up 59% of throughput in 2018. It also handles considerable thermal coal, from northwestern USA mines. The thermal coal volume has been more vulnerable to seaborne market prices. Figure 8.3 shows shipments through the terminal over the past decade.



Source: Westshore Terminals Annual Information Form, March 18, 2019

Figure 8.3 Westshore Terminal coal shipments (Mt)

Westshore has a number of existing loading contracts¹:

- Westshore generally operates under multi-year contracts. It currently has contracts with seven customers and is in discussion with a number of other potential customers.
- Westshore's agreement with Teck extends to March 31, 2021 and commits Teck to ship 19.0 Mt per contract year at fixed rates. Teck anticipates the Neptune expansion will be completed in the first quarter of 2021. Teck has advised Westshore that it does not expect to ship the current contracted volume of 19.0 Mt through Westshore after the current contract expires in 2021.
- Westshore has contracts with three US coal producers with mines in Montana. Each agreement has a minimum annual tonnage or financial commitment.
- In 2018, Westshore entered into an agreement with CST Canada Coal to ship steel-making coal from its mine in Grande Cache, Alberta, (former Grande Cache mine, which previously shipped through Westshore). The contract provides for handling of specified volumes at fixed rates.
- In 2014, Westshore entered into an agreement with Riversdale, for handling coal from Grassy Mountain. Under the terms of the agreement, Riversdale has paid Westshore reservation fees to hold 4.5 Mt of capacity at the terminal. The agreement provides for an annual throughput commitment at fixed rates from commencement of production, expected in 2021.

The overall 2018 total Canadian throughput via Pacific terminals of 45.0 Mt is well under the combined port capacity of 61.0 Mtpa (Figure 8.4). With expansions underway or planned, potential combined port capacity will increase to approximately 78.0 Mtpa.

Ridley's current capacity of 16.0 Mtpa can readily be increased in excess of 20.0 Mtpa, but such plans require commitments from new mines or mine restarts in the northern coalfields.

Teck is increasing capacity at Neptune and will shift some of its exports from Westshore from 2021. Teck's overall export capacity is not expected to change significantly, remaining around 27 Mtpa². In 2018, Teck closed the Coal Mountain mine, but indicated its production will be replaced with an expansion at Elkview.

Westshore's recent capital upgrade will see a small increase in capacity. This, combined with Teck's move freeing up capacity, provides access to Tent Mountain's planned production.

¹ Source: *Westshore Terminals Annual Information Form, March 18, 2019*

² Source: Teck paper, BAML Global Metals, Mining & Steel Conference, May 14, 2019

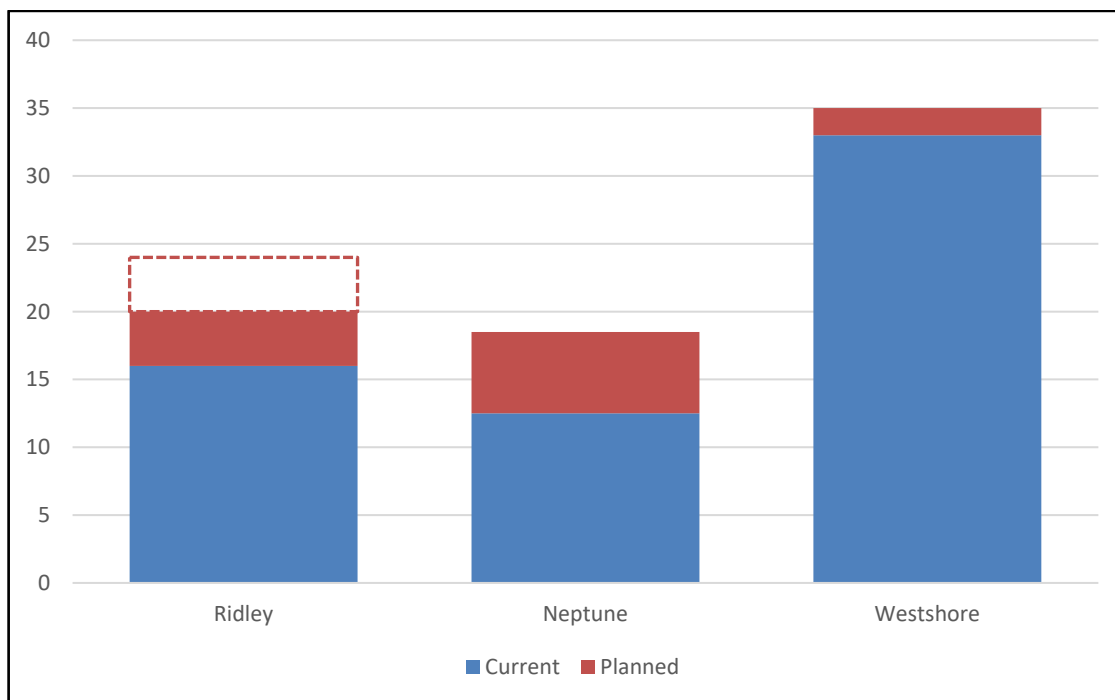


Figure 8.4 Pacific Coast port capacity (Mtpa)

9 Environment, Permitting, and Social or Community Impact

Montem has collected baseline environmental data to assess the current state of the environment. Most of the site has reclamation certificates that were issued in the 1980s and that complied with the standards of the time. Through the collection of environmental information and the assessment of the current state of the mine components, legacy issues have been identified. Montem has been working with regulators and consultants to prepare a mine restart plan that incorporates proper management of the legacy issues and of future operations.

9.1 Environmental Setting

Tent Mountain is situated within Alberta's southernmost subalpine-montane sub-region of the larger Rocky Mountain Natural Region. The area exhibits a generally steep and highly variable topography dominated by Tent Mountain with a relief of over 610 m. The valleys surrounding the mountain have elevations of approximately 1460 m, while the peak of Tent Mountain is 2148 m in elevation. The mountain is approximately 5 km long, trending north-south, and is up to 1.5 km wide. Vegetation on the property is dominated by Engelmann spruce and subalpine fir at higher elevations and lodgepole pine, Douglas fir and mixed grasslands at lower elevations.

Climate is subalpine with mild summers and long, cold winters. Average summer temperatures are 15° to 22°C and average winter temperatures are -5° to -12°C, with extremes of -35°C and -40°C. Rainfall averages about 23 cm per year; snowfall averages 75 cm per year, with the majority falling in December and January. Chinook wind patterns are common in the area.

The Mist Mountain Formation, the targeted coal-bearing unit, is naturally enriched in selenium. In alkaline, aerobic conditions, elemental selenium and selenide minerals are oxidised releasing soluble selenate ions that can be transported in surface runoff. Large scale surface mining in the Elk Valley, British Columbia has enriched the Elk River in selenium. Montem's ongoing liability is for site access and the warehouse area. A cash reclamation bond is posted with the regulator for this liability.

9.2 Environmental Management Plan

In preparation for the resumption of operations at Tent Mountain Mine, Montem began a series of scientific studies in the summer of 2018. In all cases, the studies are being conducted by the best available subject matter experts and in a manner to predict and address future regulatory requirements. The studies are first updating all required baseline information, then are assessing the determination of any effects associated with the resumption of mining operations. Finally, all disciplines are using the most recent mitigation determinations, including avoidance if necessary, to assess the potential effects of resumed operations.

The studies include:

- Biophysical Assessments:
 - Wildlife
 - Vegetation (including wetlands)
 - Soils (including sediments)
 - Meteorology
 - Noise and vibration
 - Air quality
 - Archaeology
- Aquatic Assessments:
 - Fish and other invertebrates
 - Aquatic habitats
 - Water quality (surface and groundwater)
 - Water quantity (surface and groundwater)
- Mining Assessments:
 - Geotechnical assessment
 - Geochemistry assessment
 - Mine and infrastructure assessment
- Coal Preparation Facility:
 - Design/build of best available technology coal processing facility

No unforeseen effects to the studied environmental components are expected because most of the lands associated with the mine have either been previously disturbed by the previous mining activities, or have been affected by the active forestry, recreation, oil & gas or quarrying activities carried out in this region.

9.2.1 Selenium Management Plan

The current best practice that regulators are expecting from new coal mine applications is the use of a layered approach whereby there are several opportunities for selenium leaching to be avoided or treated. This allows for uncertainty of mining conditions and the expected performance of

selenium management measures, so that the compliance with selenium guidelines does not rely on any single method.

This layered approach can be described in terms of four principles for selenium management:

- **Avoidance:** substantially reduce selenium release and subsequent loading by selectively mining to avoid disturbing rock with high sulphide content, and siting waste rock to avoid active drainages and permeable strata.
- **Prevention:** impede selenium leaching and release of selenium-enriched water to the environment by surface water management, construction techniques, and covers to limit water and oxygen flux through the waste rock. Prevention strategies can reduce and potentially eliminate selenium at the source by modifying processes and reducing the volume of water that requires treatment.
- **Mitigation:** reduce the risks of selenium release by water capture, backfilling waste rock in pits, and saturated zones in ex-pit waste rock deposits.
- **Treatment:** remove contaminants from the environment, passive treatment measures will be implemented such as constructed wetland (utilising Pond 3), or bioreactors.

The mitigation methods that were incorporated into the selenium management plan include saturated backfills and the treatment methods include a biochemical reactor (BCR) and wetland as shown in Figure 9.1.

Saturated backfills (SRF)

Saturated conditions provide the anoxic environment required for selenium and nitrate reduction, thereby promoting in situ selenium attenuation by microbially mediated redox processes. Backfilling waste rock into mined out pits reduces the overall footprint of the mine and creates the opportunity to saturate this material, thereby preventing selenium and nitrate release into the surrounding environment and encouraging selenium and nitrate reduction. Saturated storage of waste rock at Tent Mountain will occur in backfills that will be used in six of the eight mining phases. These saturated backfills are assumed to have 95% attenuation rates based on recent public material prepared by Teck Coal for the British Columbia Mine Environment Natural Drainage Metal Leaching/Acid Rock Drainage Workshop in December 2019. Nutrient enhancement using ethanol injection will be used as a source of metabolic carbon to maximise microbial removal of selenium, nitrate, and metals.

Biochemical Reactor (BCR)

Conditions conducive to attenuating selenium, nitrate, and other metals can be enhanced through bioengineered methods such as a BCR. A BCR is an engineered structure, either active or passive, that supports microbial activity in the process of wastewater treatment.

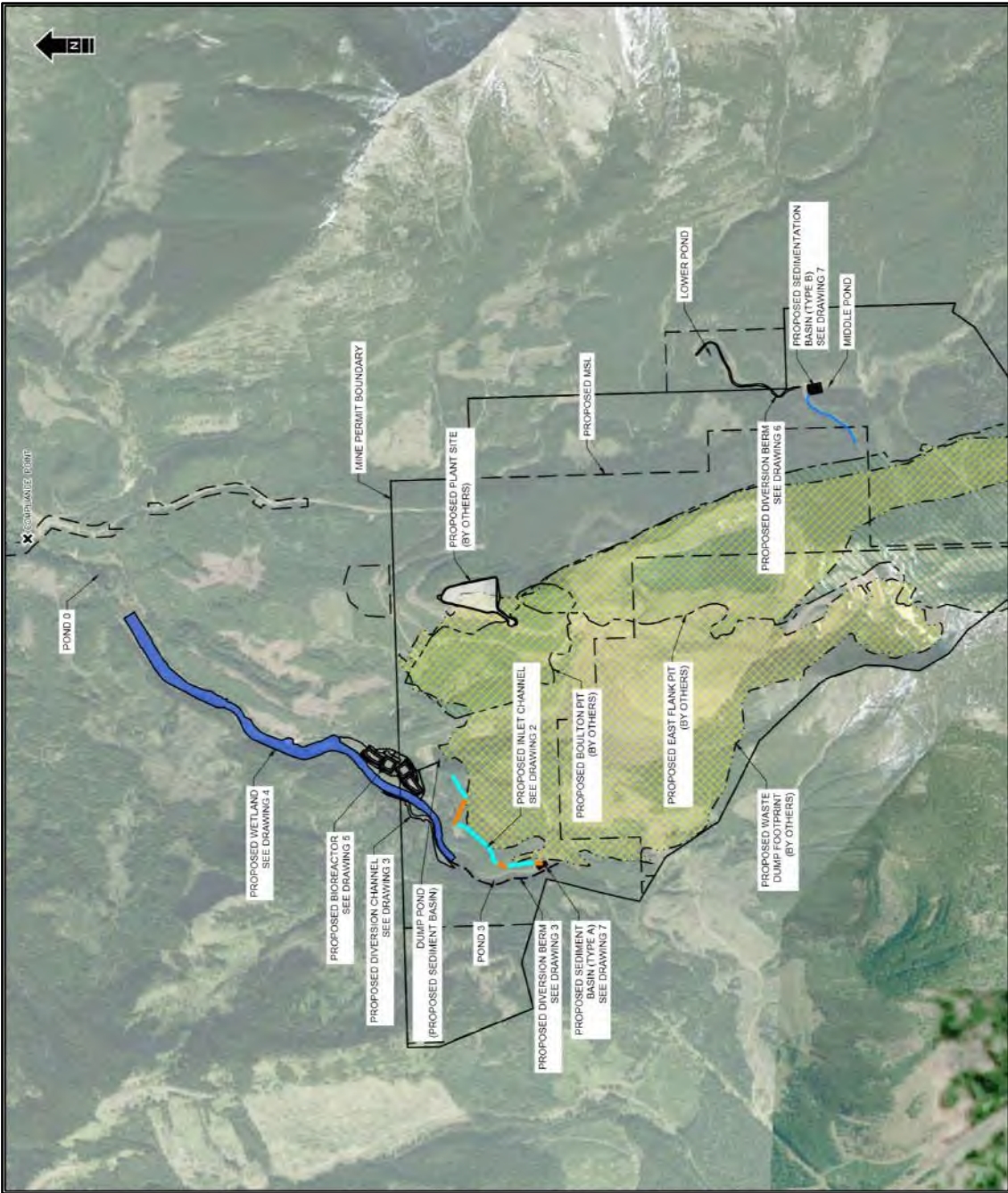


Figure 9.1 Water management and selenium treatment plan features

Initially, two passive BCR designs were examined, one with and the other without nutrient enhancement via ethanol addition. Nutrient enhancement reduces the size requirement for a given inlet water composition compared to a purely passive BCR design and offers limited short-term “turn-up” capacity during upset conditions. Due to the combination of high flows anticipated at Tent Mountain and the limited space available between the waste rock dump and Crowsnest Creek, the nutrient-enhanced BCR was selected.

Passive BCR designs can operate in either upflow or downflow configurations; an upflow design has been developed for year-round operation at Tent. Due to the intensely reducing conditions and addition of alkalinity within the BCR, a polishing pond has been added to aerate and degas the water prior to release into Crowsnest Creek. Based on the successful treatment of selenium impacted water from bioreactors documented in literature and case studies, on feedback received from the third-party review commissioned by Montem, and provided by Borealis Environmental Consulting Inc., the attenuation rate of the bioreactors was assumed to be 95%. The proposed design for the BCR at Tent Mountain downstream of Pond 3 is shown in Figure 9.2.

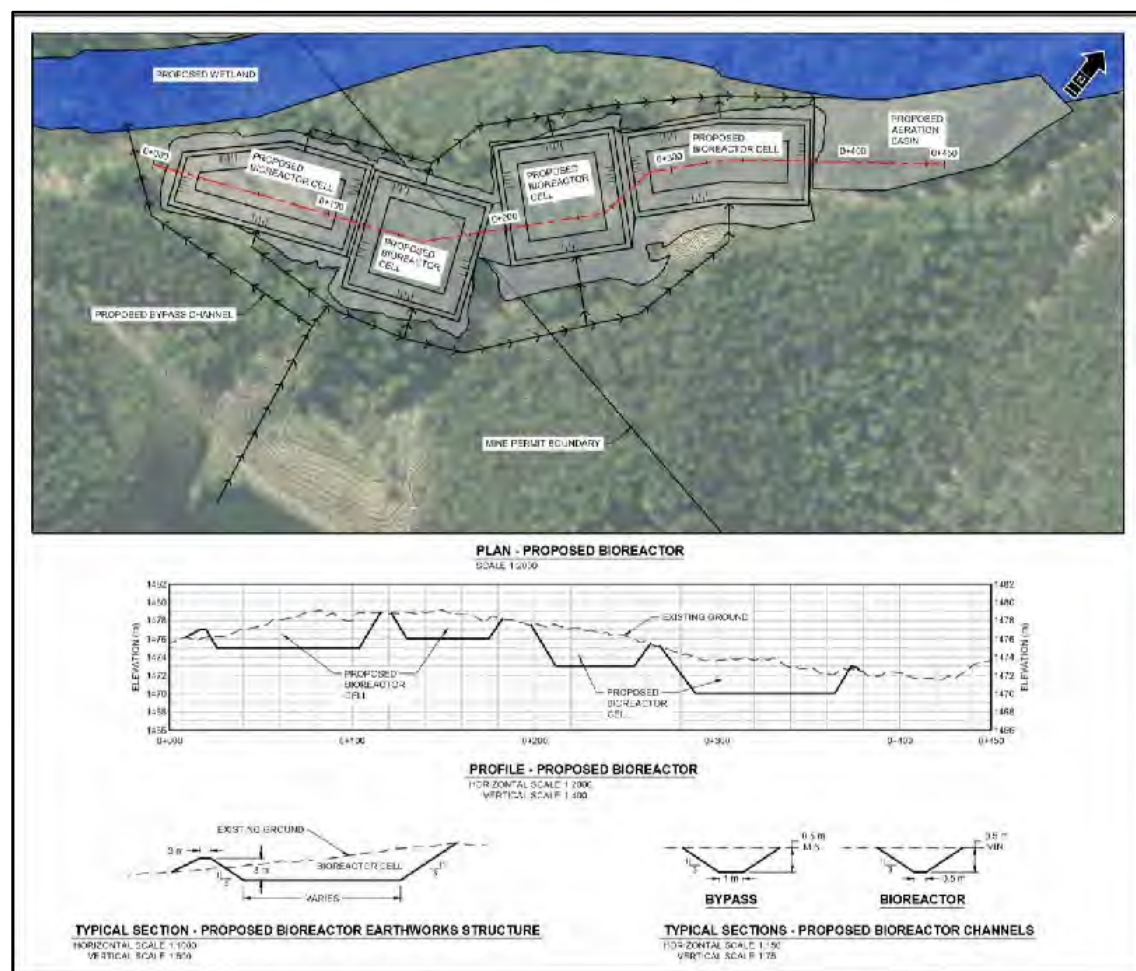


Figure 9.2 Proposed bioreactor

Natural wetlands

Wetlands are a viable option to manage selenium in surface water as they are natural features in the landscape and are more aesthetically pleasing than purely engineered options; however, they require management and monitoring to ensure their viability and effectiveness in removing selenium from surface waters. At Tent Mountain, Pond 3 (a wetland along Crowsnest Creek) and Lower Pond (a wetland along East Crowsnest Creek) are settling ponds from previous mining operations. Pond 3 has demonstrated a natural reduction of selenium of up to 80% based on one season of field sampling. In addition, ponds further downstream of Pond 3 on Crowsnest Creek were assumed to be capable of providing suitable selenium treatment in the future (subject to engineering review and potential alterations). Based on available literature, the attenuation rate of these natural wetlands was assumed to be 68% for the base case of the selenium load balance model. Figure 9.3 outlines the proposed wetland design downstream of the BCR.

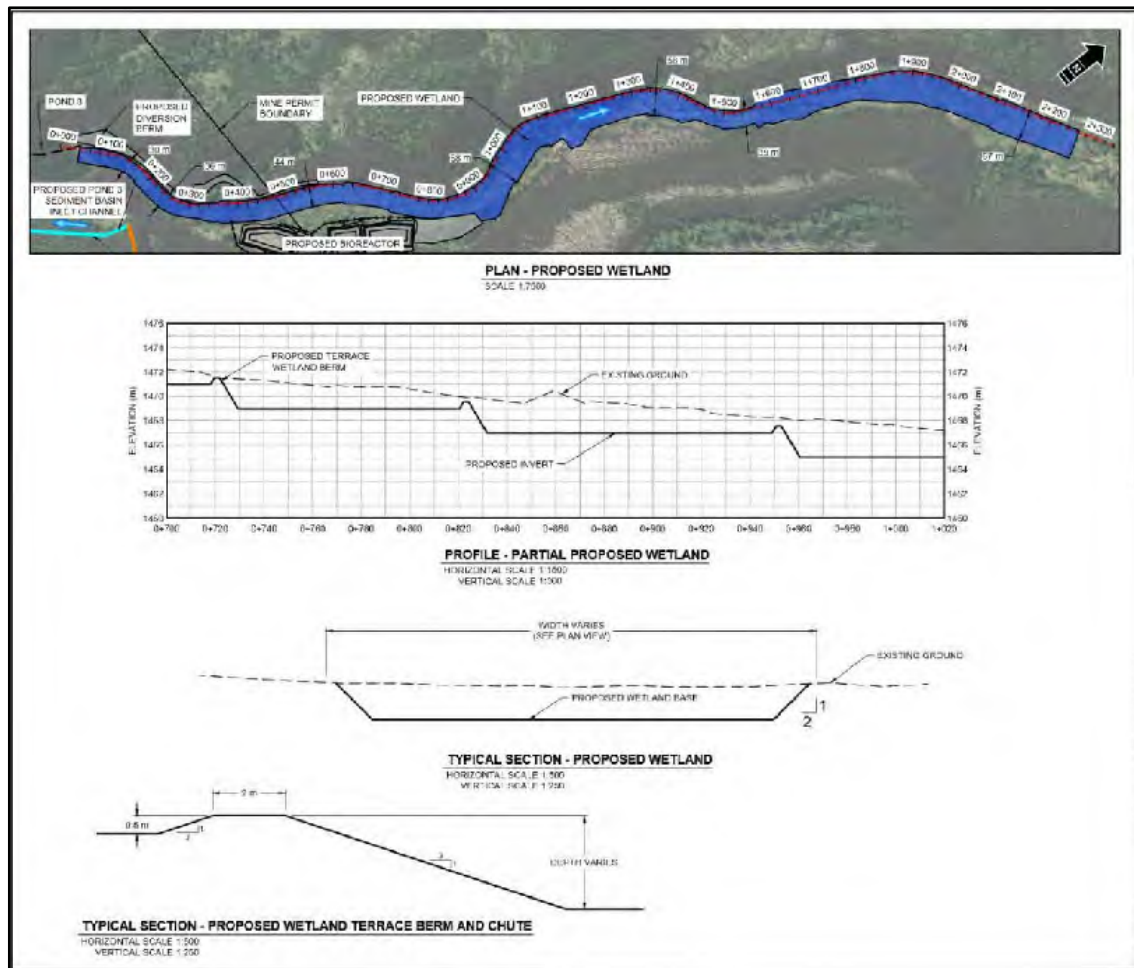


Figure 9.3 Proposed wetland

Based on the water quality modelling that has been completed, the residence time in these features will be sufficient to meet applicable water quality criteria. The overall confidence in the water quality management plan is based on the fact that the system doesn't rely on a single source of treatment that could act as a point of failure. Between the BCR, significant residence time in the SRFs, and the extensive network of treatment wetlands downstream of the water release points on each side of the mine, there is confidence that all regulatory requirements will be satisfied and that the mine will receive its environmental permits.

9.2.2 Geochemistry/Metal Leaching

A detailed geochemical characterisation study was conducted to support the feasibility study to restart mining at the Tent Mountain Mine. An SRK geochemist visited the site in January 2019 to inspect and sample core from three diamond drill holes advanced in December 2018. During this site visit, 105 samples were collected for geochemical testing. At the time of the site visit, the available drill holes for sample were limited and several spatial and compositional data gaps were identified. Additional drill holes were planned for the summer of 2019 to address these data gaps. As part of the subsequent drilling program, 254 additional core samples were collected by an SRK geochemist from seven available diamond drill holes for geochemical testing. Samples were mainly representative of waste rock, however, overburden and coal samples were also collected from the drill core. Coarse rejects were not produced by Montem as part of the feasibility study and the geochemical properties of coal were used as a proxy for rejects.

In addition to drill core, the following samples were collected during the 2019 field program:

- Six overburden samples from six test pits spatially distributed throughout the property
- Three waste rock samples from three test pits advanced in the existing waste rock facilities to evaluate fractionation of sulfur and carbonate content to different grain size fractions.

All samples were submitted to the laboratory for the following static tests:

- Acid-base accounting
- Elemental analysis

Based on the results of static testing, a subset of samples from the first sampling event were selected for mineralogical analysis and shake flask extraction (SFE) testing. The results of the SFE tests were used to select an additional subset of samples for humidity cell testing (HCT) to evaluate primary mineral reaction rates and elemental leaching over time.

The drill core and waste rock samples analysed as part of this study indicate the majority of the waste rock samples are non-potentially acid generating (non-PAG) with the static test results of drill core indicating only 20% of the waste rock samples are PAG. However, when the results are weighted to account for the bulk properties of the waste rock, all zones are characterised as non-PAG. Therefore, waste rock stored in the waste rock storage facility and in pit backfill is expected to perform as non-PAG. However, the risk of trace element leaching from waste storage facilities is still possible as several constituents, mainly cadmium and selenium, screened above criteria in leachability testing.

Using coal samples as a surrogate, the majority of coal rejects are classified as PAG (59%). Montem proposes to blend these materials with waste rock. The rejects account for a small percentage (~2%) relative to the overall waste rock and the geochemical testing results indicate that there is sufficient excess neutralisation potential in the waste rock to offset acid production in the rejects if they are effectively blended.

9.3 Permits and Authorisations

9.3.1 Background

The regulation of coal mines and their associated infrastructure is captured in Provincial and Federal statutes and regulations. Starting with the initial public interest discussion and decision on whether or not a new project should commence, the regulatory project plan is well documented and understood.

As previously described, Montem is proposing the resumption of operations at the Tent Mountain Mine. The mine was the subject of a public interest discussion and decision during the 1970s through the submission and review of applications and an Environmental Impact Assessment. The subsequent Mine Permit, Licences and a variety of other operating approvals have been cared for in a suspended mode since the mine suspended active operations in the 1980s. Throughout the ensuing years, and a variety of owners, resumption of operations at the Tent Mountain Mine has been maintained as a “future” project.

9.3.2 Current Status

Various permits and approvals are required for exploration and mining on the property. The project has an active Coal Exploration Permit (CEP 180001) and granted Mine Permits for both Alberta and BC (C85-16G and BC C-108, respectively), as well as an Environmental Protection and Enhancement Act (EPEA) approval (EPEA 47679-02-00) and a waste release permit in BC (PE-3986). This current EPEA does not allow active mining and will require amendment in order to re-start mining at Tent Mountain. The Permit and EPEA include the previously disturbed portions of Tent Mountain, with the undisturbed portions of the property generally sitting outside the permit boundaries.

Montem will require updated approvals to capture, collect, treat and manage surface runoff and groundwater as part of the water management program. Montem will also require approvals for surface and groundwater diversion licences and approvals under the Water Act.

Montem has entered into two road-use agreements to facilitate access to the mine, one in Alberta with a local coniferous timber licence holder, 770538 Alberta Ltd., and the other in BC with CanWel Building Materials Group Ltd., assigned to Corbin Road Land Corporation.

The current approval processes involving coal mining in BC are regulated under a number of Acts – Mines Act, Coal Act, Environmental Management Act and Land Act to name the key ones, and by the key Ministries of Energy, Mines & Petroleum Resources (EMPR) and Environment & Climate Change Strategy (ECCS). Forests, Lands, Natural Resource Operations (FLNRO) is also responsible for a number of relevant Acts including Heritage Resources Act, Forest Act, Water

Act, Lands Act and Wildlife Act. There are also many Regulations, Codes and Guides under each Act, including several that are connected to the need for public engagement and First Nations consultation.

On 28 April 2020, Montem received notice from the Impact Assessment Agency of Canada that the Tent Mountain Mine, as currently defined, will not require federal review.

9.4 Social/Community Impact

9.4.1 Indigenous Peoples Consultation and Engagement

Several Indigenous groups are located within 100 km of the project. In March 2017, Montem initiated engagement with Indigenous Peoples that may have interest in the project and surrounding area, in order to begin building relationships and develop an understanding of each group's needs and internal processes. A key principle for responsible sustainable development is working collaboratively and constructively with Indigenous communities that may be affected by Montem projects.

The Indigenous Peoples consultation program is an ongoing process, primarily associated in Alberta with obtaining licences and permits required for exploration work and mining activities, including an EPEA approval, a Water Act (WA) approval and a Public Lands Act (PLA) approval. The Alberta Consultation Office (ACO) is responsible for determining which Indigenous Peoples must be consulted and the level of consultation required. Levels vary from no consultation required to an ACO prescribed consultation that is audited every two weeks by the ACO and the Indigenous Peoples involved. ACO prescribed consultation with Indigenous Peoples started in May 2019 supporting a PLA application. The consultation scope includes the PLA application as well as the future EPEA and WA applications.

For the Tent Mountain Mine, Montem is currently in the ACO managed Indigenous Peoples consultation process with all Treaty 7 First Nations in Southern Alberta, which include:

- The Blackfoot (Niitsitapi) peoples
 - The Piikani Nation
 - The Kainai (Blood) Nation
 - The Siksika Nation
- The Tsuut'ina Nation
- The Stoney Nakoda Nations
 - The Chiniki Nation
 - The Bearpaw Nation
 - The Wesley Nation

Regarding Tent Mountain as a whole (Alberta and British Columbia), Montem has also engaged with:

- All Treaty 7 First Nations (listed above)
- The Ktunaxa People
- The Metis Nation of Alberta
- The Metis Nation of BC
- The Shuswap Indian Band (East Kootenay, BC)
- The Foothills Ojibway First Nations

9.4.2 Community Relations Plan

Montem has taken steps to become a visible and active part of the Crowsnest Pass community. Montem purchased an office in the Coleman with an official opening of 16 January 2020. It includes a public engagement space that provides information on the Company and its projects. Half of Montem's full-time employees reside in the region.

Montem management has met with the Crowsnest Pass municipal council as well as with various community groups with an interest in the land use in the Tent Mountain area. Montem has also participated in community activities to increase its profile and to communicate the expected benefits of restarting operations at Tent Mountain.

9.5 Project Risk Components

The provincial border between Alberta and British Columbia bisects the southern portion of the property. The property falls within the southwest limits of the South Saskatchewan Regional Plan ("SSRP"), which was established to manage and monitor the environment and support responsible development of Alberta's resources. Approximately 4.6 ha of only one freehold title (LINC 0021452072) lie within the SSRP. The strategies developed within the SSRP are designed to minimise the amount of land used for new development, including the usage of historical roads and trails for future exploration program access, and progressive reclamation of areas no longer being used.

The Alberta portion of the property is located within the Mountain Goat and Bighorn Sheep range. In this area, any disturbances that may have direct or indirect adverse effects, such as permanent alteration of habitat must be avoided or mitigated. Montem implemented a 'wildlife monitoring' program 2018, which included daily monitoring of wildlife and installation of wildlife cameras in favorable terrain most suited to the mountain goats and bighorn sheep. These cameras were monitored on a weekly basis for the duration of the winter, to track movements of wildlife on the property. Additionally, as the entire property is located within the Grizzly Bear Protection Zone there are regulations that require Montem to provide and preserve either core or secondary grizzly bear habitat. To date, no mountain goats or bighorn sheep have been observed on Tent Mountain.

New regulations are being adopted for reclamation certification in Alberta. Reclamation certificates for coal exploration permits granted after the beginning of 2019 will have to be applied for separately through the Alberta Energy Regulator's digital data submission system called 'OneStop'. Following the guidelines of the "Green Side Up" program, at least two growing seasons will be required before a review of the reclaimed area can take place. Once a review is complete an application can then be made for the reclamation certification. An independent environmental consultant will have to be retained to do aerial and site evaluations and to submit Phase 1 electronic application submission documents and a professional declaration by that individual/firm will be required for each permit. This is a substantial departure from the previous regulatory framework and shifts the responsibility for inspection from government agency to contractors at considerably increased cost to the permittee.

Tent Mountain is within the South Saskatchewan River Basin, which is closed to the issuance of new industrial water licences because the basin is over-allocated. However, the "Oldman River Basin Water Allocation Order" from 2003 allows for new water allocations of 150 ac-ft (185,000 m³) for industrial purposes in the vicinity of Tent Mountain. The new allocation would be drawn from a pool of 11,000 ac-ft (13.5 million m³) available water, of which 8,000 ac-ft (9.8 million m³) have not yet been allocated. Tent Mountain will be obtaining a licence to utilise the unconnected volume of water in Pit 4 to supply the CHPP. The available water in Pit 4 is sufficient to supply the CHPP for the duration of the mine life. Therefore, water supply is not considered a significant environmental risk to the project.

The Authors are not aware of any other significant factors or risks that may affect access, title or the right to perform work on the Tent Mountain property.

10 Capital and Operating Costs

10.1 Capital Costs

10.1.1 Overview

Tent Mountain capital costs have been estimated from the feasibility study as an owner-operated open pit mine that will deliver a product coal production target of 1.1 Mtpa. The capital cost estimate has had sufficient design, engineering, scheduling, plant and equipment costing undertaken to have an accuracy of +/- 15%.

The total estimated cost of bringing the project into production is C\$223.9M, which is inclusive of capitalised development of C\$9.7M. Total life-of-mine sustaining capital is C\$74.7M. The estimate is in real, Q4 2019 Canadian dollars.

10.1.2 Basis of Estimate

The estimate takes into account all direct and indirect costs, including commissioning for all areas of the project. No escalation has been incorporated into the estimate due to the short construction period and anticipated production start date of 2022.

Reflecting the likely origin of the majority of equipment and building materials, capital costs have been provided in three international currencies with the corresponding exchange rates into Canadian dollars as summarised below:

- 1 USD = 1.33 CAD
- 1 AUD = 0.94 CAD
- 1 CNY = 0.196 CAD

Current market pricing for major equipment items was obtained from Chinese, Canadian and other international vendors with equipment certified to CSA standards and welding to CWB standards.

The capital cost includes delivery of all items and materials to site.

A job-specific price for electrical, instrumentation and controls, including MCC and switchroom pricing, was completed and costed. Cable and instrumentation costs are based on market rates/pricing sourced out of Canada and will conform to CSA standards.

Structural, mechanical and electrical installation costs have been based on durations, hourly rates and preliminaries.

10.1.3 Capital Cost Estimate

The capital cost estimate (in Canadian dollars), including initial and sustaining capital, is summarised in Table 10.1.

Table 10.1 Capital cost estimates

Area	Capital		
	Initial (C\$k)	Sustaining (C\$k)	Total (C\$k)
Mine Capital (Equipment)	\$104,513	\$64,609	\$169,121
Capitalised Pre-Production Opex	\$9,731	\$0	\$9,731
Mine Infrastructure Area (MIA)	\$11,712	\$1,744	\$13,457
CHPP	\$33,105	\$341	\$33,445
TLO	\$24,018	\$0	\$24,018
Earthworks	\$11,826	\$0	\$11,826
Power	\$4,168	\$0	\$4,168
Water Management	\$13,500	\$5,050	\$18,550
Rail	\$11,307	\$2,925	\$14,232
Total	C\$223,879	C\$74,668	C\$298,548

Capitalised Development

Active development including site clearing, mine access development and pre-stripping are required before the first coal can be delivered to the CHPP. The cost for this work is estimated to be C\$9.7M.

Mining

The initial mining capital estimate is divided into primary equipment (C\$86.6M), ancillary equipment (C\$3.7M) and indirects, such as contingency, initial spares, etc. (C\$14.2M). Sustaining capital will incur an additional C\$58.4M for primary equipment, C\$2.1M for ancillary equipment and C\$3.9M for indirects.

Water Management

Initial construction of water management structures, including diversion ditches and all pumps and piping required to manage water in the existing pit lake, provide process water to the CHPP and handle pit dewatering and site precipitation/runoff is estimated to cost C\$13.5M. This amount includes a contingency re-circulating system to pump off-specification effluent back to the top of the SRFs and BCR. Once the Pit 4 lake has been drained, existing Pit 4 pumping equipment will be repurposed for this re-circulating system and eliminates the need for sustaining capital. There will be some sustaining capital related to the establishment of the SRFs (injection systems, etc.) and upkeep of the BCR system (C\$5.1M).

CHPP, Infrastructure and Train Loadout

The CHPP, infrastructure and TLO capital cost estimates are reflective of the facilities and supporting infrastructure being fully designed, supplied, fabricated and delivered to site, constructed and commissioned.

Earthworks

The site will be cleared, prepared and graded as part of the overall site earthworks. Due to the variability associated with earthworks capital cost estimates, additional work has been undertaken for the feasibility study. The site earthworks capital estimate has been generated by developing preliminary engineering drawings and quantities and tendering to the market for rate-based pricing. The scope includes the site being cleared, prepared and graded.

Power

Low voltage supply is available for the mine dry and connection to this has been included in the infrastructure costs.

For the main mine site, Fortis Alberta will provide 2.8 km of underground line intermittently running along the main mine entrance road. Prior to project execution this approach should be reviewed to ensure it is necessary and, if possible, the majority of the 25kV incoming line should be pole mounted.

10.1.4 Closure and Reclamation

The equivalent of C\$1.00/product tonne has been used to estimate closure/reclamation costs for site demolition and revegetation/recontouring, plus some additional costs related to upkeep of the BCR and operation of the re-circulating system pumps (C\$17.5M). A salvage value equivalent to 6.67% of total capital has been assumed to cover the scrap metal/used equipment value of buildings and equipment (C\$12.3M).

10.2 Operating Costs

10.2.1 Overview

Total production-related operating costs average C\$34.98/ROM t for mining and C\$8.40/ROM t for processing and product loading over the life of the project. On a product basis, this is equivalent to C\$72.71/t. With an additional C\$4.94/t of infrastructure, G&A and other costs, total FOR costs are C\$77.65/t product. Total rail/port/marketing costs add an additional C\$40.00/t product to the cost, for total FOB costs of C\$117.65/t.

10.2.2 Basis of Estimate

The key assumptions associated with the FOB mine site operating costs estimate are:

- The physicals from the LOM production schedule
- Key consumable costs like diesel, electricity and explosives

- Owner operator equipment cost covering the following key elements associated with deriving hourly equipment operating costs:
 - Fuel burn rates
 - Oils, grease and lubricants usage
 - Ground engaging tools (GET)
 - Tire costs and usage
 - Repair and maintenance parts costs for both preventive and corrective maintenance
- Production and maintenance labour annual salaries and on costs
- Salaried employee annual salaries and on costs

10.2.3 Operating Cost Estimate

The operating cost estimate (in Canadian dollars) is summarised in Table 10.2.

Table 10.2 Operating cost estimates

<u>Area</u>	<u>Opex</u>		
	(C\$/ROM t)	(C\$/product t)	Total (C\$k)
Mining	\$34.98*	-	\$768,890
Processing and Loading	\$8.40	-	\$184,664
Sub-total	\$43.38	-	\$953,544
Yield (ROM)	59.7%	\$72.71	
Mine Infrastructure Area	-	\$0.45	\$5,936
G&A		\$3.50	\$45,902
Other (snow removal, water management)	-	\$0.99	\$12,953
Operating Costs (FOR)		\$77.65	\$1,018,344
Rail/Port/Marketing**	-	\$40.00	\$526,629
Operating Costs (FOB)		\$117.65	\$1,544,973

Note: * Mining opex of C\$34.98/ROM t is equivalent to C\$3.72/bcm

** product moisture of 9% at mine used to calculate rail costs, but product moisture of 10% at port used to calculate port and marketing costs.

Mining

Mining operations were detailed in Sections 5.9 and 5.10 and the following assumptions were used in the build-up of mining operating costs:

- Diesel price = C\$0.798/L
- Year-round, 24-hour operations
- Average staffing complement (headcount):
 - Salaried staff (management, administrative and technical staff) = 22 employees

- Operations = 120 employees
- Maintenance = 40 employees
- Benefits factor = 30%
- Vacation-sickness-absenteeism = 20%

Processing and Infrastructure

The CHPP, TLO and infrastructure operating cost estimates are reflective of the facilities operating 7 days per week, 24 hours per day (7,200 hr/a) to support the mining operation.

The operating costs for the CHPP and train loadout include the transport of product coal between the facilities, as well as the following:

- CHPP production has been assumed to occur on an even time roster, with 4 crew panels working 12-hour day and night shifts to provide 24/7 coverage
- Total CHPP/TLO staffing complement of 34 employees
- Contract labour as required for leave relief and maintenance
- Statutory and progressive operator training allowance
- Operation and maintenance of all fixed plant within the battery limits
- Maintenance including labour and working spares. Maintenance costs have been determined on the basis of a full life cycle management plan being in place for all CHPP equipment. Cost calculations have allowed for normal operational wear and the anticipated cost to repair or replace failed machinery, knowing the normal probability of failure or design life expectancy.

The infrastructure operating costs include:

- Infrastructure facilities power
- Common ancillary services including waste management and water and sewage haulage costs
- Site water sampling and analysis

Water Management

Operating costs associated with water management include operation of pumps and portable generator sets to power those pumps. These costs also include operation of the BCR and SRFs, as well as wetland maintenance and due diligence/regulatory compliance.

Transportation

Detailed public comparison cost data for rail and port charges is not generally available. Nevertheless, various public documents have been released over the past three years for neighbouring coal projects, which estimate combined rail and port costs in the range of C\$34 – 40 per tonne.

Various public statements from Teck report average transportation costs from C\$34 – \$38 per tonne over the years 2012 – 2018 and \$39 per tonne in 2019. Montem expects combined rail and port costs to be similar. Riversdale report³ an estimated combined rail and port charge of C\$37.00/t product, similar to Teck.

G&A

General site and administrative costs have been estimated at C\$3.50/product tonne and include all supervision, management and office support functions, including environmental monitoring and sampling.

³ Source: Riversdale Target's Statement 27 March 2019 : RPMGLobal Grassy Mountain Independent Technical Report p48 March 2019

11 Marketing and Economics

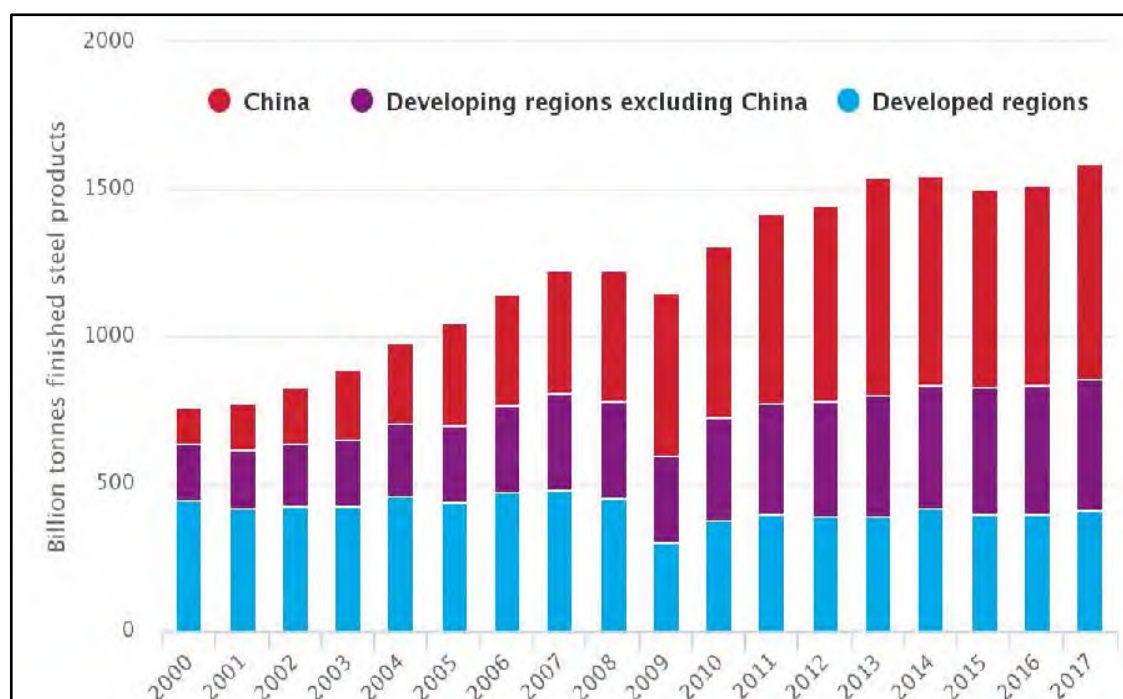
11.1 Steelmaking Coal Market

According to independent assessments the Tent Mountain Mine base case should be a single metallurgical coal product at 9.8% ash. This product is defined as a Semi-Hard to Hard Coking Coal, or a 2nd Tier HCC.

Tent Mountain's primary value in the market is as a blending coal to the coke ovens, replacing some of the more expensive prime hard coking coals.

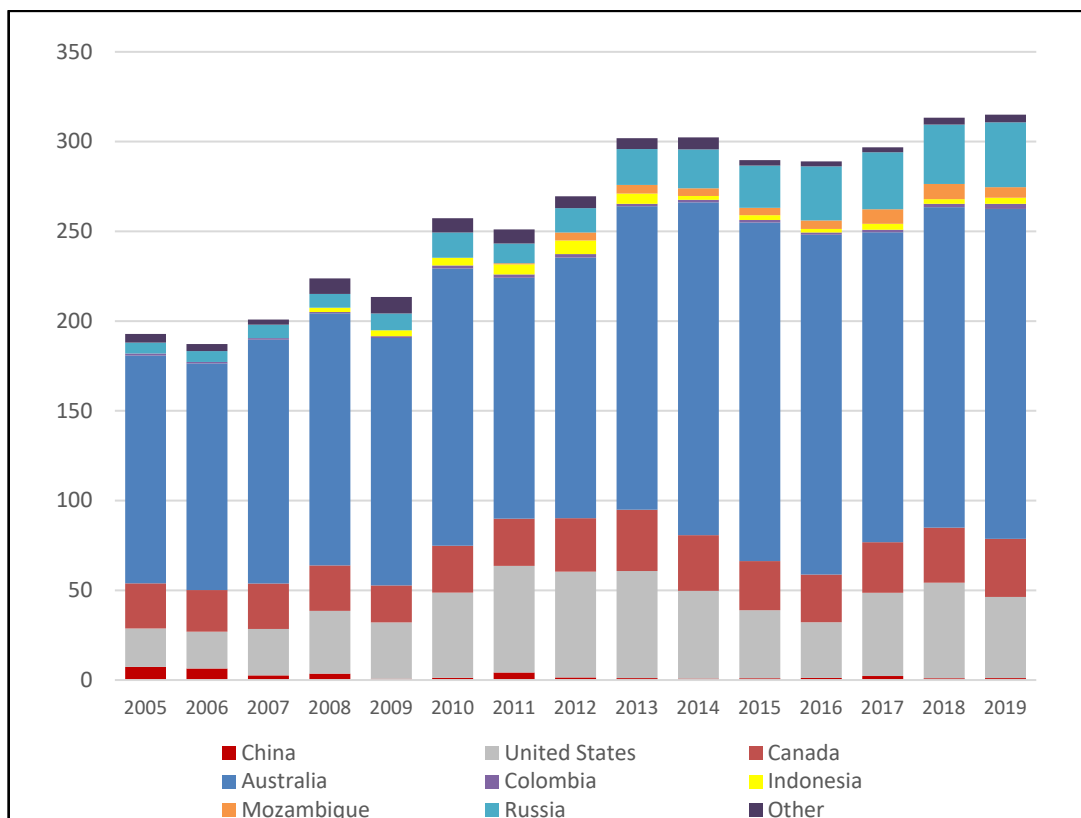
Steelmaking coal is required to produce iron and steel in blast furnaces. Blast furnace production of steel accounts for approximately 70% of global steel production. The market for steelmaking coal is growing. Over the past twenty years, world steel demand more than doubled, underpinned by China's economic boom (Figure 11.1). Continued global growth of steel is underpinned by developing countries, particularly in Asia, with rapidly expanding infrastructure and manufacturing programs. This growth, combined with resource depletion of existing supply of steelmaking coal, provides the opportunity for new steelmaking coal projects, especially in Australia and Canada.

Growth in seaborne supply of steelmaking coal increased significantly from 2007 to meet the growth in steel production (Figure 11.2). This growth in demand was largely driven by China's booming steel sector, which does not have sufficient domestic supply to meet demand. More recently, steelmaking coal demand growth has been from India and southeast Asia.



Source: worldsteel.org

Figure 11.1 World apparent steel use (by region)



Source: Wood Mackenzie Coal Market Service, Dec 2019

Figure 11.2 Historical steelmaking coal seaborne supply (Mt)

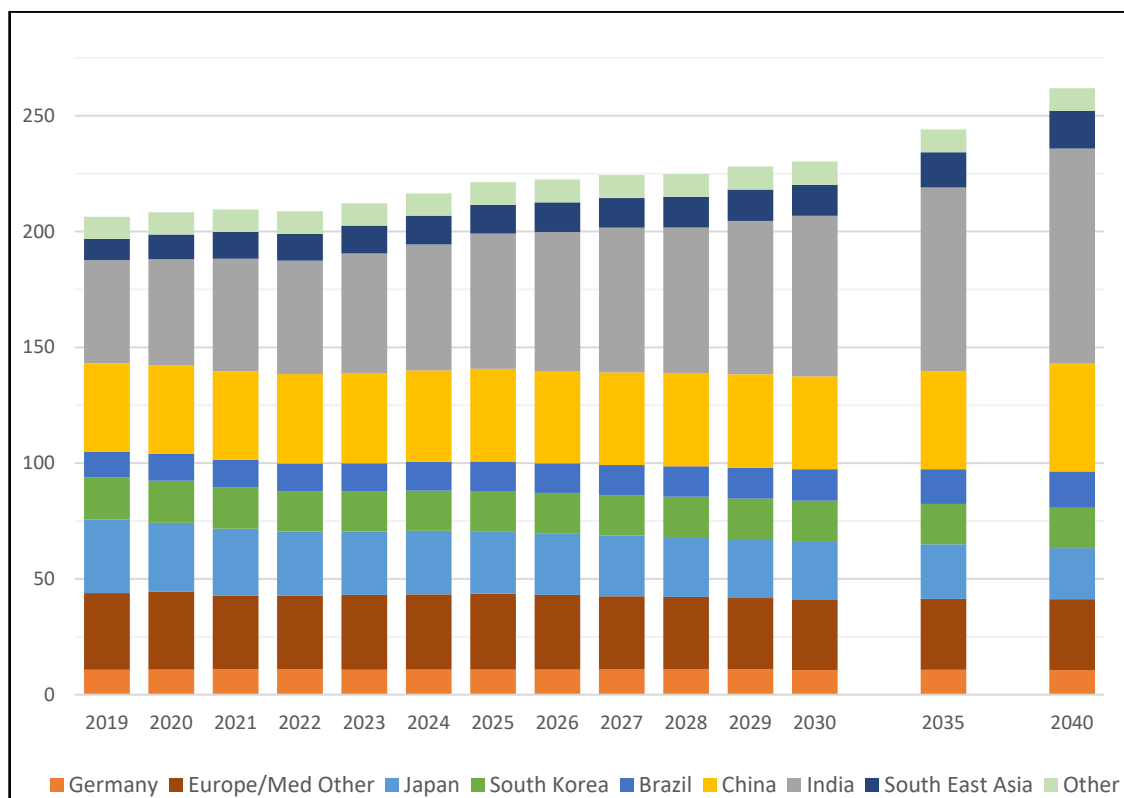
Hard coking coal (HCC), including semi-hard coking coal, represents about two-thirds of the seaborne steelmaking coal trade, with the balance being pulverised coal injection (PCI) and semi-soft coking coal (SSCC). Traded volumes of all coal types have increased over the past 15 years.

Australian exports of steelmaking coal dominate global supply, with USA and Canada important.

The price for steelmaking coal has fluctuated significantly over the past decade, with HCC pricing as low as US\$75/t and as high as US\$330/t. The price peaks have typically been triggered by supply shocks, such as flooding through Queensland early 2008, early 2011 and April 2017. The headline price for the reference coal, BHP's "Peak Downs" brand has averaged US\$180/t over the decade. This price is the Reference Price or Index which other coals are priced against.

11.1.1 Demand Outlook

Wood Mackenzie (WM) forecasts global seaborne demand for steelmaking coal (HCC, semi-soft coking coal and PCI) will rise from 315 Mt in 2019 to 423 Mt by 2040. Global seaborne HCC demand is forecast to increase from 206 Mt currently to 262 Mt by 2040 (Figure 11.3).



Source: Wood Mackenzie Coal Market Service, Dec 2019

Figure 11.3 Seaborne HCC demand (Mt)

Chinese HCC imports (seaborne) are forecast to rise 9 Mt by 2040 to 47Mt. The high price of Chinese domestic coals, combined with the shortage of low sulphur domestic coal, have encouraged imports into coastal mills, particularly into the largest, most efficient blast furnaces, where coke strength has been a priority. Chinese steelmaking coal production is expected to decline over the coming decade, with closures of small mines, and others in water preservation areas, or deep and hazardous mines.

Import growth into India represents around 90% of net projected global growth in seaborne steelmaking coal between 2019 and 2040. India's growth is forecast at 95 Mt, rising to 157 Mt. Australia is expected to remain the dominant supplier. 2019 was India's first full year as the largest seaborne importer of steelmaking coal, surpassing Japan on its way to 62 Mt.

India's steel production increased in recent years, however its steel intensity is very low by international standards. Government policy and investment programs are targeting significant development in infrastructure, automotive and housing sectors. This investment will drive seaborne imports of steelmaking coal as India has very limited domestic supply of steelmaking coal.

The growing economies of south-east Asia continue to increase their use of steel and produce a greater share of requirements from domestic integrated steel plants. Vietnam, Indonesia and

Malaysia are forecast to double import demand for steelmaking coal from 12 Mtpa to 26 Mtpa over the period.

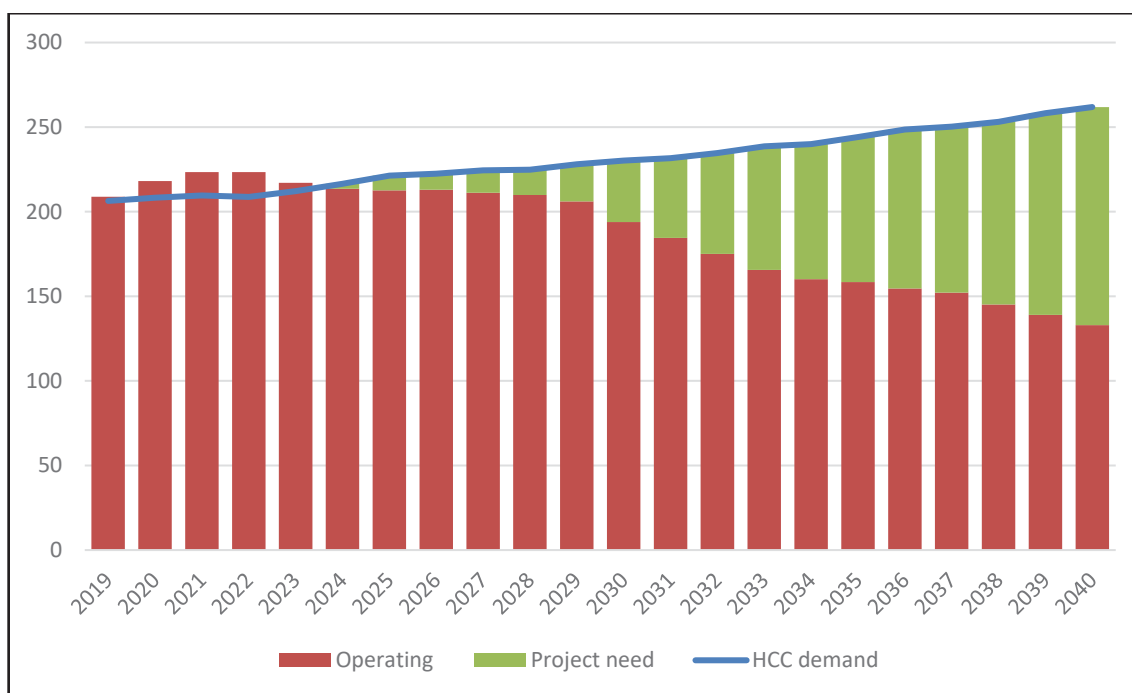
11.1.2 Supply Outlook

From 2019 to 2025, WM forecasts global seaborne steelmaking coal supply to increase by 30 Mtpa, a large portion of which is recovery at Australian mines that have been constrained over the last few years at under 180 Mtpa. Australia's exports are forecast to reach 200 Mtpa by 2025, growing to 246 Mtpa by 2040 (Figure 11.4).

After exceeding 50Mt in 2018, exports from the USA are declining. Much of the USA supply is considered "swing" production entering and leaving the seaborne market as prices rise and fall.

WM's latest outlook shows Canada's trade as relatively flat through to post 2030, with a small increase thereafter. Teck Resources dominates Canadian steelmaking coal production, supported by Conuma Coal Resources from their northeast BC mid-volatile HCC and PCI operations. WM expects Teck's assets to operate at near current levels for the duration of the forecast.

WM views the 4.5 Mtpa Grassy Mountain project moving forward from 2023. WM's forecast also includes Montem's Tent Mountain Mine in its project capacity.



Source: Wood Mackenzie Coal Market Service, Dec 2019

Figure 11.4H CC supply gap (Mt)

Canada's high-quality HCC reserves could support additional export growth over the forecast.

WM forecasts Russia's total steelmaking exports to reach a maximum of 60 Mtpa by 2040 (including 18 Mtpa HCC), from around 35 Mtpa today. Much of the increase is dependent on being able to improve infrastructure capacity.

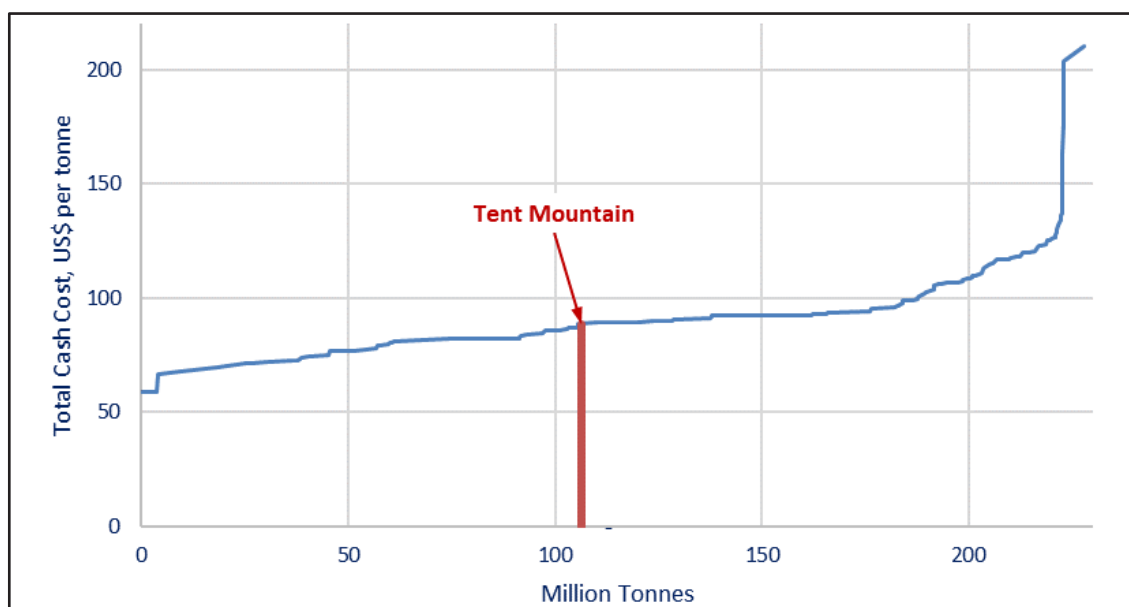
Mozambique exports see limited increases through much of the forecast, with the large Moatize coal project not forecast to reach its potential. Indonesian exports show a gradual increase from about 3 Mtpa to 8 Mtpa by 2023(various small projects) and is forecast to exceed 11 Mtpa post 2030 with the stage II development of Adaro's Metcoal project.

Post-2030, reserve exhaustion becomes a more important factor in steelmaking coal markets, and new mining projects are required to satisfy steelmaking coal demand.

Competitiveness

The global HCC supply curve has an average cash cost of saleable production of US\$93/t, and the 90th percentile cash cost is US\$117/t. The Tent Mountain Mine life-of-mine FOB cash cost of US\$88/t places it in the middle of the HCC cost curve (Figure 11.5).

Australia has over half of the total production, most of which is in the lower half of the curve. Canadian mines mostly occupy the third and fourth quartiles. The USA mines typically occupy the fourth quartile, serving as the swing supplier to the market.



Source: Wood Mackenzie February 2020; Tent Mountain FOB cost from Montem's Tent Mountain Feasibility Study 2020

Figure 11.5 Seaborne export HCC cost curve (2020)

Pricing

WM expects prices to soften towards global marginal costs over the coming few years, and trending upward longer term, in parallel with ongoing demand growth.

An important aspect of WM's projection is the peak of Chinese hot metal production in 2021 and subsequent decline thereafter. WM assume that Chinese demand for coking coal will decline each year over the period to 2024.

India's urbanisation and support for BF-BOF steel underpins much of WM's long-term forecast.

The average price for WM's forecast through the period is US\$149.15/t (Dec 2019 real dollars). The Base Case price outlook for Tent uses a Premium HCC Reference or Index price of US\$150/t (Dec 2019 real dollars), termed Qld HCC Benchmark in the price graph shown in Figure 11.6.

An independent assessment, by Kobie Koornhof Associates Inc. (KKA), of the coal quality and pricing for the coal from Tent Mountain established that Tent Mountain coal can be expected to trade in a range from 10% to 20% discount to the HCC Reference price.

KKA states, "Across the key coal quality parameters, Tent Mountain WOR blend fits within the range of coking coals exported from Canada. These coals have a proven track record of competing with coking coals from Australia, and it is expected that Tent Mountain coking coal will take its place on the seaborne market among coking coals from Canada".

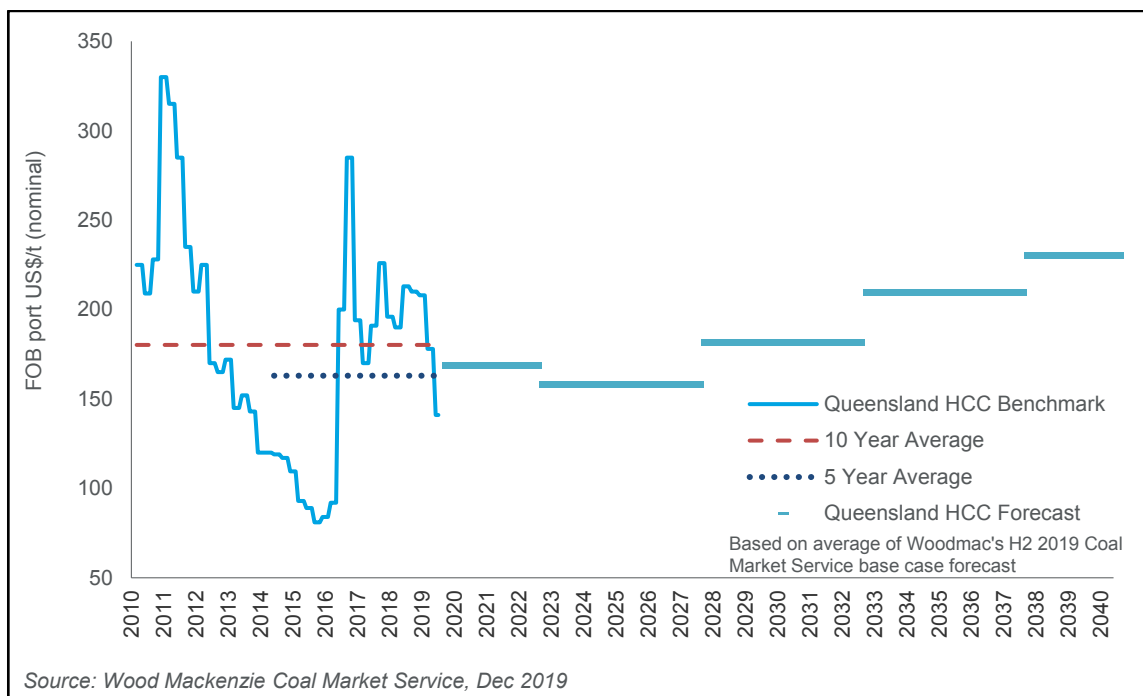


Figure 11.6 HCC benchmark price

KKA's CSR prediction model (proven across all three coking coal producing regions in Canada) estimated CSR of 62, which would classify Tent Mountain coal as a Tier 2 HCC. KKA estimates the Tent Mountain product will trade in a price range of US\$130 - US\$135 per tonne (against a Reference Price of US\$150/t).

KKA is aware of lower CSR results based on a number of small oven coke tests. KKA notes, "The reported CSR of 50-55 is significantly lower than what would be expected, based on KKA estimates and from knowledge of the coking coals in the region." A price range for this lower CSR of US\$120 - US\$125 per tonne (Reference Price of US\$150/t) has been estimated by KKA, indicating an overall price range of US\$120 to US\$135 per tonne for the Tent Mountain coking coal.

Canadian coal is well supported in the market, and the Tent Mountain product is expected to be priced at a discount of 13.33% to the HCC headline price (i.e., US\$130/t in Dec 2019 real dollars).

This price outlook is essentially a conservative trend line for the market and assumes relatively stable market behaviour. In practice, however, the market is expected to continue to exhibit volatility as seen over the past decade or more (Figure 11.6). The average historical price through this period of US\$180/t for Premium HCC is well above the Base Case price outlook.

A second pricing scenario is used in the Tent Mountain feasibility study, using an Index price of US\$180/t, which translates to US\$156/t (Dec 2019 real dollars) for Tent Mountain's product coal.

11.1.3 Marketing Focus

Tent Mountain's marketing focus will be to develop sales as a high-quality blending coal to north Asian customers, that rely on seaborne steelmaking coal, are relatively close to Vancouver and that place a priority on source diversification. These steel mills also have the ability to utilise blending to gain the greatest benefits from Tent Mountain strength characteristics. The independent coal quality reports note the Tent Mountain product is a suitable replacement in coke blends for higher priced premium HCC, and a focus of the market entry strategy by Montem will be to establish this as a benefit of using Tent Mountain in the steelmaking blend.

As Montem will be a relatively small producer, any sales beyond north Asia would likely be to India with its forecast strong demand growth, and to a lesser extent European steel mills who will appreciate the diversification to be purchasing from additional suppliers from Canada.

11.2 Financial Analysis

Economic analysis was undertaken using a discounted cashflow model that was constructed in MS Excel®. The model used constant (real) 2020 Canadian dollars and modelled the project cashflows in quarterly periods. The model assumes a 12-month physical construction period, starting January 2021, and does not account for any project expenditures prior to that date.

Life-of-mine (LOM) summary financial metrics are provided in Table 11.1 and the annual production schedule and associated cashflows are summarised in Table 11.2.

Table 11.1 LOM financial metrics

Project Metric	Units	Value
Production summary		
Mine life (incl. pre-strip)	years	14
Met Coal Feed (ROM)	Mt	22.0
LoM Average Mass Yield (ROM)	%	59.7%
Met Coal Sales (at 10% moisture)	Mt	13.3
LoM Average Coal Price	US\$/t	\$130.00
	C\$/t	\$173.33
Financials summary		
		Life-of-mine Total
Gross Revenue	C\$M	\$2,298.5
Marketing/Transportation Expense	C\$M	\$526.6
Net Revenue (net of transportation/mktg)	C\$M	\$1,771.8
Operating Cost	C\$M	\$1,018.3
Cash Flow Before Capital and Tax	C\$M	\$753.5
Initial Capital	C\$M	\$223.9
Sustaining Capital	C\$M	\$74.7
Closure Capital	C\$M	\$5.1
Change in Working Capital	C\$M	\$0.0
Pre-tax Cash Flow	C\$M	\$449.8
Taxation summary		
Alberta Minerals Tax/Royalty	C\$M	\$4.7
British Columbia Minerals Tax	C\$M	\$20.3
Corporate Income Tax	C\$M	\$103.6
Post-tax Cash Flow	C\$M	\$321.2
Discounted cashflow analysis results		
Pre-tax NPV(8%)	C\$M	\$194.5
Pre-tax IRR	%	20.6%
Payback (from start of production)	years	5.3
Post-tax NPV(8%)	C\$M	\$128.7
Post-tax IRR	%	17.3%

11.2.1 Pricing Assumptions

Pricing assumptions used in the financial model are outlined in Section 11.1.2. The Base Case price assumption uses the Wood Mackenzie long-term forecast price of US\$150/t and applies a 13.33% discount to achieve a price of US\$130/t for Tent Mountain's WOR blended product. The Base Case price is the basis for the subsequent financial analysis presented below.

Table 11.2 Tent Mountain annual cashflows

	Units	Total	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
PRODUCTION SCHEDULE																		
Mined Coal (ROM)	kt	21,984	1	1,759	1,822	1,774	1,802	1,775	1,809	1,844	1,760	1,799	1,841	1,808	1,800	389	0	0
Waste Rock	kbcn	164,862	1,279	5,483	10,932	17,470	15,964	17,269	15,258	15,727	19,730	15,588	12,584	11,265	5,604	707	0	0
Fill	kbcn	29,667	945	3,811	4,931	3,674	3,593	3,448	1,721	1,904	1,485	2,424	1,490	233	8	0	0	0
Total BCM	kbcn	208,712	2,224	10,429	17,038	22,288	20,720	21,862	18,146	18,821	22,350	19,173	15,262	12,665	6,774	958	0	0
Strip Ratio (BCM/ROM)		8.8	1499.9	5.3	8.7	11.9	10.9	11.7	9.4	9.6	12.1	10.0	7.6	6.4	3.1	1.8	0	0
WASHING PLANT																		
Plant feed (ROM)	kt	21,984	0	1,761	1,822	1,774	1,802	1,775	1,809	1,844	1,760	1,799	1,841	1,808	1,800	389	0	0
Mass yield (ROM)	%	59.7%	0.0%	61.1%	60.9%	54.5%	51.6%	60.6%	61.7%	60.3%	63.2%	62.6%	60.7%	59.5%	59.7%	57.2%	0%	0%
Product Coal (Mine)	kt	13,115	0	1,076	1,110	966	929	1,075	1,116	1,115	1,112	1,125	1,118	1,076	1,074	223	0	0
SALES																		
Clean Coal (at port)	kt	13,260	0	1,088	1,122	977	940	1,087	1,128	1,127	1,124	1,138	1,130	1,088	1,086	225	0	0
REVENUE																		
Prices	C\$/t		\$0	\$173	\$173	\$173	\$173	\$173	\$173	\$173	\$173	\$173	\$173	\$173	\$173	\$173	\$0	\$0
Total Gross Revenue	\$k	\$2,298,475	\$0	\$188,607	\$194,466	\$169,377	\$162,894	\$188,391	\$195,552	\$195,432	\$194,823	\$197,206	\$195,865	\$188,637	\$188,207	\$39,018	\$0	\$0
Marketing and Transportation	\$k	\$526,629	\$0	\$1,088	\$1,122	\$977	\$940	\$1,087	\$1,128	\$1,127	\$1,124	\$1,138	\$1,130	\$1,088	\$1,086	\$225	\$0	\$0
Net Revenue	\$k	\$1,771,847	\$0	\$145,393	\$149,910	\$130,569	\$125,572	\$145,227	\$150,747	\$150,654	\$150,185	\$152,022	\$150,988	\$145,417	\$145,085	\$30,078	\$0	\$0
OPERATING COST																		
Mining	\$k	\$768,890	\$0	\$35,381	\$51,832	\$72,599	\$79,359	\$80,630	\$73,408	\$75,255	\$87,277	\$69,062	\$61,174	\$47,231	\$31,871	\$3,811	\$0	\$0
Processing and Loading	\$k	\$184,664	\$0	\$14,792	\$15,303	\$14,900	\$15,133	\$14,911	\$15,200	\$15,492	\$14,784	\$15,109	\$15,462	\$15,120	\$15,120	\$3,267	\$0	\$0
MIA	\$k	\$5,936	\$0	\$475	\$492	\$479	\$486	\$479	\$489	\$498	\$475	\$486	\$497	\$488	\$486	\$105	\$0	\$0
G&A	\$k	\$45,902	\$0	\$3,767	\$3,884	\$3,383	\$3,253	\$3,762	\$3,905	\$3,903	\$3,891	\$3,938	\$3,911	\$3,767	\$3,759	\$779	\$0	\$0
Other (snow removal, water management)	\$k	\$12,953	\$0	\$1,042	\$1,042	\$1,072	\$1,130	\$920	\$920	\$920	\$950	\$950	\$950	\$950	\$950	\$1,005	\$0	\$0
Total Opex by Activity	\$k	\$1,018,344	\$0	\$55,457	\$72,552	\$92,433	\$99,303	\$100,913	\$93,921	\$96,067	\$107,377	\$89,546	\$81,994	\$67,627	\$52,186	\$8,967	\$0	\$0
Cash Flow Before Capital, Depreciation and Tax	\$k	\$753,502	\$0	\$89,936	\$77,358	\$38,137	\$26,268	\$44,314	\$56,826	\$54,587	\$42,807	\$62,476	\$68,993	\$77,789	\$92,899	\$21,111	\$0	\$0
CAPITAL COST																		
Initial Capital	\$k	\$223,879	\$223,879	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sustaining Capital	\$k	\$74,668	\$0	\$3,595	\$47,974	\$833	\$1,766	\$275	\$525	\$3,858	\$8,001	\$3,638	\$225	\$225	\$2,028	\$1,725	\$0	\$0
Closure Capital	\$k	\$5,150	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,039	-\$6,228	\$550	\$550
Total Capital Costs	\$k	\$303,697	\$223,879	\$3,595	\$47,974	\$833	\$1,766	\$275	\$525	\$3,858	\$8,001	\$3,638	\$225	\$225	\$6,066	\$5,764	-\$6,228	\$550
Change in Working Capital	\$k	\$0	\$0	\$777	-\$1,523	\$2,298	-\$3,333	\$5,432	-\$1,423	-\$1,102	-\$48	\$772	-\$712	-\$748	\$841	-\$18,036	\$12,316	\$4,488
Pre-tax Cash Flow	\$k	\$449,805	-\$223,879	\$85,564	\$30,906	\$35,005	\$27,835	\$38,607	\$57,724	\$51,831	\$34,855	\$58,066	\$69,481	\$78,312	\$85,991	\$33,384	-\$6,088	-\$5,038
TAX																		
Alberta Minerals Tax/Royalty	\$k	\$4,728	\$0	\$28	\$388	\$1,216	\$997	\$508	\$895	\$568	\$128	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BC Mineral Tax	\$k	\$20,305	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24	\$329	\$1,409	\$3,299	\$8,311	\$6,799	\$135	\$0	\$0
Corporate Income Tax	\$k	\$103,613	\$0	\$0	\$0	\$0	\$0	\$6,049	\$10,959	\$10,741	\$7,978	\$13,031	\$13,045	\$18,137	\$20,146	\$3,528	\$0	\$0
Total Tax	\$k	\$128,647	\$0	\$28	\$388	\$1,216	\$997	\$6,558	\$11,854	\$11,332	\$8,435	\$14,440	\$16,343	\$26,448	\$26,945	\$3,663	\$0	\$0
Post-tax Net Cash Flow	\$k	\$321,158	-\$223,879	\$85,536	\$30,518	\$33,790	\$26,838	\$32,049	\$45,870	\$40,499	\$26,420	\$43,626	\$53,138	\$51,864	\$59,046	\$29,720	-\$6,088	-\$5,038

11.2.2 Capital Costs

Project-related capital costs are summarised in Section 10.1.3.

11.2.3 Operating Costs

Project-related operating costs are summarised in Section 10.2.3.

11.2.4 Sensitivity Analysis

Table 11.5 to Table 11.8 summarise the sensitivity of the project NPV (\$M at 8% discount rate) to variations in key input assumptions across a change of +/-30%. Cells highlighted in white show project NPV at both the Base Case pricing (US\$130/t) and the Empirical Case pricing (US\$156/t).

Table 11.3 Sensitivity analysis – discount rate

	Discount Rate (%)				
NPV	4%	6%	8%	10%	12%
\$129M	\$208	\$165	\$129	\$98	\$72

Table 11.4 Sensitivity analysis – exchange rate and coal price

		Price (US\$/t met product)						
NPV	\$129M	\$91	\$104	\$117	\$130	\$143	\$156	\$169
Exchange Rate (C\$:US\$)	0.90	-\$587	-\$487	-\$387	-\$288	-\$190	-\$95	-\$12
	1.00	-\$509	-\$398	-\$288	-\$179	-\$76	\$15	\$103
	1.15	-\$392	-\$266	-\$141	-\$30	\$72	\$171	\$268
	1.30	-\$277	-\$135	-\$12	\$103	\$214	\$323	\$421
	1.33	-\$254	-\$110	\$13	\$129	\$241	\$351	\$453
	1.35	-\$239	-\$95	\$29	\$146	\$260	\$367	\$474
	1.40	-\$201	-\$58	\$68	\$188	\$306	\$413	\$523
	1.45	-\$163	-\$21	\$107	\$230	\$350	\$462	\$569

Table 11.5 Sensitivity analysis - capex and opex

		Operating Cost incl. Off-site Costs (\$M)						
NPV	\$129M	\$1,081	\$1,236	\$1,390	\$1,545	\$1,699	\$1,854	\$2,008
Capital Cost (\$M)	\$213	\$434	\$365	\$290	\$214	\$136	\$55	-\$29
	\$243	\$406	\$337	\$261	\$185	\$108	\$27	-\$57
	\$273	\$377	\$309	\$233	\$157	\$79	-\$1	-\$85
	\$304	\$349	\$280	\$205	\$129	\$51	-\$29	-\$114
	\$334	\$321	\$252	\$176	\$100	\$23	-\$58	-\$142
	\$364	\$292	\$224	\$148	\$72	-\$6	-\$86	-\$170
	\$395	\$264	\$195	\$120	\$44	-\$34	-\$114	-\$199

Table 11.6 Sensitivity analysis – coal price and total capex + opex

		Operating and Capital Costs incl. Off-site Costs (\$M)						
NPV	\$129M	\$1,294	\$1,479	\$1,664	\$1,849	\$2,034	\$2,218	\$2,403
Price (US\$/t met product)	\$91	\$100	-\$10	-\$128	-\$254	-\$381	-\$508	-\$635
	\$104	\$216	\$110	\$2	-\$110	-\$235	-\$362	-\$488
	\$117	\$329	\$225	\$119	\$13	-\$98	-\$216	-\$343
	\$130	\$434	\$337	\$233	\$129	\$23	-\$86	-\$199
	\$143	\$538	\$441	\$345	\$241	\$137	\$32	-\$75
	\$156	\$635	\$542	\$446	\$351	\$249	\$146	\$42
	\$169	\$739	\$642	\$549	\$453	\$355	\$258	\$154

With respect to price, every 10% change in coal price (US\$/t) results in a change in project NPV of approximately \$110M, with smaller changes happening at lower prices and greater changes happening at higher prices. The impact of changes to exchange rate on project value is not linear, but for every 0.05 change in the exchange rate, project NPV changes by approximately \$45M. For every 10% change in operating cost (including off-site costs), there is a change in project NPV of approximately \$75M, while for every 10% change in capital expenditure the impact on project NPV is approximately \$30M. These impacts are additive, so a 10% change in both capex and opex leads to an overall change in project NPV of around \$105M.

12 Risks and Opportunities

As part of the Tent Mountain Feasibility Study, a risk assessment workshop was held on October 18, 2019 at SRK's office in Vancouver. Subject matter experts from SRK (Mining, Geotechnical Engineering, Geology, Geochemistry, Economics), Sedgman (Coal Processing), Dahrouge (Geology), Matrix Solutions (Water Management, Environment) and representatives from Montem Resources attended a 1-day workshop to discuss, review and rank risks and opportunities associated with the Tent Mountain project.

12.1 Probability and Consequence Assessment

Risks and opportunities were quantified for both likelihood (probability of occurrence) and consequence (impact of occurrence) and then normalised out of 100. The consequences were assessed over seven categories: safety impact, revenue impact, production rate, capital cost, operating cost, construction schedule and pre-construction schedule (including permitting). The likelihood of occurrence was based on professional opinion in the context of the current plans for the project.

12.2 Project Risks and Opportunities

The risks and opportunities assessed were considered at the Tent Mountain asset level. However, potential effects at the corporate level (Montem Resources), which may impact cost of capital or corporate reputation, were also reflected in the Corporate Relevance column of the register. Risks identified with Moderate or High corporate relevance, while not necessarily receiving a high aggregate risk ranking, are nonetheless important to highlight since in the unlikely event that they do come to pass, they could have a significant impact on Montem Resources and its ability to continue as a going concern.

12.3 Assumption of Controls

Risks and opportunities were assessed in the context of the currently planned construction and operation as contemplated for the feasibility study report.

As the project is yet to be constructed, many planned controls are not yet in place. The principle of the assessment is that risks and opportunities were ranked under the assumption that mitigation methods and controls understood to be planned by way of the current study are put in place, and that industry standard practices are generally implemented. It is NOT assumed that "best practice" controls will be put in place, nor that controls not currently planned nor reasonably expected are implemented.

12.4 Process

Prior to the workshop, project team members were asked to provide their views on project risks and opportunities as well as their initial thoughts on consequences. A significant response prior to the workshop greatly assisted in the efficient construction of the Risk Register. The pre-submitted risks and opportunities were rationalised as well as ranked during the workshop.

A total of 105 items were ultimately identified and assessed as potential risks or opportunities. The number of items assessed should not be taken as an indication of the risk or opportunity around the project but is arguably a measure of the thoroughness of the assessment.

12.5 Summary Results

Risks and opportunities were ranked and assigned both an aggregate risk ranking, representing its actual impact based on its assigned likelihood of occurrence, and a high probability ranking, when the likelihood of occurrence of that particular risk or opportunity was assigned the highest probability rating regardless of the actual assessed likelihood. This approach ensures that high-consequence, low probability events are not ignored simply because they are unlikely to occur.

The most significant risks and opportunities identified and ranked during the workshop are summarised in Table 12.1. The highest risks scored 14/100 ("Major") and were related to permitting delays associated with lack of non-Treaty 7 indigenous group and/or public support of the project. One risk scored 10/100 ("Moderate") and was associated with Treaty 7's Statement of Concern (if it is not withdrawn). Two risks associated with water quality/treatment were identified as potential issues if future regulatory requirements change necessitating active water treatment for selenium and/or metals. The current multi-tiered water treatment plan (SRFs, BCR, natural wetland attenuation) results in modelled water quality that satisfies current regulatory requirements.

Two opportunities scored 9/100 ("Moderate") and were associated with higher coal prices and improved coal quality definition/resource classification. No risks or opportunities had an aggregate risk ranking above a "Major" risk rating.

The values of the risk and opportunity scoring are typical for a project which is in the feasibility study stage. No technical risks were identified that were significant enough to recommend that a full strategic revision be undertaken.

Table 12.1 Summary of key risks and opportunities

ID	Description	Likelihood	Safety	Revenue	Production Rate	Capital Costs	Operating Costs	Construction Schedule	Pre-construction Schedule	Probability Weighted Ranking	Maximum Event Category
Risks											
SC1-R	Lack of Treaty 7 Indigenous support	5-15%	-	1.0-2.5%	-	-	-	6m -1 year	1-3 years	10	26
SC2-R	Lack of Non-Treaty 7 Indigenous support	16-50%	-	0.5-1.0%	-	-	-	6m -1 year	1-3 years	14	23
SC3-R	Lack of public project support	16-50%	-	0.5-1.0%	-	-	-	6m-1 year	1-3 years	14	23
Opportunities											
Ec2-O	Coal price	16-50%	-	>5%	-	-	-	-	-	9	14
GR4-O	Coal quality	51-90%	-	1.0-2.5%	<5%	-	-	-	-	9	11
GT2-O	Pit wall design	16-50%	-	<0.5%	<5%	<6%	<2%	-	-	7	11

Section 4 Estimation and Reporting of Ore Reserves

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• <i>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</i> • <i>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</i>	• The Mineral Resource estimate discussed in Section 3 of this Table 1 checklist is the basis of conversion to an Ore Reserve for the Tent Mountain project. • The Mineral Resources are inclusive of the Ore Reserves.
Site visits	• <i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i> • <i>If no site visits have been undertaken, indicate why this is the case.</i>	• The Competent Person for the Ore Reserves estimation is Bob McCarthy. Mr. McCarthy visited the site on June 4-5, 2019 along with Montem Resources personnel. • The visit consisted of a ground tour of the site on accessible roads. The historic mine pits and waste facilities were visited as well as potential sites for on and off-site infrastructure (e.g., rail loadout).
Study status	• <i>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</i> • <i>The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</i>	• Montem completed a feasibility study on the Tent Mountain project in 2020. • The ore reserve for Tent Mountain is based upon a feasibility level study where geological confidence is sufficient and mine planning has been completed to a level required to determine technical and economic viability. • Modifying factors considered material to the development and economic extraction of the coal resource have been taken into account.

JORC Code, 2012 Edition – Table 1

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• <i>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e., either by application of appropriate factors by optimisation or by preliminary or detailed design).</i> • <i>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</i> • <i>The assumptions made regarding geotechnical parameters (e.g., pit slopes, stope sizes, etc.), grade control and pre-production drilling.</i> • <i>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</i> • <i>The mining dilution factors used.</i> • <i>The mining recovery factors used.</i> • <i>Any minimum mining widths used.</i> • <i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i> • <i>The infrastructure requirements of the selected mining methods.</i>	• The Tent Mountain project uses truck and shovel open cut mining as is broadly practised in the region. Conventional mining equipment (hydraulic shovels, loaders, and large haul trucks) are used for overburden and rock waste mining. • The basis of design is Lerch-Grossman economic pit optimization combined with a cut-off strip ratio analysis to determine the ultimate pit limits. The ultimate pit shell was then developed into a detailed pit design and broken into practical pit phases. • Two open pits were defined. The main East Flank pit runs almost the length of the deposit. Its six phases extend from Alberta into British Columbia. The second pit, Boulton Pit, is adjacent to and northwest of the East Flank Pit. • Water now stored in the historic Pit 4 is critical to the project. This water is pumped for use in coal cleaning and non-potable water uses. Before Pit 4 is to be mined out, another pit is mined (Seam 2 Pit, an east extension of East Flank Pit) to receive water pumped from Pit 4. The project continues to use this water for the life of the project. • Mineable coal is defined in working sections by using minimum coal ply and maximum included waste parting thicknesses. For coal dipping between 9 and 45 degrees, where blasting through coal is necessary, the minimum coal ply thickness is 0.8 m. Outside this dip range, blasting through coal is not necessary, and the minimum coal ply thickness is 0.6 m. The maximum thickness of included parting is 0.45 m. • Coal loss and dilution were modelled as total thickness across the hanging wall and footwall of each working section. For seams dipping between 9 and 45 degrees, where blasting through coal is necessary, the total coal loss thickness was 0.20 m, while the total coal dilution thickness was 0.25m. For seam dips outside this range, where blasting through the coal does not occur, the total coal loss thickness was 0.10 m, while the total coal dilution thickness was 0.15 m. • Run-of-mine (ROM) coal was adjusted to a moisture content of 5% for mine planning purposes. • Pit slope criteria were updated by SRK as part of the Tent Mountain FS based on field data collected by, or overseen by, SRK. The dip of bedding and structural features relative to the pit walls is of primary interest. Due to the long history of surface coal mining in the region there are well-understood empirical criteria for highwall, footwall and end wall design. Using criteria for: i) bench height (12 m selected), ii) stacking (single or multi), iii) bench width (8 m minimum) and stratigraphy in the 3D coal geology model, SRK defined inter-ramp and overall pit wall configurations for each pit domain. Pit geotechnical domains (I to VIII) were

JORC Code, 2012 Edition – Table 1

Criteria	JORC Code explanation	Commentary
		defined by SRK based on; rock type, concentration of major structures, bedding and pit wall geometry. • Pit slope criteria were defined for: footwall, highwall and endwall domains. In footwall domains, where a footwall defines the pit wall, bench faces (max 24 m) are parallel bedding, benched highwalls have inter-ramp slope angles of 41 to 49 degrees. • Wall control blasting for the benched highwall was designed to preserve the integrity of these walls. • Coal resources with limited geological certainty are classified as inferred and cannot be converted to coal reserves. Thus, any inferred coal resources are considered as waste in this study and there are no inferred resources included in the production schedule or coal reserve estimate. • The primary infrastructure required for mining at Tent Mountain are water containment and management facilities. To treat contact water for nitrates and dissolved metals, notably selenium, the project will utilize a multi-tiered approach. Waste storage facilities, which extend from west of East Flank pit (i.e. external) into backfill of both East Flank and Boulton pits are designed in lifts whose top surfaces will be designed and sloped to direct water toward East Flank pit. East Flank Pit as well as Boulton Pit will act as saturated rockfills to provide a first stage of water treatment. This will be followed by a bio reactor at the outflow of Boulton Pit, and lastly, an already functioning wetland from the historic operations will be augmented to provide polishing treatment for the project. The water treatment will be actively managed and includes a contingency pump-back system that can be operated in the event that effluent water quality does not meet discharge quality limits.
Metallurgical factors or assumptions	• <i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i> • <i>Whether the metallurgical process is well-tested technology or novel in nature.</i> • <i>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical dominating applied and the corresponding metallurgical recovery factors applied.</i>	• All metallurgical processes and technology being employed for Tent Mountain have been used extensively within the coal industry worldwide • The Tent Mountain CHPP will employ the proven technologies found in modern metallurgical coal plants, including dense media separation, reflux classifiers and flotation. • The CHPP plant will be designed to receive and process 250 t/h (as received) of ROM coal • A pre-assembled modular approach for the CHPP and tailings dewatering areas is to be adopted for Tent Mountain.

JORC Code, 2012 Edition – Table 1

Criteria	JORC Code explanation	Commentary
	- Any assumptions or allowances made for deleterious elements. - The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole. - For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	- Coal at Tent Mountain is generally considered to be a medium volatile bituminous coal (based on ASTM D388), with a typical mean maximum vitrinite reflectance of 1.07. - Two bulk samples have been completed. From these, sufficient material was available for a full suite of washability and coal quality testing. Also, several small-scale oven carbonisation tests on blends representing the life-of-mine product blend (whole of resource blend) were performed at ALS Laboratories in Brisbane. - A whole of resource blend (WOR) for the life-of-mine plan was modelled from the test results. This WOR blend targeted 9.8% ash. - Subsequent estimates of coke strength after reaction (CSR) for each seam and the WOR blend were conducted. While the results showed variation amongst the six seams analysed, the WOR blend produced a coking coal product that can be characterised as a semi-hard to hard coking coal (Tier 2 coking coal). The calculated CSR ranged from 60 to 65.
Environmental	The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	- Montem currently holds mine permits for Tent Mountain in both Alberta and B.C. and an Environmental Protection and Enhancement Act (EPEA) approval; however, to resume operations, an amendment is required to the EPEA approval. Additional approvals are required for water management aspects of the project. - Enhancing the previous environmental assessment on Tent Mountain, Montem has completed the background site understanding including the following: hydrology, hydrogeology, aquatics, air quality, noise, traffic, soils and vegetation as well as wildlife. - Geochemical characterisation of waste rock and its impact on water management has been assessed. - Impact reports are currently under development to support the upcoming amendment application to mining permits. - The Alberta EPEA amendment application is under development along with the environmental assessment for the coal processing and handling plant - An Impact Assessment Agency of Canada determination is expected shortly to determine if there is to be federal involvement. Montem is an existing project and at current design levels is below the trigger production rate. The federal environmental assessment process is unlikely.

JORC Code, 2012 Edition – Table 1

Criteria	JORC Code explanation	Commentary
Infrastructure	The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided or accessed.	- The Tent Mountain site is located 10 km south, by gravel road, of Alberta Provincial Highway No. 3. - A 25-kV power line will run along the access road from grid power feed, to serve the CHPP, shop and offices, and train loadout. - Water for coal cleaning and non-potable use is to be provided for the life-of-mine from water already stored on site in a historic pit. Potable water is to be trucked to site from nearby Coleman. - Product coal is to be hauled by truck to a train loadout on the high capacity main rail line owned and operated by CP Rail. The rail line, 6 km directly north of the property, is already in use for the transport of coal unit trains from across the border in British Columbia. - The nearest port, Westshore Terminals, is located 1100 km to the west and has sufficient capacity for this project. Alternately, Ridley Terminals at Prince Rupert is also available but is further away. - The project is located near the towns of Coleman and Blairmore in Alberta and Sparwood in British Columbia – all of which already serve the coal mines in British Columbia's Elk Valley through available labour and services. - The proposed plant site will be on an Alberta freehold tenement owned by Montem.

JORC Code, 2012 Edition – Table 1

Criteria	JORC Code explanation	Commentary
Costs	• <i>The derivation of, or assumptions made, regarding projected capital costs in the study.</i> • <i>The methodology used to estimate operating costs.</i> • <i>Allowances made for the content of deleterious elements.</i> • <i>The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co-products.</i> • <i>The source of exchange rates used in the study.</i> • <i>Derivation of transportation charges.</i> • <i>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</i> • <i>The allowances made for royalties payable, both Government and private.</i>	• The costing of the Tent Mountain FS has assumed an owner-operated approach, where all infrastructure and equipment is purchased and operated by Montem. • Costs are developed from first principles wherever possible, utilizing inputs from engineering firms and vendors. The designs upon which these costs are based are to feasibility / Class 3 level. • Engineering work has been undertaken to establish the capital cost requirement for the project, including the mine, processing plant, train loadout, and roads, as well as other supporting infrastructure. • Capital and operating costs for the project are supported by work by: • SRK Consulting – mining • Sedgman –process plant, mine infrastructure area, train loadout • Matrix Solutions Inc. – water management, water treatment • Transportation costs were derived by Montem based on recent public statements interpreted by management expertise. • The economic analysis considered both the Alberta and BC Minerals Tax. • The FS used an exchange rate of 1.33 CAD/USD.
Revenue factors	• <i>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</i> • <i>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</i>	• The Tent Mountain project is to produce a semi-hard coking coal at an average rate of 1.1 Mt per year. • Commodity pricing for the project was based on Wood Mackenzie forecasts for seaborne hard coking coal and a study conducted by Kobie Koornhof & Associates, which suggested a discount to the benchmark HCC of 13.33% for Tent Mountain coal. • An average price of US\$130/t coal product was assumed for the project. • An exchange rate of 1.33 CAD/USD was applied to calculate the revenue.

JORC Code, 2012 Edition – Table 1

Criteria	JORC Code explanation	Commentary
Market assessment	- The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. - A customer and competitor analysis along with the identification of likely market windows for the product. - Price and volume forecasts and the basis for these forecasts. - For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	- Per Kobie Koornhof and Assoc., the coal to be produced at Tent Mountain can be classified as a medium volatile semi-hard coking coal. - Tent Mountain's marketing focus will be to develop sales as a high-quality blending coal to north Asian customers, who rely on seaborne steelmaking coal, are relatively close to British Columbia ports and place a priority on source diversification. - The independent coal quality reports note the Tent Mountain product is a suitable replacement in coke blends for higher priced premium hard coking coal, and a focus of the market entry strategy by Montem will be to establish this as a benefit of using Tent Mountain in the steelmaking blend.
Economic	- The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. - NPV ranges and sensitivity to variations in the significant assumptions and inputs.	- The economics of the Tent Mountain project is based on a financial analysis that uses real, constant dollars (2020 CAD) and a discount rate of 8%, which is common for coal projects in Canada. - The base NPV for the project is estimated at C\$128M after-tax. - Sensitivities using a +/-30% variance of key parameters result in the following NPV ranges: -/+ Price/Revenue, NPV: C\$-385M to +C\$712M +/- Operating Cost, NPV: C\$-115M to +C\$347M +/- Capital Cost, NPV: C\$43M to C\$212M
Social	The status of agreements with key stakeholders and matters leading to social licence to operate.	- Montem has been engaging with our indigenous peoples since spring of 2017. Tent Mountain Mine is found within the traditional territories of Treaty 7, including the Blackfoot (Niitsitapi) Peoples of the Pikani, Kainai, and Siksika Nations. Treaty 7 also includes the Tsuut'ina Nation and the Stoney Nakoda Nations of Chiniki, Bears paw, and Wesley Nations. Montem has engaged as well with Region 3 Metis Nation of Alberta, Metis Nation of British Columbia, the Ktunaxa Peoples, the Shuswap Indian Band and the Foothills Ojibway First Nation. - Montem has been actively engaged in the Alberta provincial consultation process with Treaty 7 nations since spring of 2019 and is working with Treaty 7 Nations on process agreements.

JORC Code, 2012 Edition – Table 1

Criteria	JORC Code explanation	Commentary
		• Montem is actively engaging the local Municipality of Crowsnest Pass through a variety of methods, most recently opening the doors of a community engagement centre highlighting Montem projects. • Montem has established communication protocols with government regulators and is in the process of determining the environmental assessment process and the development of applications.
Other	• <i>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</i> • <i>Any identified material naturally occurring risks.</i> • <i>The status of material legal agreements and marketing arrangements.</i> • <i>The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</i>	• During the FS, a risk workshop was conducted with Montem management and project consultants attending. From this, key risks of the Tent Mountain project were identified: • Permitting: While the FS demonstrates a viable methodology for the treatment of selenium, nitrates and other metals/parameters of concern, the evolving permitting environment in western Canada, particularly with regards to water quality, could pose a risk that regulators may insist on some form of active water treatment which would be long term, beyond the mine's closure, and this could impair project economics, possibly impacting the declaration of reserves. • Treaty 7 and non-Treaty 7 Statements of Concern: if not withdrawn, would be a risk to project advancement. • Subsequent to the workshop, an additional risk was identified: • Water quality: Water quality guidelines, standards and regulations in Canada are under review. While the project can meet current and anticipated regulations and guidelines, there is a risk that new regulations, guidelines or changes to the application of existing guidelines may impose water treatment burdens on the project that may impact economics.

JORC Code, 2012 Edition – Table 1

Criteria	JORC Code explanation	Commentary
Classification	• <i>The basis for the classification of the Ore Reserves into varying confidence categories.</i> • <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i> • <i>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</i>	• Proved and probable ore reserves are declared based on the measured and indicated mineral resources contained within the pit design and scheduled in the LOM plan. • The financial analysis showed that the economics of the Tent Mountain project are positive. • No probable ore reserves have been derived from measured mineral resources.
Audits or reviews	• <i>The results of any audits or reviews of Ore Reserve estimates.</i>	• No external review or audits have been completed on the FS coal reserve estimate.

JORC Code, 2012 Edition – Table 1

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/confidence	- Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. - The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. - Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. - It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	- The relative accuracy and confidence level of the ore reserve estimate is inherent in the reserve classification. - The accuracy of the reserve estimate is subject to geological data and modelling procedures to estimate the coal resource and to modifying factor assumptions for dilution and loss. The accuracy can only truly be confirmed when reconciled against actual production. While Tent Mountain is not in production and such reconciliation is not possible, the assumptions are based on sound principles and experience from mines with similar conditions. - Modifying factors such as mining dilution, mining recovery, ROM ash and density, and coal yield have been estimated using accepted techniques.

ANNEXURE 2:

JORC Resource Report Summaries and JORC Exploration Target Summary Reports



July 30, 2020

The Directors
Montem Resources Limited
Level 4, 96-100 Albert Road
South Melbourne VIC 3205

Dear Directors

Montem Resources Limited ACN 623 236 831 (**Company**) through its subsidiary Montem Resources Alberta Operations Ltd commissioned Dahrouge Geological Consulting Ltd (**Dahrouge**) to provide Mineral Resource Statements for the Tent Mountain Mine, and the Chinook Project and Exploration Target Statements for the 4-Stack Property and the Isola Property (**together, JORC Reports**). The JORC Resource Reports for the Tent Mountain Mine and Chinook Project were issued on 7 April 2020 and 9 April 2020, respectively and the JORC Exploration Target Reports for the 4-Stack Property and Isola Property were issued on 5 June 2020 and 5 July 2020, respectively.

Dahrouge understands that the JORC Reports are to be included in the Company's Prospectus in support of a proposed listing (**IPO**) on the Australian Securities Exchange (**ASX**), and that the Executive Summary and certain Table 1 information from the JORC Reports will be included as an Annexure to the Prospectus and that the whole of the reports will be included by reference in accordance with Section 712 of the Corporations Act 2001 (Cth).

The Company proposes to lodge the Prospectus with the Australian Securities and Investment Commission (**ASIC**) on or about 31 July 2020.

Capitalised terms not otherwise defined in this letter have the same meaning given to those terms in the JORC Reports.

1. Standard of the JORC Reports

The JORC Reports have been variously prepared by Matthew Carter, John Gorham, Nathan Schmidt and Bradley Ulry, all geologists at Dahrouge. Mr. Carter Mr. Gorham and Mr. Ulry are professional geologists registered with the Association of Professional Engineers and Geoscientists of Alberta. Mr. Schmidt is a professional geologist registered with the Association of Professional Engineers and Geoscientists of British Columbia.

The JORC Reports have been prepared to the standard of, and are considered by Dahrouge to be, independent reports under the guidelines of the 2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets (**VALMIN Code**). The VALMIN Code incorporates the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**).

In addition, the JORC Reports have been prepared in accordance with the relevant requirements of the Listing Rules of the ASX and relevant ASIC Regulatory Guidelines.

2. Statement of Independence

Neither Dahrouge nor any of the authors of the JORC Reports have any material present or contingent interest in the mineral assets considered or the outcome of the JORC Reports, nor do they have any pecuniary or other interest that could be reasonably regarded as being capable of affecting their independence or that of Dahrouge. Other than the engagement relating to preparation of the JORC Reports Dahrouge has no prior association with the Company concerning the mineral assets that are the subject of the JORC Report. Dahrouge has no beneficial interest in the outcome of the technical assessment being capable of affecting its independence.

3. Information basis of this JORC Reports

The JORC Resource Reports for the Tent Mountain Mine and Chinook Project include information made available to us up to 20 February 2020 and 27 March 2020, respectively. The JORC Exploration Target Reports for the 4-Stack Property and the Isola Property include information made available to us up to 5 June 2020 and 5 July 2020, respectively,

4. Consulting fees

Dahrouge's fee for preparing the JORC Reports was based on its standard professional rates plus reimbursement of incidental expenses. The fees were agreed upon by the complexity of the assignments, Dahrouge's knowledge of the assets, and the availability of data. The fee paid to Dahrouge for these engagements was approximately C\$96,000; the Company has paid Dahrouge's professional fee associated with the preparation of the JORC Reports and there are no professional fees contingent upon the outcome of the JORC Reports.

5. Consents

The information provided in the JORC Reports that relates to Exploration Results, Mineral Resources and Exploration Targets is based on information compiled by:

- (a) Mr. Bradley Ulry, P Geo., Mr John Gorham, P. Geol., and Mr Matthew Carter P. Geo., in relation to the Tent Mountain JORC Resource Report;
- (b) Mr. Bradley Ulry, P Geo., Mr John Gorham, P. Geol., Mr Matthew Carter P. Geo., and Mr Nathan Schmidt, P Geo., in relation to the Chinook JORC Resource Report;
- (c) Mr. Bradley Ulry, P Geo., Mr John Gorham, P. Geol., Mr Matthew Carter P. Geo., and., Mr Nathan Schmidt, P Geo., in relation to the 4-Stack JORC Exploration Target Report; and
- (d) Mr. Matthew Carter, P Geo., and Mr John Gorham P Geol., in relation to the Isola JORC Exploration Target Report,

each of whom are Qualified Persons responsible for preparing the Competent Persons Report on the Projects in accordance with the JORC Code. Each of Mr. Ulry, Mr. Gorham, Mr. Carter and Mr. Schmidt are employees of Dahrouge and have sufficient experience that is relevant to the



style of mineralization and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code.

Each of Mr. Ulry, Mr. Gorham, Mr. Carter, and Mr. Schmidt has provided consent for the inclusion of the JORC Reports in the Prospectus and to the inclusion of statements made by Mr. Ulry, Mr. Gorham, Mr. Carter, and Mr. Schmidt in the relevant sections of the Prospectus, in the form and context in which the JORC Reports and those statements appear, and has not withdrawn that consent before lodgement of the Prospectus with ASIC. This consent includes consent to the inclusion in the Prospectus of the Executive Summary of each JORC Report and this cover letter, as well as the inclusion by reference of the full JORC Reports in accordance with section 712 of the Corporations Act 2001 (Cth).

Each of Mr. Ulry, Mr. Gorham, Mr. Carter, and Mr. Schmidt have confirmed that nothing has come to their attention to indicate any material change to what is reported in the JORC Reports and that the JORC Reports are based on, and fairly and accurately reflects in the form and context in which it appears, the information in their supporting documentation relating to Exploration Targets, Exploration Results and Mineral Resources.

Each of Mr Ulry, Mr. Gorham, Mr. Carter, and Mr. Schmidt have confirmed that they have reviewed the information contained elsewhere within the Prospectus relating to the information contained within the JORC Reports and confirmed that the information presented is accurate, balanced, and complete.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Brad Ulry', is written over a light blue horizontal line.

Bradley Ulry, B.Sc., P.Geo

Chief Operating Officer

Dahrouge Geological Consulting Ltd.



THE TENT MOUNTAIN MINE JORC REPORT SUMMARY

Prepared for Montem Resources Alberta Operations Ltd.

APRIL 20, 2020

Prepared By:



DAHROUGE GEOLOGICAL CONSULTING LTD.

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INTRODUCTION

This summary report was commissioned by Montem Resources Limited (ACN 623 236 831) (Montem) to comply with regulatory disclosure and reporting requirements to support the Initial Public Offering (IPO) of Montem to the Australian Stock Exchange (ASX). The report summarises the 2020 Coal Resource Declaration for the Tent Mountain Mine (“Tent Mountain” or “the project” or “the property”) . Montem own 100% of the Tent Mountain Mine.

The Tent Mountain Mine Mineral Resource Statement has been prepared by Dahrouge Geological Consulting Ltd. (Dahrouge) in accordance with the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (December 2012) and the 2014 Australian Guidelines for Estimation and Classification of Coal Resources. The complete Tent Mountain Mine Resource Report inclusive of Table 1 is available on the Montem Website. That detailed report summarizes recent and historical coal exploration on the property and presents further details on coal resource estimates, coal quality and other modifying factors. The full report can be found at:

<http://montem-resources.com/projects/tent-mountain/>

The Tent Mountain Mine is located approximately 16 km southwest of Coleman (population ~1,100) in the Crowsnest Pass region of Alberta, Canada (Figure 1). The major city of Calgary is located approximately 250 kilometres to the northeast by road. The property has access to both the Crowsnest Highway and heavy rail via well maintained but unsealed historical mine and forestry access roads. The rail line provides potential access to export terminals in Vancouver and Prince Rupert. The Tent Mountain Mine represents a significant brownfield coking coal resource in the Crowsnest Pass region of Alberta, Canada.

The Crowsnest Pass region has a long history of coal production dating back the early 1900’s with historical production ceasing at Tent Mountain Mine in 1980 and the nearby Chinook Project in 1978. Overall, Tent Mountain has produced approximately 10-20 million tonnes (Mt) of product coal from historical open cut operations in addition to a small tonnage produced from underground operations. Limited historical data indicates that the product coals were blended and exported to Japan as a medium-volatile metallurgical coal (Booth and Leigh, 1973).

The Tent Mountain Mine was purchased in 2016 when Montem entered into an agreement with Prairie Mines & Royalty ULC (a subsidiary of Westmoreland Mining LCC), subject to certain terms and conditions, to acquire the Chinook Properties (Chinook South, Chinook North, Vicary-Racehorse, Isola, & Oldman) and the Tent Mountain Mine. The Tent Mountain Mine is comprised of Freehold Tenements and Coal Leases that encompass an area of approximately 1,683 ha; it includes 11 Alberta Coal Leases, 1 British Columbia (BC) Coal Lease and 10 Alberta Freehold (all minerals except gold and silver) Tenements (Figure 2). In addition, Montem holds 5 Alberta Freehold (surface only) Tenements in the Tent Mountain Area with surface rights only. Four of these overlap Coal Leases also owned by Montem and one is northeast of the main project area covering a portion of the mine access road. The project has an active Coal Exploration Permit (CEP 180001) and granted Mine Permits for both Alberta and BC (C85-16G and BC C-108, respectively) as well as a granted Environmental Protection and Enhancement Act approval (EPEA 47679-02-00). The current EPEA approval does not allow mining at Tent Mountain and will require an amendment before re-commencement of mining operations.

In 2018, Tamplin Resources Pty Ltd (Tamplin) generated a JORC Resource Statement for the Tent Mountain Mine. The statement was prepared in accordance with the JORC Code and was based solely upon available historical data. Subsequent to the 2018 JORC Resource Statement, an additional 76 drillholes, totalling 8,784 m, were completed at Tent Mountain, and additional data for 43 historical drillholes were identified. The

2020 Dahrouge JORC Resource Statement updates the 2018 Tamplin JORC Resource Statement by incorporating the above mentioned 2018 and 2019 drilling results and expanded historical dataset.

SUMMARY STATEMENT OF COAL RESOURCES

This report, which summarizes the 2020 Tent Mountain Mine JORC report on the coal resources of the Tent Mountain Mine (11 Alberta Coal Leases, 1 BC Coal Lease, 10 Alberta Freehold (all minerals except gold and silver) Tenements and 5 Alberta Freehold (surface only) Tenements) that encompass an area of approximately 1,683 ha, was prepared for Montem Resources Limited (ACN 623 236 831) (Montem) by Dahrouge Geological Consulting Ltd. The report is compliant with the JORC Code (2012).

The project is located in the foothills and front ranges of the Rocky Mountains of Alberta, in the vicinity of the township of Coleman in the Crowsnest Pass in the Western Canadian Sedimentary Basin, Canada. The Resources are contained in the Jurassic-Cretaceous S2 to S7 coal seams inclusive in South West Alberta and South East BC, Canada. The Tent Mountain coals are considered a Medium Volatile Bituminous coal under ASTM standards, that could be marketed as a semi-hard to hard coking coal (HCC) (Cameron and Williams, 2020).

The drillhole database used in the resource estimation has been independently verified by Dahrouge Geological Consulting Ltd. ("Dahrouge"). A three-dimensional geologic model was constructed using Leapfrog and Maptek Vulcan Software. The geological coal model used historical, 2018 and 2019 lithology logs, as well as, downhole geophysics (density and gamma logs), limited historical underground and open cut workings and surface geological controls.

Total open cut coal resources at the Tent Mountain Mine are estimated at 60 million tonnes, of which some 52 million tonnes are classified as Measured and Indicated with the remainder being Inferred (Table 1). Resources are limited to a 0.6m minimum aggregate thickness, a 20:1bcm/insitu tonne cumulative strip ratio and 500m maximum depth from surface. These parameters are typical of those used for the structurally complex coal deposits of the western Canada. The steep mountainous terrain at the Tent Mine limits the deepest portions of the resource to areas immediately below the more elevated portions of the Project such as peaks and topographic highs. Overall, more than 80% of the resource occurs at less than 300m total depth with the shallower portions of the deposit occurring in the more aerially extensive hillside flanks and valleys. The deposit geometry makes the resource potentially suitable for a Mountain Top Removal (MTM) mining approach which justifies the application of a 500m depth cut-off for open cut resources. Similar mining approaches are currently in practice at Canada at Elkview, Fording River and Grand Cache Coal Mines. The MTM approach is also widely practiced in the Appalachian Mountains in the eastern United States.

The Tent Mountain Mine has been classified as having a complex geology type due to the presence of regional and local faulting, folding and deformation seam thickening. In this context, the points of observation spacing requirements (after Hughes et al., 1989) for each resource category are demonstrated in Table 2. Resource areas and geology are shown in Figures 3 to 6.

Table 1 - Tent Mountain Mine In-Place Coal Resource Summary (kilotonnes)

Area	In-Place Coal Resources (kilotonnes)			
	ASTM Group	Measured	Indicated	Inferred
Alberta	Medium Volatile Bituminous	3,655	40,796	5,193
British Columbia	Medium Volatile Bituminous	0	7,290	3,183
Total		3,655	48,085	8,376

Table 2 - Generalized Resource Classification Categories Guide (Hughes et al., 1989)

Geology Type	Resource Classification (Distance from Point)		
	Measured	Indicated	Inferred
Complex	0-100 m	100-200 m	200-400 m

PROJECT DESCRIPTION

The Tent Mountain Mine is a previously mined open cut located in the foothills and front ranges of the Rocky Mountains of Alberta, Canada, in the vicinity of the township of Coleman in the Crowsnest Pass. The Tent Mountain Mine tenements cover an area of approximately 1,683 ha that straddles the border of BC and Alberta, with the majority of the project residing in Alberta. The project is mostly situated within Alberta's southernmost subalpine-montane sub-region of the larger Rocky Mountain Natural Region, an area that generally exhibits a steep and highly variable topography.

The Tent Mountain Mine is accessed via a historical haul road which intersects the Crowsnest Highway (Highway 3) to the north. The project is 6 km south of the main rail line operated by Canadian Pacific Railway, providing potential access to coal export terminals in Vancouver and north at Ridley Terminals in Prince Rupert. Also, the project is 2km from the Coal Mountain Rail Spur in BC; owned and operated by Teck Resources Ltd.

TENEMENTS AND TITLES

The Tent Mountain Mine is comprised of Freehold Tenements and Coal Leases that encompass an area of approximately 1,683 ha; it includes 11 Alberta Coal Leases, 1 BC Coal Lease and 10 Alberta Freehold (all minerals except gold and silver) Tenements (Figure 2). In addition, Montem holds 5 Albertan Freehold (surface only) Tenements. Four of these overlap Coal Leases owned by Montem and one is northeast of the main property covering a portion of the access road.

The Tent Mountain Mine has an active Coal Exploration Permit (CEP 180001) and granted Mine Permits for both Alberta and BC (C85-16G and BC C-108, respectively) as well as a granted Environmental Protection and Enhancement Act approval (EPEA 47679-02-00). The current EPEA approval does not allow mining at Tent Mountain and will require an amendment before re-commencement of mining operations. The Mine Permits and EPEA approval include the previously disturbed portions of Tent Mountain with the undisturbed portions of the project generally sitting outside the permit boundaries (Figure 2).

Montem currently has two road-use agreements in place to facilitate access to the project. In Alberta, Montem has a road-use agreement with the local coniferous timber licence holder, 770538 Alberta Ltd. In BC Montem has a road-use agreement with CanWel Building Materials Group Ltd.

The development of coal deposits in Alberta are subject to the provisions of the Coal Development Policy for Alberta (1976). This policy defines different parts of the land area of the province in which specific regulations for coal development apply. The land category essentially defines what activities are permissible in each area and the level of control those activities will be subjected too. The Tent Mountain Mine is located entirely in an area classified as Coal Category 4. Exploration may be permitted in Category 4 lands under appropriate control, and surface or underground mining or in-situ operations may be considered subject to proper assurances respecting protection of the environment and reclamation of disturbed lands. In more general terms, Category 4 lands are considered favourable regulatory framework under which to seek exploration and mining approvals.

GEOLOGY AND MINERALIZATION

The Tent Mountain Mine is situated within the Lewis Thrust Sheet of the Rocky Mountain Front Ranges in southwestern Alberta and southeastern BC. Regionally the area is bound by the North Livingston Thrust in the east and the Erickson Fault in the west. The stratigraphy of the area is characterized by Precambrian to Upper Cretaceous rocks of the Fernie Group, Kootenay Group, Spray River Group, Etherington Formation, Rocky Mountain Group and Mount Head Formation. Economic coal potential in the Front Ranges lies in the Mist Mountain Formation of the Kootenay Group.

Stratigraphy in the area was subject to extensive folding and faulting during the Late Cretaceous Laramide Orogeny. This resulted in the development of a series of major thrust faults across the area that control the distribution and orientation of coal bearing sediments. At Tent Mountain, these include the westerly dipping Ptolemy, Tent, Boulton and Crowsnest Thrusts. This major faulting and folding has affected coal seam thickness, lateral continuity, geometry and quality. In this context, the structural geology at the Tent Mountain Mine is complex with the faulting and folding dividing the deposit into a number of discrete structural domains of varying styles and complexities.

The principal coal seams at the Tent Mountain Mine in descending order are, seams S7 to S2. All seams, except for seam S7 have been correlated and modelled on a coal seam ply basis with seam S7 occurring as an isolated single entity towards the top of Tent Mountain. Structurally, the deposit is moderately well understood, and an alternative interpretation is not likely. The current interpretations have not materially changed compared to historical works in the 1970-1990's. Multiple workers have reviewed the geological interpretation in the ensuing period. The main factor affecting coal seam continuity is the interplay of faulting, folding, seam dip, depth of weathering and surface topography. Seams show a highly variable thickness which reflects depositional and structural variations as well as the localized thickening of coal seams which occur in the apex of folds and adjacent to reverse faults (Refer to Figures 4 to 6). These coal seam thickenings represent the project's principal open cut targets.

All remaining coal resources at Tent Mountain have open cut potential. Resources have a moderate level of confidence. Drillholes are spaced closely enough for coal seam continuity and quality to be assumed justifying Measured, Indicated and Inferred status within the declaration areas.

EXPLORATION AND GEOLOGICAL MODELS

Between 1949 and 1977 Coleman Collieries Ltd. conducted numerous exploration programs at Tent Mountain, although information and data from the programs prior to 1973 is limited. In addition to drilling, these exploration programs included 3 adits (sub-horizontal exploration shafts), 40 trenches, and several detailed geological mapping campaigns.

In 2018 and 2019, Montem completed 76 resource definition drillholes at Tent Mountain, for a total of 8,784 m. Drillholes were strategically positioned in an attempt to increase the resource estimates tonnage and classification. In addition to drilling, geological mapping, an aerial drone survey, a lake bathymetry survey and geotechnical and geochemical sampling was also carried out. Further, monitoring wells and vibrating piezometer were installed for baseline hydrology studies and a surficial soil geotechnical drilling and test pit program was carried out.

The geological and Resource model was constructed using a database of 232 drillholes, including the 76 drillholes completed between 2018 and 2019 and 156 historical drillholes, totalling 37,299 m (Table 3 and Appendix 1). A total of 36 drillholes were excluded from the model due to insufficient or conflicting location information. This was balanced by an additional 29 surveyed measured sections generated from trench mapping and high-resolution drone imagery which was incorporated into the model.

The geological model included drilling, trenching data points, downhole acoustic and optical televiewer measurements, historical surface maps and cross-sectional analysis to evaluate the geological structures and stratigraphic orientations, using 3-D modelling software. The geological model was constructed using Leapfrog GeoTM 3-D modelling software with the resultant solid triangulation models imported into Maptek's Vulcan software for detailed validation and resource estimates. Historical mine working solids were created using Leapfrog Intrusion geological modelling method and were constrained by drill intersections, surface mapping, and historical cross-sections. Coal seam solids were generated for each ply and clipped to the base of weathering surface, which included the historical workings, removing historically extracted zones and the upper oxidized coal.

Resource classifications were determined using an Inverse Distance Estimator (ID2), with datapoint search ellipsoids oriented to structural and drill trends of the deposit. Search ellipsoids for Inferred Resources were set to a maximum distance of 400m and restricted to zones with 3 or more confirmed coal seam points of observations.

The majority of extrapolated data is contained in Inferred Resources which make up 14% of the total Resource. It is estimated that extrapolated data makes up between 7%-14% of the total Resource Estimate.

An independent review of the structural model and resultant resources was conducted by SRK.

Table 3 - Tent Mountain Mine Exploration Dataset (includes excluded drillholes)

Year	# DDH	# Rotary	Meterage	Company
1972	7	3	743	Coleman Collieries Ltd.
1973	-	11	563	Manalta Coal Ltd.
1973	5	19	2,763	Coleman Collieries Ltd.
1974	28	-	7,917	Coleman Collieries Ltd.
1975	51	26	11,611	Coleman Collieries Ltd.
1976	27	-	5,201	Coleman Collieries Ltd.
1977	2	-	543	Coleman Collieries Ltd.
1981	-	4	685	Shell Canada Resources Ltd.
not available	-	9	-	Coleman Collieries Ltd.
2018	7	12	1,211	Montem Resources Ltd
2019	21	36	6,918	Montem Resources Ltd
Total	148	120	38,155	

COAL QUALITY

The Tent Mountain coals are considered a Medium Volatile Bituminous coal under ASTM standards, that could be marketed as a semi-hard to HCC (Cameron and Williams, 2020). Washability analysis demonstrates a clean product in the 8.30-13.10% ash range. Generally, the product coal is likely to be moderate in sulphur (~0.40-0.70) and phosphorus (<0.090) and exhibit CSN results of approximately 5-7 (Cameron and Williams, 2020).

The clean coal composites for Tent Mountain are based on a relatively limited dataset that is largely derived from samples generated during the 2018 and 2019 exploration programs. The data is produced for each sample at a simulated specific gravity targeting an individual ash content of 8.3% - 13.0% (adb), with an overall Project-wide ash target of 9.0 - 10.5%. The specific gravity selected varies for each sample based upon the aim of optimizing both yield and product rheological properties. Various analytical results obtained from the 2018 and 2019 CCCs are summarized in Table 4.

Table 4 - Tent Mountain Mine Clean Coal Composite Results

Seam ID	Sample ID	Yield %	Moist %	Ash %	VM %	S %	CV kcal/kg	%P in Coal	CSN	RoMax	Total Reactives	Max Fluidity DDPM	Dilatation %
			(adb)										
S7	TM027-002+004+006	57.0	1.3	10.1	30.2	0.88	7558	0.217	8.0	1.01	82.3	1190	56
S6	TM027-008+TM027-011	87.7	1.8	8.7	26.3	0.31	7560	0.105	5.0	1.06	75.7	5	-21
	TM045-002+005+006	73.3	1.6	8.3	29.9	0.74	7668	0.057	7.0	1.00	83.7	745	37
	TM027B-002+005	76.7	1.9	9.3	27.1	0.37	7514	0.074	7.0	1.06	73.8	15	-16
	TM045B-002+005	68.9	1.6	10.1	29.2	0.68	7534	0.058	7.0	1.00	80.0	280	14
	TM052-002+004+005+08	79.3	1.6	9.7	27.6	0.46	7502	0.057	7.0	1.06	80.7	30	-4
S5	TM013-001	76.3	1.5	9.7	25.8	0.57	7504	0.048	5.5	1.07	74.7	5	-19
	TM020-001_003	73.2	1.4	10.3	25.7	0.43	7400	0.090	6.0	1.09	74.6	15	-18
	TM022-002	70.4	1.5	10.1	28.1	0.42	7442	0.080	7.0	1.07	79.5	105	12
	TM022-005	63.0	1.3	10.2	27.6	0.75	7430	0.070	7.5	1.06	75.2	135	30
	TM024-002_003	71.8	1.7	9.3	28.1	0.49	7546	0.070	7.0	1.05	81.1	70	19
S4	TM012-002	45.7	1.1	9.8	24.7	0.56	7589	0.140	6.0	1.07	65.7	37	-15
	TM004-002/003	79.8	0.7	10.0	23.4	0.52	7574	0.066	5.5	1.09	63.2	4	n/a
	TM004-008	58.0	1.5	9.7	22.2	0.43	7458	0.008	2.5	1.10	56.1	1	n/a
	TM040-002+TM040-004	63.1	1.5	10.3	22.7	0.40	7500	0.146	2.5	1.10	67.4	0	-11
	TM050-002	52.2	1.6	10.9	23.4	0.56	7322	0.258	2.0	1.09	70.1	5	-18
	TM048-004	76.2	1.1	10.1	24.4	0.68	7662	0.004	5.5	1.14	71.7	155	13
S2	TM028-001+004_005	47.1	1.5	13.1	26.5	0.65	7228	0.004	7.5	1.06	74.8	265	16

DEVELOPMENT AND OPERATIONS

As of the date of this report, Montem has not conducted mining at Tent Mountain. The Tent Mountain Mine has a long history of intermittent historical open cut and underground production. Remaining infrastructure on the project consists of a network of roads, adits and open pits (Figure 3).

Between 1922 and 1929 Spokane and Alberta Coal and Coke Company (SACC) extracted less than 100,000 tonnes of coal from two underground mines in the Boulton area. According to Panchysyn et al. (1973), SACC also carried out underground mining at South Boulton; however, there is no data regarding this operation.

Open Cut operations commenced in 1948 when Coleman Collieries began intermittently mining at North Boulton and Pit 2. In addition to the mining, Coleman Collieries conducted some drilling at these prospects, as well as at Pit 4 and Pit 5. Between 1948 and 1980, Coleman Collieries Ltd. intermittently mined approximately 10-20Mt of coal from five open cut pits located across the project area. Limited historical data indicates that the product coals were blended with coals from Coleman Collieries' nearby Chinook Properties operations and exported to Japan as a medium-volatile coking coal (Booth and Leigh, 1973).

All open cuts at Tent Mountain remain open and partially backfilled with Pit 4 containing a significant volume of impounded water. Coal seams are exposed in most pits which has facilitated trenching and drone assisted measured sections.

DEVELOPMENT CONSTRAINTS

Consideration for reasonable prospects for production at the Tent Mountain Mine include favourable geology (other nearby producers of coking coal from the same formation and seams), nearby infrastructure (road, rail and power), abundant available water, a nearby labour pool, favourable land-use categories, and a favourable government and social attitude to resource extraction.

Several Indigenous groups are located within 100 km of the project area. Montem has initiated consultation with Indigenous peoples that may have interest in the project area, in order to begin building relationships and develop an understanding of each group's needs and internal processes.

A small portion (4.6 ha) of Tent Mountain Alberta Freehold Tenement (LINC 0021452073) falls within the South Saskatchewan Regional Plan ("SSRP"). Coal exploration and development is not permitted in these areas and none is planned. Coal Resources are also excluded from these areas.

The Alberta portion of the project is encapsulated within the Mountain Goat and Bighorn Sheep range. In this area, any disturbances that may have direct or indirect adverse effects, such as permanent alteration of habitat must be avoided or mitigated. Montem implemented a 'wildlife monitoring' program in 2018 which included daily monitoring of wildlife and installation of wildlife cameras in favorable terrain most suited to goat and bighorn sheep. These cameras were monitored on a weekly basis, to track movements of wildlife on the property. Additionally, the project is located within a the Grizzly Bear Protection Zone (Figure 2); within this zone, regulations require that Montem provide and preserve either core or secondary grizzly bear habitat.

The provincial border between Alberta and BC bisects the southern portion of the Tent Mountain Mine. Mining approvals and environmental permits from both Alberta and BC will be required to develop the project as currently planned.

The Mist Mountain Formation, the targeted coal-bearing unit, naturally contains selenium. In alkaline, aerobic conditions, elemental selenium and selenide minerals can be oxidized releasing soluble selenate ions which can be transported in surface runoff. Large scale surface mining in the Elk Valley, BC has enriched the Elk River in selenium. Any future mine development on the property will require the development of a selenium management plan. Historical access and mine workings have been reclaimed, with certificates issued.

CONCLUSIONS AND RECOMMENDATIONS

The presented Coal Resources at the Tent Mountain Mine contains significant thicknesses of Medium Volatile Bituminous coal under ASTM standards, that could be marketed as a semi-hard to HCC (Cameron and Williams, 2020). Significant work has been undertaken to investigate the historical geological interpretations and to confirm the location and data sourced from historical exposures, trenches, adits, and drill sites in order to model and estimate Resources. Access by road and historical exploration trails is generally good and has been upgraded during the 2018 and 2019 drill programs. Proximity to rail and municipal infrastructure and services is also good, with the towns of Coleman and Blairmore (combined population about 4000) approximately 20 and 25 km to the east by road via Hwy 40/ Hwy 3. The Canadian Pacific rail line runs through Coleman and connects with the main CNR east-west line for access to Vancouver and Prince Rupert ports.

There are currently four producing coking coal mines in the nearby Sparwood/Elk Valley area, BC. All four mines are owned by Teck Resources Ltd. and they have an aggregate annual capacity of approximately 25 Mt. Mining personnel for the project could potentially be sourced from Coleman and Blairmore or other surrounding settlements.

The entirety of the Tent Mountain resource estimates lie within Category 4 land zone with respect to coal exploration and development as designated by the 1976 Coal Development Policy for Alberta. This land category allows for exploration to be permitted under appropriate control, and surface or underground mining or in-situ operations may be considered subject to proper assurances respecting protection of the environment and reclamation of disturbed lands. The property contains significant coal resources at extractable depths as supported by historical mining operations and the current resource. The economics of coal extraction have not been evaluated as part of this report.

Structurally, the deposit is well understood, and an alternative interpretation is not likely. The current interpretations have not materially changed compared to historical works in the 1970-1990's. Multiple workers have reviewed the interpretation in the ensuing period. The main factor affecting coal seam continuity is the interplay of faulting, folding, seam dip, depth of weathering and surface topography. Seams show a highly variable thickness which reflects depositional and structural variations as well as the localized thickening of coal seams which occur in the apex of folds and adjacent to reverse faults.

All remaining coal resources at Tent Mountain have open cut potential. Resources have a moderate level of confidence. Drillholes are spaced closely enough for coal seam continuity and quality to be assumed justifying Measured, Indicated and Inferred status within the declaration areas.

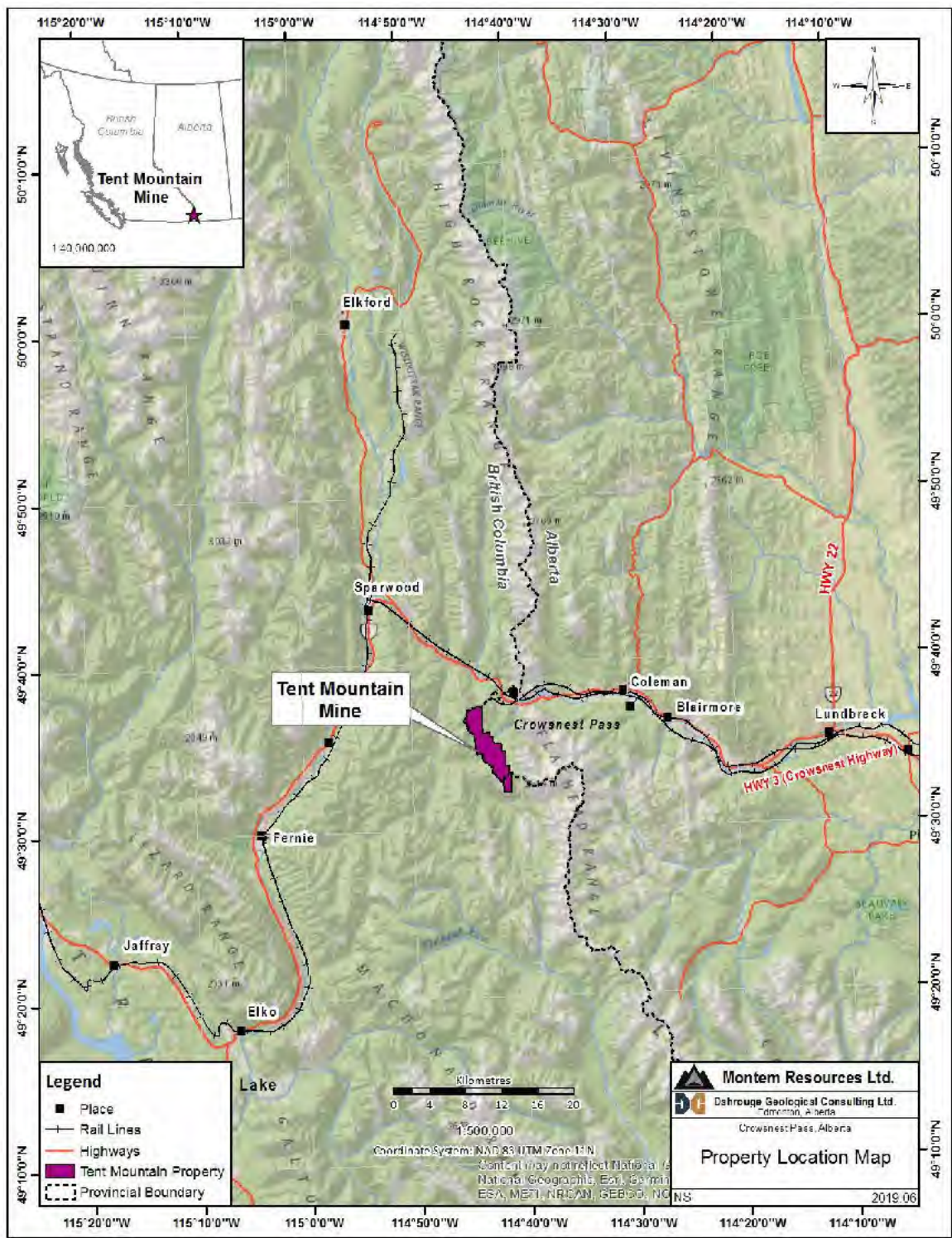


Figure 1 - The Tent Mountain Mine Location

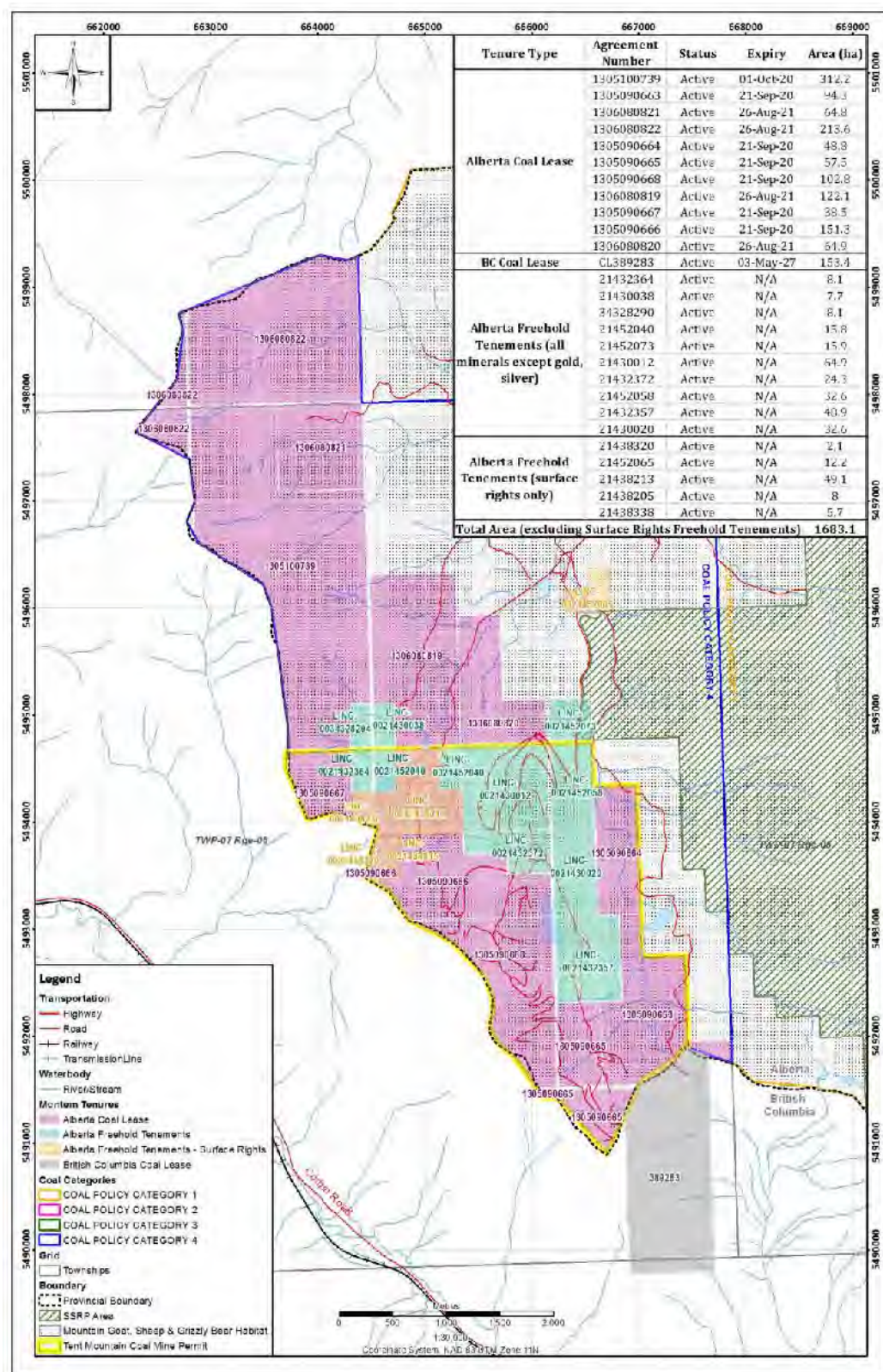


Figure 2 - The Tent Mountain Mine Tenements and Titles

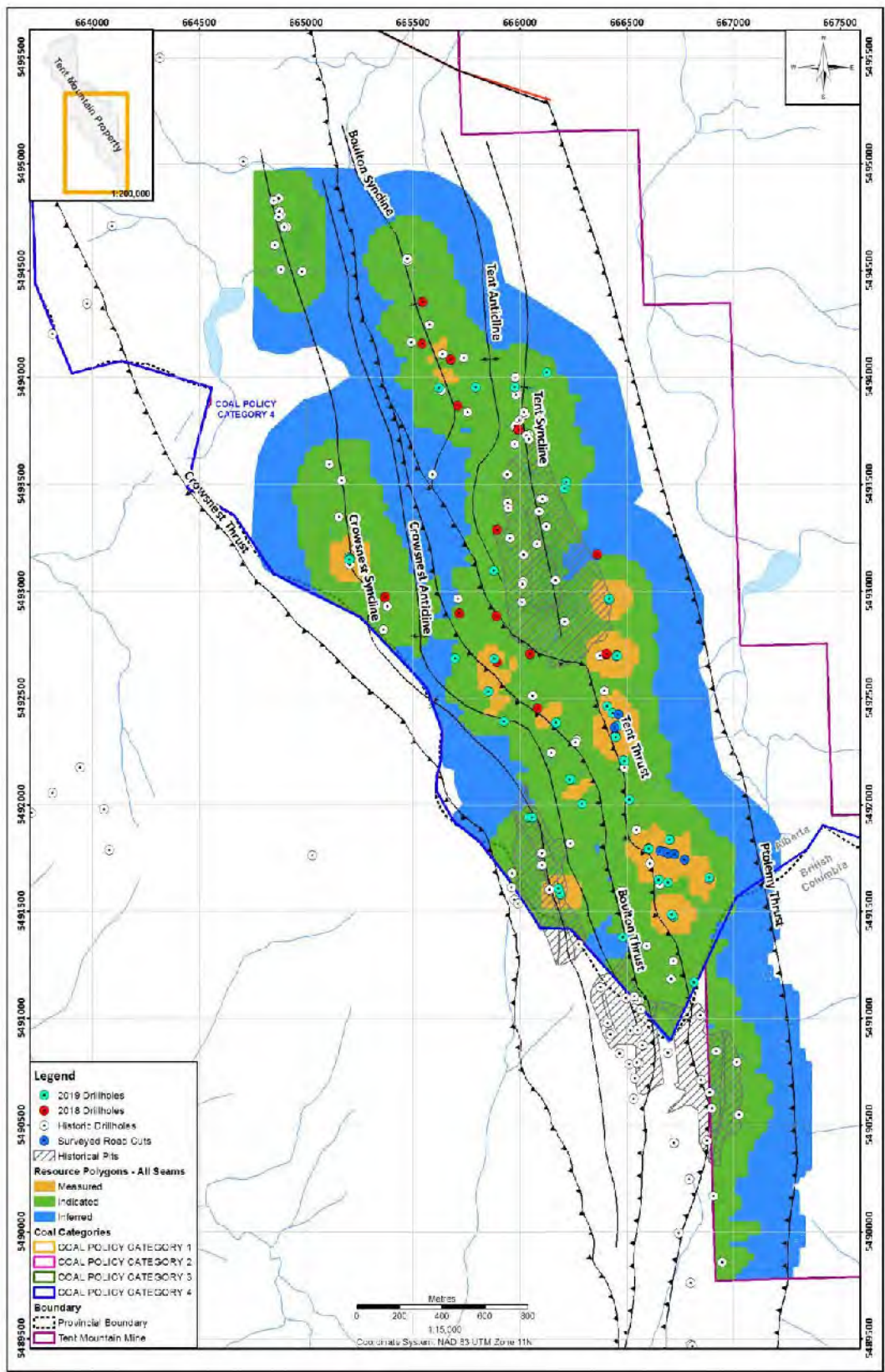


Figure 3 - The Tent Mountain Mine Resource Area

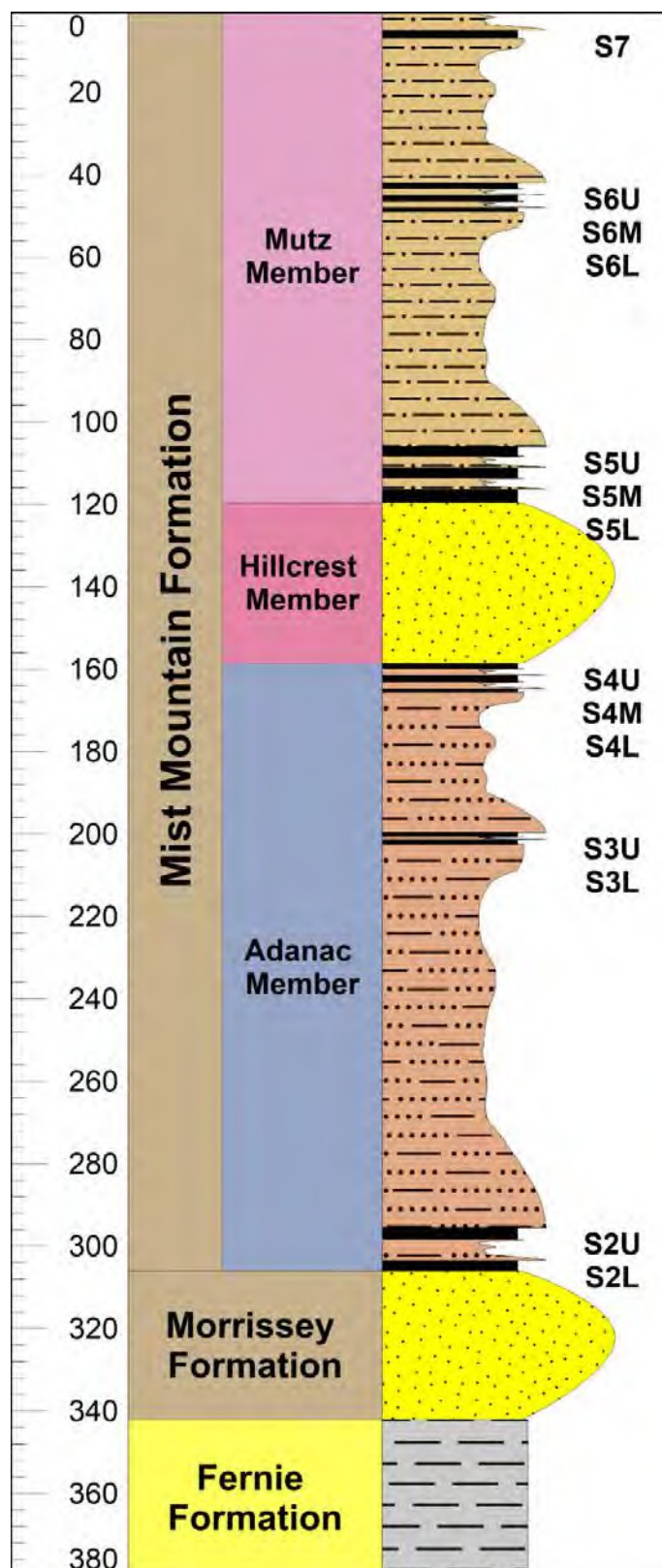


Figure 4 - The Tent Mountain Mine Stratigraphy

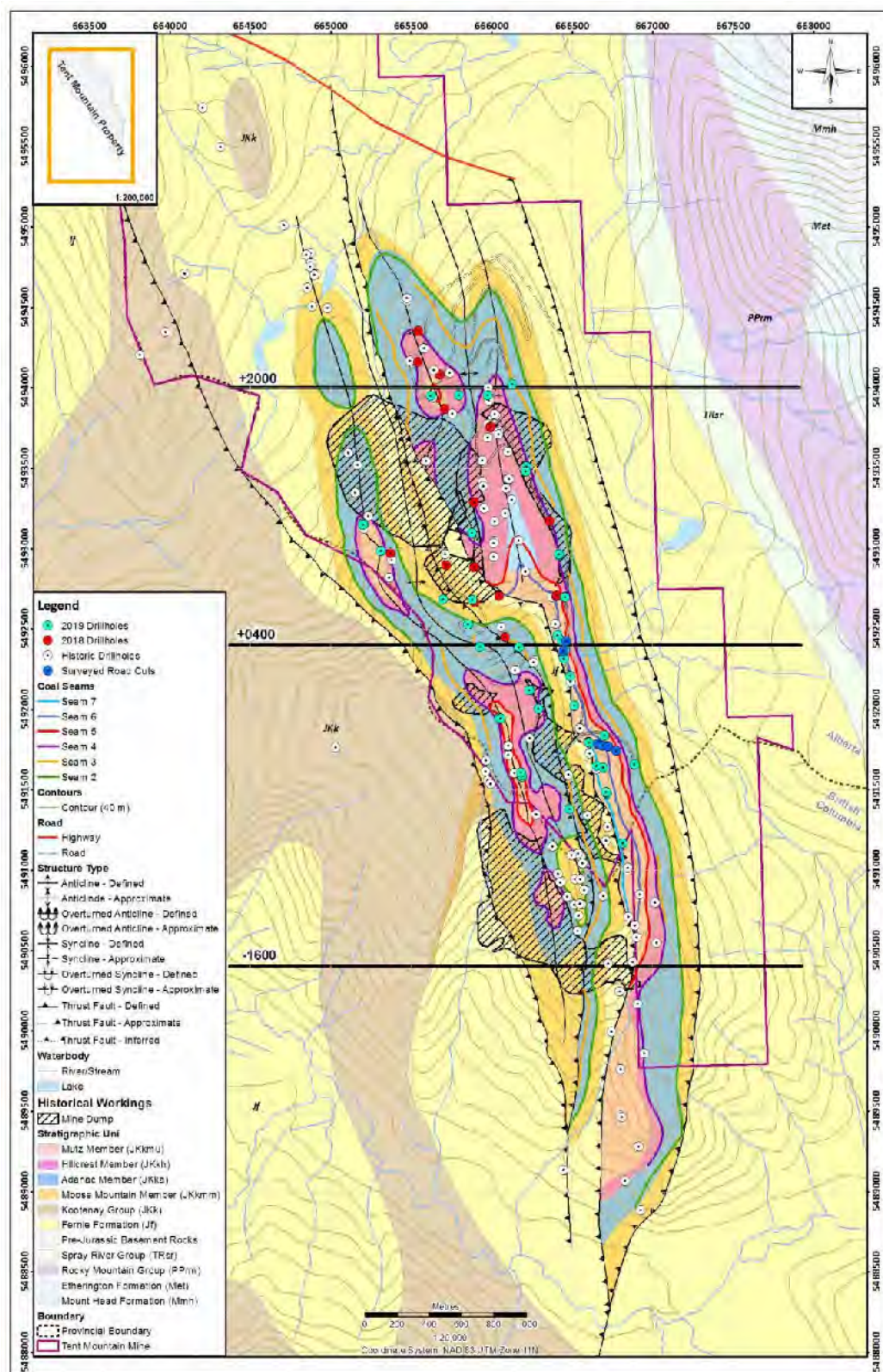


Figure 5 - The Tent Mountain Mine Surface Geology and Cross Section Locations

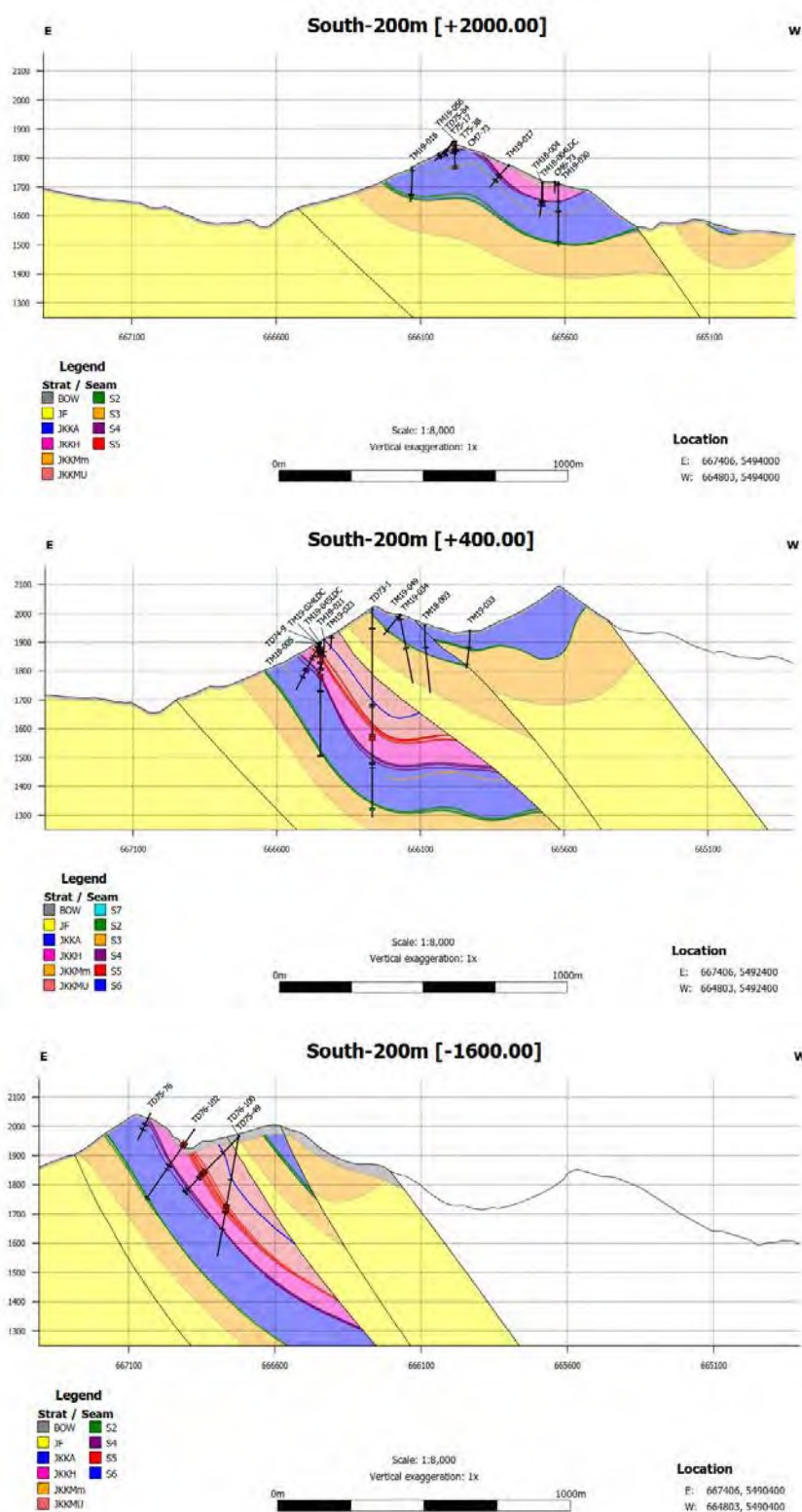


Figure 6 - The Tent Mountain Mine South Looking Cross Sections

JORC Code, 2012 Edition – Table 1

Criteria	JORC Code explanation	Commentary
Section 1	Sampling Techniques and Data	
Sampling techniques	<i>Nature and quality of sampling (eg. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where 'industry standard' work has been done this would be relatively simple (eg reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'. In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	- The historical database used for geological and resource modelling was restricted to that collected between 1972 and 1977 due to quality constraints. See Section 6, 8, 9, 10 and 11 of report for details. - Historical database used includes 119 core holes, 73 rotary holes, 3 adits and geological field observations. Drillhole information was ranked for reliability; 36 holes were excluded as they were deemed to be unreliable due to incomplete or unreliable survey data, no lithology logs or geophysical logs - Drill programs carried out by Montem in 2018 and 2019 included rotary air blast (RAB), reverse circulation (RC), HQ coring and large diameter (6") coring for coal quality (LDC). 19 holes were drilled in 2018 (12 RAB, 4 LDC and 3 HQ core holes) with downhole deviation, geophysical and acoustic televiewer surveys conducted on most holes. In 2019, 57 holes were drilled (30 RAB, 6 RC, 14 LDC and 7 HQ core holes) with downhole deviation, geophysical, acoustic televiewer, optical televiewer collected on most holes and full sonic wave surveys conducted on 13 holes (Section 9). - In 2018/ 2019, RAB or RC pilot holes were used to test proposed LDC locations; a downhole geophysical log was completed, and results were used to identify coal seam(s) suitable for LDC coring. Coal seams were considered ideal if greater than 4 m thick and at a depth between 20 (below oxidation limit) to 90 m (depth limit of the drill rig) below surface; rig was shifted 2 to 5 m on the drill pad to avoid interaction with the pilot hole; 10" Surface casing was advanced into the bedrock and then 9" RAB open hole drilling was carried out to approximately 1.5 to 3 m above the target coal seam identified from the geophysics at which point 6" large diameter coring was carried out until approximately 1.5 m below the coal seam and the hole was terminated. Core was photographed and geologically logged. In 2018, coal was sampled at the drillsite. In 2019, the coal was placed in core boxes and sealed with plastic sheeting and lids to ensure no material was lost. The core was then transported to a secondary facility at Summit Creek Cabins, near Hazell, AB where it was stored in a -15°C freezer until ready for sampling. In 2018, each distinct coal seam comprised one sample and in 2019 the sample intervals were selected based on the downhole geophysical logs of the LDC drillholes. Roof and floor dilution samples were also collected at

JORC Code, 2012 Edition – Table 1

Criteria	JORC Code explanation	Commentary
		the beginning and end of each coal seam. LDC samples were submitted for coal quality test work.
		- In 2019 LDC coal samples used split tube coring. The core was geologically logged, photographed and sampled with intervals chosen from depth-corrected logs including roof and floor dilution samples. LDC samples were submitted for coal quality test work. - In 2018 samples were sent to Birtley Coal and Mineral Testing Division of GWIL Industries Inc. ("Birtley") in Calgary, Alberta where the samples were weighed and air-dried. Prior to crushing, an apparent relative density determination was made to aid in determining recovery and composite choices. Samples were then crushed to pass minus 12.5 mm if required and screened to ± 0.25 mm. Subsamples of $\frac{1}{4}$ or less, depending upon mass, were taken and a raw coal head sample was assayed for proximate analysis, sulphur, FSI (free swelling index) and LT% (light transmittance) to determine level of oxidation. - In 2019, samples were shipped to ALS Coal Services' laboratory in Richlands, Queensland, Australia. Sampling procedures by ALS were in accordance with AS2617 (seams, insitu), AS4264.1 Sampling Procedures outlined in Section 10.2. - In 2018 HQ drilling, the core was geologically and geotechnically logged and photographed (wet and dry). Detailed geotechnical logging included samples for laboratory unconfined compressive strength (UCS), triaxial strength and direct-shear testing as well as point-load testing at 3m intervals, with more concentrated testing where a geotechnical sample was collected. Geochemical sampling consisted of continuous core samples for acid rock drainage analysis. - In 2019 HQ drill coring employed a triple tube setup. Core processing was similar to that of 2018 however was performed at a mobile core logging facility at the drill rig. - Historical sample analysis included raw sizing with material screened at $\frac{3}{4}$", $\frac{1}{4}$", 28 mesh and 100 mesh and the weight % obtained. The plus 100 mesh size fractions were separated at the following specific gravities: 1.35, 1.40, 1.45, 1.50, 1.60, and 1.90. Some designated cores were tested at a lesser number of gravities. The minus 28 mesh and minus 100 mesh fractions were subjected to froth floatation tests. Ash (%) and FSI was determined on all gravity fractions except the 1.90 sink (ash only). Head samples were withdrawn at each stage and checked against composite of float fractions. Composites were then prepared from individual 60 mesh pulps to correspond to a clean coal ash level of either 9% to 11%. These were analyzed for proximate including FSI, Sulphur, and Btu.

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Criteria	JORC Code explanation	Commentary
Drilling techniques	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	- In 2019, surface soil testing for geotechnical purposes was carried out. 16 test pits on the Property and along the planned haul road were dug by excavator to a maximum depth of 5 m. Soils were described, sampled and sent for laboratory analysis. 14 sonic drill holes totalling 277 m were drilled; standard penetration tests (SPT's) were performed at 1.5 m or 3 m intervals as the drillholes were advanced. Shelby tube samples were also collected at the discretion of the geotechnical engineer/geologist onsite and sent for analysis. - Historical cored holes were NQ (47.6mm) and HQ (63.5mm) single tube core. Open holes were generally 125mm diameter. Holes drilled at a range of inclinations and directions to intersect strata nearly perpendicular to dip. - For 2018 RAB drilling twelve vertical 5" diameter open holes totalled 1211.25 m. The drill rigs utilized 6" surface casing, which was removed following completion of the downhole geophysical and deviation surveys. - For 2018 LDC drilling four vertical 6" core holes totalling 255.33 m were drilled. RAB pilot holes were drilled and logged to identify coring targets. LDC was carried out to ~ 1.5 m below the coal seam. - For 2018 HQ diamond drilling, three HQ core holes totalling 420 m were drilled. The rig was oriented using an Azimuth Positioning System II (APS II). Holes were cased with HW surface casing, which was left in place following completion of the hole. - For 2019 RAB drilling thirty 4-1/2" diameter open holes, totalling 3,822.57 m were drilled. Drillholes were oriented both vertically and angled depending on their purpose. Angled holes were lined up using an APS II. - For 2019 RC drilling, six 5 1/2" diameter holes were completed totalling 452 m. The drill rig utilized 7" welded surface casing, which was left in place following completion of the each drillhole. - For 2019 LDC drilling, 14 vertical 6" holes, totalling 1,098.78 m were completed. Two holes were redrilled due to poor coal recovery. RAB or RC pilot holes were drilled and geophysically logged to identify coring targets. LDC was carried out to ~ 1.5 m below the coal seam (s). - For 2019 HQ diamond drilling, seven HQ core holes totalling 1,545 m were drilled. The rig was oriented with an APS II. Holes were cased with HW surface casing, which was left in place following completion of the hole.

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Criteria	JORC Code explanation	Commentary
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximize sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	- Historical coal recovery in historical cored holes was poor to moderate, ranging from a low of 38% to a high of 100% for the identified seam groups with an average coal recovery of approximately 73%. This is due to the extremely friable nature of the coal and considerable internal micro faulting within the seams which is typical of the area. - For 2018/2019 LDC coring, a total of 59 samples were collected for coal recovery evaluation and density of coal quality sampling. Recoveries ranged from 36% to 100% with an average of 87%. Roof and floor dilution samples were also collected at the beginning and end of each coal seam. - The main factor influencing recovery appears to have been friability and shearing due to complex structural environment. Historical observations suggested greater core loss in bright coal bands of higher ash content. This may have led to some sample bias.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i>	- For historical holes, chips and cores were logged in the field and then corrected to downhole geophysics. Cored holes had moderately detailed lithological records. All holes were wireline logged where possible. The minimum suite was sidewall density and gamma neutron tools. The standard and level of detail is considered appropriate for Mineral Resource estimation. No photographs exist of samples or core. Aggregate length of historical drilling used for Resource calculation was 30,026 m excluding poorly documented or unlogged holes. - For 2018/2019 RAB and RC drilling, chips were collected every meter and logged by a geologist. These drillholes were used as pilot holes for identifying suitable coal seams for large diameter coring, for infill drilling and, to provide open holes for monitoring well installations and piezometer installations. 48 holes totalling 5,485 m were drilled. - For 2018/2019 LDC, core was immediately photographed and geologically logged. In 2018, coal was sampled at the drillsite. In 2019, the coal was placed in core boxes and sealed with plastic sheeting and lids to ensure no material was lost. The core was then transported to a secondary facility at Summit Creek Cabins, near Hazell, AB where it was stored in a -15°C freezer until ready for sampling. In 2018, each distinct coal seam comprised one sample and in 2019 the sample intervals were selected based on the downhole geophysical logs of the LDC drillholes. Roof and floor dilution samples were also collected at the beginning and end of each coal seam. All cores were logged and photographed.

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Criteria	JORC Code explanation	Commentary
		18 holes were drilled for a total of 1,334 m. - For 2018/2019 HQ drilling, holes were logged and photographed and selectively sampled for geotechnical and geochemical information. 10 HQ holes were drilled, totalling 1,965 m. - In 2018/2019 downhole with deviation surveys, density, gamma ray, caliper logs and ATV surveys were completed on most holes. In 2019 OTV and full-wave sonic surveys were added (See Table 9.2 and section 9.6 of report). These logs were used for depth correction, validation and structural measurements. - The geological and Resource model were constructed using a database of 232 drillholes, including the 76 holes drilled between 2018 and 2019 and 156 historical drillholes, totalling 37,398.87 m (Table 11-2 in this report). A total of 36 drillholes were excluded from the model due to insufficient or conflicting location information (Table 11-3 in this report). An additional 29 surveyed measured sections generated from trench mapping and high-resolution drone imagery were incorporated into the model. These datapoints were used for geological control (Table 8-2 and Table 8-3).
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	- For historical samples, preparation, subsampling and quality control procedures were ensured by the use of certified commercial labs in Canada and the US, employing recognised QA procedures and following International Standards for coal testing (ATSM). For core samples geophysical logs were used to identify rock types, including coal intersected in the hole. Core was measured to determine an overall recovery (reported in percent). Recovered core was measured and compared to the coal interval thickness determined from the geophysical log suite. Collected samples were cleaned of any mud contamination and placed in individual plastic bags. The bags were labelled on the outside with both the drillhole and sample number and sealed with plastic tape to prevent excessive moisture loss. The sample bags were placed together in a collection bag for the core hole before being placed in palletized containers and shipped to an independent laboratory for analysis. No special security methods were identified for the shipping and storage of samples. - For historical bulk sampling between 1974 and 1979 used for coal quality determinations, representative samples were collected by driving 3 adits into unoxidized material; before bulk sampling, preliminary samples were obtained from various points in the adit and evaluated for oxidation, using FSI testing; adits were driven in coal, until unoxidized coal was reached, where a crosscut

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Criteria	JORC Code explanation	Commentary
		was driven from hanging wall to footwall and a representative sample across the crosscut face was taken. If this yielded favourable results, a bulk sample that was deemed representative of the seam was collected, sealed in barrels and shipped to the laboratory of Coal Science and Minerals Testing (Birtley Labs), Calgary, Alberta. Approximately four to five tons of raw coal was recovered from each seam in each adit. - In 2018 sampling, core was removed from the core barrel and placed in plastic-lined 1.5 m wooden core boxes for logging and photography by the onsite geologist. Each distinct coal interval, in addition to the roof and floor dilution samples, were placed immediately into plastic bags with a sample number and sealed. The interval and bag number were marked on the bag. Each coal interval was double bagged and tightly sealed as a precaution. Samples were stored in cold storage until they were shipped to the lab. - In 2019 split tubes were used; core was photographed immediately and then carried in the split tubes to the mobile logging facility at the drill site and photographed again. The core was logged in detail by the onsite geologist and then transferred into plastic lined wooden core boxes. The boxes were sealed with plastic poly sheeting and wooden lids. The site geologist transported the samples to the secured -15°C cold storage, where samples were sealed in 50-gallon plastic barrels and stored inside a locked trailer until shipment to the lab. Because of the nature of coal quality analysis, all of the coal was sampled, and field duplicates were not taken. Detailed procedures are found in Sections 6, 9 and 10.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external</i>	- Historical and 2018/2019 coal analysis was carried out at independent certified laboratories to ASTM standards. Details are presented in Section 7 and 10. Birtley Engineering Canada and its successor Birtley Coal and Mineral testing (Calgary) has been the primary laboratory for historical and current work. As part of their current certification by the Coal Association of Canada (CAC) they participate in relevant round robin checks and other routine checking procedures to ensure they meet the required accuracy for each test. They have been part of these tests since their inception; however, Birtley have advised they are unsure of details applied in the 1970's therefore it is unclear whether the historical Tent Mountain analyses involved blind assaying as part of quality control. - Laboratories used for coal analysis during the 2018 and 2019 coring programs

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Criteria	JORC Code explanation	Commentary
	<i>laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	(Birtley and ALS Coal Services' laboratory in Richlands) have established industry experience. 2018 program coal samples were analyzed by Birtley using ASTM D2013, D3302, D3173, D3174, D3175, D4239, D720, D5263, D5515, D2639, D3682, D2795, and D4371 procedures. Birtley adheres to ASTM and ISO preparation and testing specifications and have quality control processes in place. They have participated in the International Canadian Coal Laboratories Round Robin Series (CANSPEX) since its inception. They are also part of the ISO Technical Committee for Canada for TC27 and its associated subcommittees for coal preparation and coal testing. 2019 coal samples were analysed by ALS Coal Services' laboratory in Richlands using accredited tests AS1038.3, AS1038.6.4, AS1038.12.1, AS1038.12.2, AS1038.12.4.1, AS1038.20, AS1038.6.4, AS1038.6.4, AS1038.16, BS1016.14, AS1038.21.1.1, AS3881, AS1038.5, AS1038.1, AS1038.6.3.3, AS1038.3, AS 1038.14.3, AS1038.10.4 and non-accredited tests AS2519 and AS1038.22. Sampling by ALS is done in accordance with AS2617 (seams, insitu), AS4264.1 Sampling Procedures and AS4264.4 Determination of Precision and Bias and acceptance and reporting of results is done in accordance with AS1038.16. ALS is regularly audited by external auditors against ISO – 17025 standards.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i>	- Coal intersections used in the geological model were verified by geophysical measurements. Montem's consultants, Dahrouge Geological Consultants (Dahrouge) completed a 100% validation of the 2018-2019 work; a 100% validation of historic drillhole locations; and an approximate 75% spot check of coal seam intersections, creating an independent database for resource modelling. - Not all data addressed in the historical summary reports and technical reports could be located by Dahrouge, and therefore, could not be used in this report. Twinned holes were not used. - Drill hole collar, lithology and basic raw coal quality data is stored in a Excel database. All available source field records, lab reports, survey data etc. are stored in electronic form.
Location of data points	<i>Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	- The topographic data surface is based on a Lidar topographic survey collected in 2017. No material surface disturbance has occurred since then. - The generally close alignment of surveyed collars and LiDAR data support the notion that the validation process undertaken by previous studies is generally reliable. These historical collar locations are incorporated into the geological

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Criteria	JORC Code explanation	Commentary
	<i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i>	- model. - All 2018/2019 collar points were surveyed in UTM NAD83 Zone 11, using a Topcon RTK system with an accuracy of ±10 mm horizontally, and ±15 mm vertically.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i>	- The Tent Mountain Project covers an area of ~1,683.1 ha. The modelling database uses 156 historical and 76 current (2018/2019) holes totalling 37,298.87 m. 578 historical structural non-coal and coal outcrop mapping points and 336 surface and subsurface structural control points from the 2019 program, including roadcut and drone measured sections, were used in the development of the model's structural framework. - The historical dataset reflects the standards and exploration targets of the time. There is a bias in the historical dataset towards information on the S4 and S5 seams which represents the principal open cut targets. Conversely, the historical surface mapping data is biased towards the lowermost S2 seam due to its common exposure. There are also high concentrations of data around mostly mined out shallower coal occurrences likely were amenable to shorter term open cut operations. The historical dataset contains significant variability. These data gaps were addressed in the 2018/2019 drilling and mapping programs, with particular focus on LDC drilling for improved recovery and greater continuity of coal quality data. - The data spacing and distribution is considered by the Competent Persons to be collectively sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource Estimation and classifications applied.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	- The coal resource at Tent Mountain resource is bounded by three major north-striking reverse faults and this geology results in a marked anisotropy to the deposit with shallow coal occurring along the strike and to either side of these faults. Many holes were drilled at angles to intersect seams as nearly perpendicular as feasible (Figures 13-3 to 13-7). Downhole deviation logs and collar surveys constrain drillhole data in 3D space - The east west anisotropy to the deposit is geostatistically significant but it is also reasonably consistent and well understood.
Sample security	<i>The measures taken to ensure sample security.</i>	No special sample security measures were adopted on this project because the industry regards coal as a low value bulk commodity; the exploration samples

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Criteria	JORC Code explanation	Commentary
		were handled by project geologists and stored in a locked cold storage pending transport to the lab. • Samples have a unique sample number that is provided for analysis. Each sample tag lists project name, drillhole, top and base of sample interval, and sample number.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	• The historical drillhole database was created and validated by Montem geological personnel during 2016 to 2017 with the addition of drillhole data and validation in 2019. This dataset is based on drilling and outcrop data collected from 1973 to 1982. Data from this period appears to be of a professional and consistent quality but due to its age the data used in the resource estimation cannot be directly confirmed. Data has been excluded where incomplete or not be constrained or confirmed. • In 2019, the geological dataset and model was updated and validated using data from the 2018 and 2019 drill programs and surface mapping, with additional historical drill reports, cross sections and figures.

Section 2 Reporting of Exploration Results		
Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	• The Tent Mountain Mine consists of 10 Alberta Freehold Tenements (all minerals except gold and silver), 11 Alberta Coal Leases, 1 BC Coal Lease in addition to 10 Alberta Freehold (surface only) tenements held by Montem (Table 4-1 to Table 4-4 and Figure 4-1) and is subject terms and conditions of an agreement outlined Section 4.4. • Montem has an active Alberta Coal Mine Permit (C85-16G) and BC Mine Permit BC C-108 for the area of Tent Mountain; an active EPEA (No. 47679-02-00) which requires amendment to restart mining at Tent Mountain; and other agreements/permits including Road Use, Water Management Approval, BC Reclamation Permit, Licence of Occupation, Right of Entry and a Coal Exploration Permit (CEP 180001). Tenure and permitting details are presented in Section 4.5. • All of the Tent Mountain Provincial Crown lands in Alberta are designated as Category 4, within which coal exploration may be permitted under appropriate control. Surface or under-ground mining or in-situ operations

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Section 2 Reporting of Exploration Results		
Criteria	JORC Code explanation	Commentary
		may be permitted subject to proper assurances. The Province of British Columbia has no corresponding land designation for its coal licenses (Figure 4-2). • Several Indigenous groups are located within 100 km of the project area. Montem currently consulting and engaging with the Indigenous peoples that have interest in the project area, in order to building relationships and develop an understanding of each group's needs and internal processes. • The targeted coal-bearing Mist Mountain Formation is naturally rich in selenium. In alkaline, aerobic conditions, elemental selenium and selenide minerals are oxidized releasing soluble selenate ions which can be transported in surface runoff. Large scale surface mining in the Elk Valley, British Columbia has enriched the Elk River in selenium. Any future mine development on the Property will require the development of a selenium management plan. • The Alberta portion of the Property is located within the Mountain Goat and Bighorn Sheep sensitive areas. Disturbances that may have direct or indirect adverse effects, such as permanent alteration of habitat must be avoided. • The Property is in a grizzly bear protection zone what requires preservation or core and secondary grizzly bear habitat. • The Alberta Coal Leases fall within the Rocky Mountain Forest Reserve. This reserve is managed by the province primarily for resource development management and recreational use purposes, although the designation of wilderness areas has been used to restrict certain types of access for management of habitat and conservation purposes.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	• Details of Property history and previous exploration are presented in Section 6. Coal at Tent Mountain was discovered by prospectors around 1910. Coal was extracted from two underground mines in the Boulton area. The workings were operated by the Spokane and Alberta Coal and Coke Co. who commenced driveage in 1922 and apparently ceased production in 1929. Total production is estimated to be less than 100,000 tonnes. • Coleman Collieries Ltd. acquired the Property sometime prior to 1949. There are no detailed records of exploration programs prior to 1972. From 1973 to 1977 extensive exploration was carried out on the East Flank (Pit 4) and in North Boulton, Trail Hill and South Boulton areas (Table 6-2; Figure 6-1).

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Section 2 Reporting of Exploration Results		
Criteria	JORC Code explanation	Commentary
		Three adits were driven in the east flank of Tent Mountain between 1975 and 1976 (Figure 6-2). Bulk samples of the coal seams were extracted and analysed. Geological maps, outcrop, trench data, and geological reports concerning the Property are available from a wide variety of sources and have been used to constrain geology, model surfaces and to assist with the structural interpretation of the project. • Several historical Resource Estimates were made. In 1982, L.A. Smith Consulting and Development, LTD conducted a study titled the "Geological Evaluation of the Tent Mountain Area; Volume 1 and 2, which was a comprehensive assessment of remaining coal resources and potential reserves on the Project. • In 2005, Sherritt International contracted Norwest to complete a Resource Estimate for the Tent Mountain Mine summarized in Table 6-4. • In 2017, Geoff Jordan and Associates prepared the Tent Mountain Resource Estimate summarized in Table 6-5. • In 2018, Tamplin Resources Pty. Ltd. prepared a Tent Mountain JORC Code (2012) Resource Report summarized in Table 6-6. • Open pit mining has occurred extensively on this property since 1948. Production has been intermittent but significant amounts were extracted between 1948 and mining completion in 1980. Historic open cut operations occurred in 4 separate and distinct pits. Approximately 5.5 million tons of coal has been extracted from the 1 and 2 Pit (which are now amalgamated) between 1948 and 1975 (Dyson, 1977). Coal was extracted from the thickened 5 Seam zone in the axis of the Crowsnest Syncline. Production from 3 Pit occurred from 1952 to 1955 and from 1975 to 1979. Coal was extracted from a fault thickened 2 Seam section in the west dipping limb of the Crowsnest Syncline. This pit has been completely mined out. In 4 Pit coal was extracted from 5, 6 and 7 Seam in the Tent Syncline. Production commenced in 4 Pit in 1969 and operated continuously until 1971. A re-evaluation of ratios and economics lead to the re-opening of the pit in 1974. Mining ceased in this pit in 1979.5 Pit extracted coal from 5, 6 and 7 Seam on the east limb of Tent Syncline in the area commonly known as the East Flank. This pit opened in 1978 and operated continuously until mining operations ceased in 1980. Coal was extracted from the central portion of the East

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Section 2 Reporting of Exploration Results		
Criteria	JORC Code explanation	Commentary
Geology	<i>Deposit type, geological setting and style of mineralization.</i>	Flank. Further mining potential exists along strike to both the north and south of this pit. - The Property is underlain mainly by The Jurassic-Cretaceous Mist Mountain Formation of the Kootenay Group (Figure 7-1 and 7-2), which contains the major coal deposits in the Front Ranges of south eastern British Columbia. Details of regional and Property geology are presented in Section 7. - Coal seams of the Mist Mountain Formation outcrop on the Property in a general north-south direction for a strike length of approximately 5 km. The Mist Mountain Formation in the Eastern Front Ranges is typically overlain unconformably by the thickly bedded to massive conglomerate of the Cadomin Formation at the base of the Blaimore Group. On Tent Mountain, erosion has removed the Cadomin formation and the upper part of the Mist Mountain Formation. The Mist Mountain Formation in the Tent Mountain area is divided into three members which are described separately below with reference to Figures 7-3 and 7-4: - The Mutz Member is the stratigraphically uppermost unit of the Mist Mountain Formation and comprises up to 90m of fluvial siltstone with minor interbedded claystone and coaly partings. The Mutz Member contains coal in seams S5, S6 and S7 and a minor seam that lies between seam S5 and S6. - The ridge forming Hillcrest Member lies conformably below the Mutz Member and consists is up to 30 m of fluvial channel sandstone deposits with interbedded siltstone and claystone. The Hillcrest Member contains no major coal zones. - The recessive Adanac Member lies conformably below the Hillcrest and consists of shale, siltstone and fine grain sandstone, and includes at least two major coal seams; the S2 and S4 seams. The S3 seam is also intermittently present in the norther portion of the property, but this seam was not modelled due to its poor continuity along strike. - The Moose Mountain Member forms the base of the Mist Mountain Formation and is a massive cliff-forming siliceous sandstone with minor amounts of mudstone, siltstone and coal. The Moose Mountain Member varies from 4 to 36m thickness. The contact between it and the underlying Jurassic Fernie Formation is abrupt and conformable. - Coal-bearing sediments of the Late Jurassic to Early Cretaceous were strongly

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Section 2 Reporting of Exploration Results		
Criteria	JORC Code explanation	Commentary
		deformed during the Late Cretaceous Laramide Orogeny resulting in the development of north to northwest trending folds and steeply dipping reverse faults, which locally causes the strata to be thrust upwards. Coal zones are relatively continuous between major reverse faults however their thickness and distribution is variable within relatively short distances. The Tent Mountain Project has been divided into 4 structural domains bounded by 3 major thrusts (Ptolemy, Tent and Boulton) that dip to the west at angles of 30°-69° (Figure 7-3). The Crowsnest Syncline/Anticline lie west of the Boulton fault. • There are at least five major economic coal horizons in the Mist Mountain formation at Tent Mountain (Table 7-1; Figure 7-4). The principal coal seams, in descending order are the number S7, S6, S5, S4 and S2 seams and are divided into 1, 2 or 3 plies. • Geological Survey of Canada Paper 88-21 (GSC 88-21) outlines criteria that may be used to classify coal deposits. Based on these criteria, Tent Mountain is probably best classified as a complex, surface-mineable deposit as the deposit has been subjected to relatively high levels of tectonic deformation with tight folds and steeply inclined or overturned limbs common. Individual fault-bounded plates generally retain normal stratigraphic sequences although coal seam thicknesses are commonly structurally thickened or thinned. • The Tent Mountain coals are considered Medium Volatile Coal under ASTM standards that could be marketed as semi-hard to hard coking coal (Cameron and Williams, 2020). • Washability analysis demonstrates a clean product in the 8.30-13.10% ash range. Generally, the product coal is likely to be moderate in sulphur (~0.40-0.70) and phosphorus (<0.090) and exhibit CSN results of approximately 5-7 (Cameron and Williams, 2020).
Drill hole Information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes: easting and northing of the drill hole collar elevation or RL (Reduced Level –</i>	• Drillhole information and coal intersections compiled for the current resource model are presented in Table 11-2 and Table 9-9 and Table 9-10 respectively of this Report. • The historical data compilation located and compiled a total of 192 holes, including 119 core holes and 73 rotary holes, on or adjacent to the Property

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Section 2 Reporting of Exploration Results		
Criteria	JORC Code explanation	Commentary
	elevation above sea level in meters) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	(Table 6-2). These were drilled by Coleman Collieries between 1972 and 1977. Jordan (2017) completed a comprehensive review of the historical drillhole locations to verify collar locations and covert drillhole location survey data from the historical imperial coordinate system to the metric system (UTM NAD83 Zone 11). A topographic LIDAR survey was carried out on behalf of Westmoreland in June 2017 and was used in the current resource estimation. • A total of 76 holes, totalling 8,784 m, were drilled for infill and resource purposes between 2018 and 2019 on the Property (Table 9-1; Table 9-2; Figure 9- 1). Hole types included air rotary, 6” large diameter core, reverse circulation and HQ diamond drillholes. All holes drilled in 2018 and 2019 were incorporated into the 2019 geological model and 2019 Resource Statement (See Appendix 1).
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Coal intersections were generally sampled at 1 to 1.5m segments and composited as one sample per seam. Where applied, compositing of density was aggregated by volume; proximate analysis results, sulphur and washability aggregated by mass, and clean coal results aggregated by the sum product of yield and mass. These approaches are industry standards. Where quoted coal quality is for the full seam. Grade cut-offs were not applied to exploration results in the database. For resource modelling, a minimum seam thickness of 0.6 m; maximum internal ply interburden of 0.45 m and maximum stripping ratio of 20:1.
Relationship between mineralization widths and	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement	• All thicknesses in the geological model from both historical and 2018/2019 data are apparent thickness (Table 9-9). Unless otherwise specified all thicknesses in this document are apparent thicknesses. Structural thickening of seams is known to occur on the Property. Many of the drillholes have been inclined in an attempt to intersect strata perpendicular to the strata dip. The geological modelling software combines drillhole orientation and intercepts from downhole logs with known and extrapolated structural

JORC Code, 2012 Edition – Table 1

Section 2 Reporting of Exploration Results		
Criteria	JORC Code explanation	Commentary
intercept lengths	to this effect (e.g. 'down hole length, true width not known').	information from surface mapping to project geometry of coal seams. Resource modelling takes these geometries and, with constraints, calculates in-place volumes for the seams, with calculated interburden volumes removed.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	See Figures 2-1 through 14-1 and Tables 1-1 through 14-1 in report
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	There is no preferential reporting of results. The current Tent Mountain geological model is both a tool for creating resource estimates over the Project, and for targeting future exploration. Data has been extensively validated against raw records. Key further validation tools include the generation of cross sections and isopach plans and generic Leapfrog and Vulcan borehole validation checks. No material information has been excluded and outputs from the model honor data.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	- A geologic mapping program for increased structural control was conducted (Table 8-1; Figure 8-1), including roadcut (Table 8-2) and drone sections (Table 8-3). The 2019 field data was used to select between historic interpretations that were consistent with current control points. This data helped remove conflicting historic interpretations, while maintaining valuable information collected during historic mining. - A drone survey of the Pit 4 and Pit 2 highwalls was conducted by SRK. The objective of the survey was to create a high-resolution, three-dimensional image in order to identify structural features and coal seam outcrops in the pit walls. Control points were used to aid in the georeferencing of the image. Once georeferenced, the images were loaded into 3D modelling software and aided in the structural and geological interpretation of the Property. - A lake bathymetry survey was conducted on the Pit 4 Lake by McElhanney Ltd., of Calgary, Alberta. The objective of the survey was twofold; to determine the volume of water within the Pit 4 Lake, as well as map the lake bottom to create a detailed surface of the historical Pit 4 extents. These

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Section 2 Reporting of Exploration Results		
Criteria	JORC Code explanation	Commentary
		results were merged with the 2017 LiDAR topography to better constrain the resource model. • Five monitoring wells and 2 vibrating wire piezometer installations were completed by Matrix Solutions Inc., of Calgary, Alberta. Results collected from the monitoring wells and vibrating wire piezometers will be used to aid additional test work and evaluate the hydrogeological impacts on geotechnical pit stability. • The LDC coring program in 2018 and 2019 yielded samples for extensive coal quality assessment as the historic bulk sample information cannot be directly incorporated into the geologic and resource models. Coal quality results are discussed in Section 12 of this report as well as a separate independent report by A&B Mylec (Cameron and Williams, 2020).
Further work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	• Recommended 1000-2000 m of RAB or RC drilling to increase resource classifications to indicated and measured. • Recommended 1000 m of RAB and 500 m LDC drilling on the British Columbia portion of the Property with downhole geophysical logging and ATV/OTV surveys of all holes to consistently identify coal seams and geologic structures. • Recommended 400-600 m of sonic drilling to better define the historical workings and mine dumps on the Property. Focus should be on reaching bedrock to determine the extent of the dump west of Pit 4 as well as within Pit 2 (Figure 6-2), which was backfilled with an unknown amount of waste material upon completion of historical mining. • Recommended bulk sampling of all economic coal seams on the Property for pilot wash plant testing and to confirm the flowsheet of the coal preparation plant. Additional washability and detailed analysis on a range of size fractions should be completed to increase confidence in the 2018 and 2019 coal quality analysis and to confirm the optimum size and density at which to prepare clean coal composites. Petrographic analysis and detailed coking coal tests, including carbonisation studies, should be completed on simulated clean coal products to further define market specifications for the resource. • Recommended 400- 600 m of HQ split-tube diamond drilling on the British Columbia coal leases. Drilling should be spatially distributed across the area

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Section 2 Reporting of Exploration Results		
Criteria	JORC Code explanation	Commentary
		targeting both the hanging wall and footwall of the proposed pit shell. Detailed geotechnical logging should be conducted at the drill rig. These holes can be multipurpose holes and serve for geochemical analysis on the British Columbia portion of the Property. Monitoring wells and vibrating wire piezometers installed in 2018 and 2019 should be monitored on a regular basis to increase understanding of the interaction of the Pit 4 and Pit 2 lakes with the surrounding environment. This data will be relevant for both mine design and environmental studies on the Property. Packer tests should be performed in the geotechnical HQ drillholes on the British Columbia portion of the Property to evaluate hydraulic conductivity near proposed pit walls of varying rock types and structures.

Section 3 Estimation and Reporting of Mineral Resources

Section 3 Estimation and Reporting of Mineral Resources		
Criteria	JORC Code explanation	Commentary
Database integrity	<i>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</i> <i>Data validation procedures used.</i>	- The Competent Persons have relied on the professional quality of the historical data compilation work, including reviews of this historical work. The Resource Estimate which form part of this report were based on the 2018 and 2019 drilling, as well as historical drilling, select trenching data, adit data, and mapping data. Dahrourge completed a 100% validation of the 2018-2019 work; a 100% validation of historic drillhole locations; and an approximate 75% spot check of coal seam intersections, creating an independent database. The data sets, including analytical data, are incomplete in some instances, and analytical certificates and details of QA/QC programs were not necessarily included in the historical summary reports. In 2018, Montem acquired additional data for 43 drillholes from the Alberta Energy Regulators (AER); this data was not included in previous Resource Estimates. - Historical coal quality data was evaluated by both Dahrourge and A&B Mylec. A&B Mylec focused on the historical coal washability data and used the criteria outlined in Section 11 to select a total of 28 valid historical representative samples to include in the washability database

JORC Code, 2012 Edition – Table 1

Criteria	JORC Code explanation	Commentary										
		along with the 2018 and 2019 washability samples. - Dahrouge compiled a raw ash database for creation of ash and relative density grids to be used within the geological model and resource estimation. A total of 29 historical coal quality samples were utilized in the ash and relative density grids, which were selected using the following criteria: - The historical coal quality samples were depth corrected against geophysical logs - The samples were required to have >80% sample/core recovery and <20% parting inclusion by length to be included in the gridding process - Dahrouge incorporated the washability samples selected by A&B Mylec and the 2018/2019 coal quality data into the raw ash database - Drillholes were qualified using a reliability indicator classification system, from 1-3. The reliability was based on the quantity and quality of data available and the known accuracy of each collar location (see Section 11). Results are summarized below:<table><tr><th>RELIABILITY</th><th>TOTAL DRILLHOLES (RC + DDH+ TRENCHES)</th></tr><tr><td>1</td><td>73</td></tr><tr><td>2</td><td>136</td></tr><tr><td>3</td><td>51</td></tr><tr><td>EXCLUDED</td><td>36</td></tr></table> - Not all data addressed in the historical summary reports and technical reports could be located by Dahrouge, and therefore, could not be used in this report. The authors have reviewed the data for consistency between the different projects and companies and eliminated data that could not be constrained or confirmed in reports or government databases. The authors have concluded that work completed by the coal production and exploration companies was conducted in a professional manner that was consistent with the data collection and reporting standards at that time.	RELIABILITY	TOTAL DRILLHOLES (RC + DDH+ TRENCHES)	1	73	2	136	3	51	EXCLUDED	36
RELIABILITY	TOTAL DRILLHOLES (RC + DDH+ TRENCHES)											
1	73											
2	136											
3	51											
EXCLUDED	36											
Site visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits.	Competent Person Mr. Bradley Ulry visited the site June 25th to 28th, July										

JORC Code, 2012 Edition – Table 1

Criteria	JORC Code explanation	Commentary
	<i>If no site visits have been undertaken indicate why this is the case.</i>	6 th to 12 th , 2019 and September 12 th to 13 th 2019.. Competent Person Mr. John Gorham visited the Property on December 5 th and December 12 th to 13 th , 2018, and provided some management direction throughout the drill program between December 5 th and 22 nd , 2018. Mr. Matthew Carter did not visit the Property.
Geological interpretation	<i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i> <i>Nature of the data used and of any assumptions made.</i> <i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i> <i>The use of geology in guiding and controlling Mineral Resource estimation.</i> <i>The factors affecting continuity both of grade and geology.</i>	- Details of the geological interpretation and its use in resource estimation are presented in section 14. The geological model was constructed using an implicit 3-D modelling software, Seequent - Leapfrog Geo™. A vetted database was imported into Leapfrog™, where it was validated, and any erroneous or conflicting data was amended. The geological model incorporated historic surface maps, cross-sections and mine plans; surface mapping datapoints; drilling and trenching datapoints and in-situ downhole Acoustic and Optical Televue measurements. The historic surface maps, cross-sections and mine plans were used to evaluate the geological structures and stratigraphic orientations (Figure 13-4; 13-5). - SRK structural and resource geologists completed an independent review of both the stratigraphic and coal seam solids.
Dimensions	<i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i>	The Tent Mountain Project covers an irregular shaped area 9 km north to south and 2 km east to west. The strike trend of the Project is more or less north-south. Plan length and width of the resource are about 5000 m and 2000 m respectively (Figure 14-6) Resources are limited to Project boundaries; subcrop clipped against base of weathering (8 m); a minimum coal thickness of 0.6 m, a maximum depth of 500 m from topography, and a cumulative strip ratio of 20:1 bcm/t. This approach approximately reflects existing practical recovery limits for thin seam open cut mining.
Estimation and modeling techniques	<i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i> <i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account</i>	- Details of the resource modelling and estimation techniques are presented in section 13. For the purpose of this Resource Estimate, the Tent Mountain Mine has been assigned as a complex geology type, due to the presence of regional and local faulting, folding and deformation seam thickening. Resource classifications were determined using an Inverse Distance Estimator (ID²). The base-of-weathering clipped resource classification grade shell (polygons) is illustrated in Figures 13-8 through 13-13, presenting the near surface distribution of Measured, Indicated and Inferred category resources. - Historical density information for deposits on the Property was relatively

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Criteria	JORC Code explanation	Commentary
	<i>of such data.</i> <i>The assumptions made regarding recovery of by-products.</i> <i>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterization).</i> <i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i> <i>Any assumptions behind modelling of selective mining units.</i> <i>Any assumptions about correlation between variables.</i> <i>Description of how the geological interpretation was used to control the resource estimates.</i> <i>Discussion of basis for using or not using grade cutting or capping.</i> <i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i>	sparse and all past Resource Estimations used a constant bulk density value that was assumed across the property. This value was determined from the coal rank and average ash contents as defined in GSC 88-21. Average dried ash content was determined to be 15-20 percent by weight, with a rank classification of medium volatile bituminous coal. This produced a bulk density of 1.45 g/cm³. • The current Resource Estimate used a variable density derived from the laboratory reported relative densities. Air-dried ash, and air-dried relative density coal seam quality grid models were constructed in Maptek's Vulcan 12™. Quality grids were checked to ensure that the interpolated values propagated to the full extent of the Leapfrog Geo™ geologic model. Coal quality grids were not created for two seam plies, S3L and S3U, due to the lack of representative coal quality data. • Coal quality grids were used to add and populate block model variables for the Horizontal Adaptive Rectangular Prism (HARP) block model (Section 13.3.2 and 13.3.3) through the Integrated Stratigraphic Modelling (ISM) module in Vulcan™ • Statistical outputs of each coal quality variables for each seam ply are presented in Table 13-2 and Table 13-3, was performed using Vulcan Data Analyzer™. The Datamine™ classic block model block statistics closely matched the Vulcan statistics. • Maptek Vulcan™ 12 was utilized to generate the block model for the Tent Mountain project area. The modelling database, topography, seam and structural models from the Leapfrog Geo™ Tent Mountain geologic model were imported into Vulcan™. Imported data was evaluated to confirm the correct model extents, coordinate system, location of drill collars, and coal seam intersections relative to seam solid and structural models. Additionally, any imported triangulated solids were validated to ensure conservation of original volumes, closure of the solids, consistency of the solids, and no crossing or self-intersections. The Leapfrog™ seam models for each ply were converted into Vulcan™ seam roof and seam floor surfaces. Each resultant Vulcan™ roof and floor surface was evaluated to ensure no crossing or self-intersections had been created during the conversion process. Seam roof and floor surfaces were overlaid and visually compared to their original parent Leapfrog™ solids to confirm surface geometries and extents were honoured (see Section

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Criteria	JORC Code explanation	Commentary
		13-3-3 for details).
		- The summarized modelling methodology used for the Resource estimation for all areas of the Property consisted of the following steps: - Import validated LeapfrogTM modelling database, topography, seam solid triangulations, and structural model into Maptek Vulcan 12TM - Verify correct coordinate system (UTM NAD83 Zone 11N) and model extents for imported data - Validate seam solid triangulations, testing for conservation of volume, consistency, closure, and crossing/self-intersection - Validate structural fault blocks, testing for conservation of volume, consistency, closure, and crossing/self-intersection. - Validate structural fault surfaces by applying a Boolean test against the corresponding fault block - Visually confirm placement of drill collars relative to topography and assigned model coordinates - Visually confirm drill intersections correspond to seam solid and structural models - Build the VulcanTM Horizon List (gdc_glob) - Convert LeapfrogTM seam solid triangulations into VulcanTM seam roof and floor surfaces - Validate VulcanTM seam roof and seam floor surfaces by visual comparison to the original LeapfrogTM seam solid triangulations - Create a HARP (Horizontal Adaptive Rectangular Prism) block model. Blocks were 10 m x 10 m with a 5 m x 5 m sub-blocking (x and y directions) - Validate HARP generated seam volumes against original LeapfrogTM seam solid triangulation volumes - Superimpose and visually verify HARP generated seam solid triangulations honour original LeapfrogTM seam solid triangulations - Determine the cumulative stripping ratio for each block of coal within the model (total volume of waste/total tonnage of product) - Generate VulcanTM grade shells for each resource classification – Measured, Indicated, and Inferred from the LeapfrogTM ID2 generated Resource classification - Apply a maximum Resource depth cut-off of 500 m's from topography

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Criteria	JORC Code explanation	Commentary
		accommodating for the steep topographic terrain. - HARP Cells were populated for Resource classification grade shells, Ash (ad) quality grids and Relative Density (ad) quality grids. - Constrain resource estimation by Montem Coal Leases and Freehold Tenement boundaries - Constrain resource estimation to a seam aggregate thickness greater than 0.6 m with a maximum internal ply interburden < 0.45 m. - For the purpose of this Resource Estiamte, a surface minable resource was used. Surface resources are those resources with a cumulative stripping ratio of less than 20:1 (cubic metres of waste to a tonne of coal), an aggregate seam thickness greater than 0.6 m, and a vertical depth from topography less than 500 m. A more conservative minimum seam thickness cut-off of 0.6 m instead of 0.3 m is in common use for coals of the western Canadian Cordillera due to the greater structural complexity. The remaining coal resources at Tent Mountain have open cut potential. The steep mountainous terrain at the Tent Mountain Mine limits the deepest portions of the resource to areas immediately below the more elevated portions of the Project such as peaks and topographic highs. Overall, more than 80% of the resource occurs at depths of less than 300 m total depth with the shallower portions of the deposit occurring in the more aerially extensive hillside flanks and valleys. The deposit geometry makes the resource potentially suitable for a Mountain Top Removal (MTM) mining approach which justifies the application of a 500 m depth cut-off for open cut resources. The in-place resources for the Tent Mountain Project areas are summarized in Table 13-5 and detailed by seam in Table 13-6 and in Figures 13-7 to 13-11.
Moisture	<i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i>	The current Resource Estimate used a variable density derived from the laboratory reported relative densities. Air-dried ash, and air-dried relative density coal seam quality grid models were constructed in Maptek's Vulcan 12™. Estimated in-situ moisture was calculated using the average air-dried moisture of 2019 coal quality sampling + 4% (total 5.3%).
Cut-off parameters	<i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i>	Resources are limited to coal tenement boundaries; subcrop against base of weathering; a minimum coal thickness of 0.6 m, a maximum internal ply interburden < 0.45 m, a maximum depth of 500m and a cumulative strip ratio of 20:1bcm/t. This approach approximately reflects existing

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Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	<i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i>	practical recovery limits for thin seam open cut mining. - For the purpose of this Resource Estimate, a surface minable method of extraction is assumed. Surface resources are those resources with a cumulative stripping ratio of less than 20:1 (cubic metres of waste to a tonne of coal), an aggregate seam thickness greater than 0.6 m, and a vertical depth from topography of less than 500 m. The steep mountainous terrain at the Tent Mountain Mine limits the deepest portions of the resource to areas immediately below the more elevated portions of the Project such as peaks and topographic highs. Overall, more than 80% of the resource occurs at depths of less than 300 m total depth with the shallower portions of the deposit occurring in the more aerially extensive hillside flanks and valleys. The deposit geometry makes the resource potentially suitable for a Mountain Top Removal (MTM) mining approach which justifies the application of a 500 m depth cut-off for open cut resources. A definitive evaluation of the mining methods has not been completed and included in this report. Most of the historical production on the Property has been through surface mining. - Consideration of reasonable prospects for production include favourable geology (other nearby producers of coking coal from the same formation and seams, nearby infrastructure (road, rail and power) abundant available water, a nearby labour pool (4 operating surface coking coal mines), favourable land-use categories, and a favourable government and social attitude to resource extraction.
Metallurgical factors or assumptions	<i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i>	- Coal quality from historical data was compiled by Dahrourge and expanded on by A&B Mylec. This included a validated database from hardcopy laboratory and exploration reports, including drillhole, trench, bulk and wash plant samples. This data was obtained from historical records, collected in the 1970's. Coal quality data from 2018/2019 LDC drilling has been incorporated into this database. Details of historical sample selection are detailed in Section 11. - There is no known material data which would place at risk the assumption that the coal can be mined cleanly and/or blended and/or washed to a saleable specification
Environmental	<i>Assumptions made regarding possible waste and process residue disposal options. It is always necessary</i>	Various environmental baseline and impact studies are currently underway at Tent Mountain as part of on-going studies of which this

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Criteria	JORC Code explanation	Commentary
factors or assumptions	<i>as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i>	resource estimation forms a part. These will address acid/base balance, surface and groundwater quality and flow, soil and vegetation surveys and monitoring, wildlife habitat and movement. • Section 4.8 and 4.9 detail environmental liabilities and other significant factors and risks ○ A small area, 4.6 ha, of one Alberta Freehold Tenement (all minerals except gold and silver) falls within the southwest limits of the South Saskatchewan Regional Plan (SSRP). The SSRP, applies to both private and crown lands and ensures Montem's stewardship to the environment as well as adding limits to water use licensing. ○ The entire Alberta portion of the project is located within a Mountain Goat and Bighorn Sheep Range. In these areas, efforts will be required to be made to avoid disturbances that may have a direct or indirect adverse effect and to avoid permanent alteration of habitat. The entire Tent Mountain Project is located within a Grizzly Bear Protection zone which is declared to provide and preserve either core or secondary grizzly bear habitat. ○ The Alberta Coal Leases fall within the Rocky Mountain Forest Reserve. This reserve is managed by the province primarily for resource development management and recreational use purposes, although the designation of wilderness areas has been used to restrict certain types of access for management of habitat and conservation purposes. ○ The Mist Mountain Formation, the targeted coal-bearing unit, is naturally enriched in selenium. In alkaline, aerobic conditions, elemental selenium and selenide minerals are oxidized releasing soluble selenate ions which can be transported in surface runoff. Large scale surface mining in the Elk Valley, British Columbia has enriched the Elk River in selenium. Any future mine development on the Property will require the development of a selenium management plan.
Bulk density	<i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the</i>	• Historical density information on the Property was relatively sparse and all past Resource Estimations used a constant bulk density value that was assumed across the Project. This value was determined from the

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Criteria	JORC Code explanation	Commentary
	measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	coal rank and average ash contents as defined in GSC 88-21. Average dried ash content was determined to be 15-20 percent by weight, with a rank classification of medium volatile bituminous coal. This produced a bulk density of 1.45 g/cm³. - The current Resource Estimate uses grid modelled densities for each seam ply (Section 13-3-2). The 2018 and 2019 relative density, ash and inherent moisture measurements were used in combination with A&B Mylec selected historical samples and additional coal quality data with greater than 80% recovery and less than 20% parting inclusion to generate individual seam ply grids. The criteria for historical sample selection is outlined in Section 11. A 5% in-situ moisture was applied for a relative density correction to estimate in-situ density. - In-situ relative density correction: $[RD_{ad} \times (100 - Mad)] / [100 + RD_{ad} \times (ISM - Mad) - ISM]$
Classification	The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit.	- As the stratigraphic and structural complexity of a coal deposit increases, a greater number of data points are required to assign the coal to measured, indicated, or inferred resource categories. Data points were defined as locations where a coal seam, or a marker horizon indicating the proximity to a coal seam, is exposed. Valid data points were obtained from drillhole intersections and surface measured sections. Seam thickness and reliability were assigned to all datapoints used in the Resource. - For the purpose of this Resource Estimate, the Tent Mountain Mine has been assigned as a complex geology type, due to the presence of regional and local faulting, folding and deformation seam thickening. Resource classifications were determined using an Inverse Distance Estimator (ID²) with the criteria provided in Section 13-3-1 (see Tables 13-5 through 13-10 and Figures 13-8 through 13-13). Resource classification required three coal seam intersections within the defined ellipsoid search radii to be included in the Resource. This defined a search plain and limited search extension from control points to multiple confirm coal seam markers. - Geostatistical and structural analysis were conducted in tandem with resource modelling and supports the classification. - This study and Resource Estimate was independently reviewed by Tamplin Resources Pty. Ltd. Recommendations were reviewed and
Audits or	The results of any audits or reviews of Mineral Resource	

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Criteria	JORC Code explanation	Commentary
reviews	estimates.	incorporated into reporting. Resource Estimates presented in this study were internally reviewed by senior qualified peers from SRK Consulting Ltd., having no direct involvement in the derivation of the Resource Estimate.
Discussion of relative accuracy/confidence	<i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i> <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>	- Structurally, the Tent Mountain deposit is reasonably well understood. The current interpretation has not materially changed since the 1970's. Multiple workers have reviewed the interpretation in the ensuing period and the Competent Persons regard it as valid. The main factors affecting coal seam continuity are the interplay of faulting, folding, seam dip, depth of weathering and surface topography. Seams show a highly variable thickness which reflects depositional and structural variations as well as the localized thickening of coal seams which occur in the apex of folds and adjacent to reverse faults. These provided substantial tonnage benefits during past mining. - Coal recovery in cored holes was poor to good, ranging from a low of 36% to a high of 100% for the identified seam groups with an average coal recovery of approximately 73%. This is due to the extremely friable nature of the coal and considerable internal micro faulting within the seams. This behaviour and slim core coal recovery is typical of coals in this area. For the 2018/2019 drilling campaigns, the average recovery was 87%. Better success in recovery was due to increased core diameter and the use of split tube techniques - All remaining coal resources on the Tent Mountain Mine have open cut potential. Resources have a moderate level of confidence. Drillholes are spaced closely enough for coal seam continuity and quality to be assumed justifying some Measured, as well as Indicated status and Inferred Status within the declaration areas. The extent of coal washouts and faulting may negatively affect the coal resource tonnage for each affected coal seam. Significant faulting and folding is likely to exist throughout the deposit.

Appendix 1 - Geological Model Drillhole Database

Year	Hole ID	Reliability	Hole Type	Eastings	Northing	Elevation	Az	Dip	Depth (m)	Collar Survey	Deviation Survey	Geophysics	Coal Quality	Company
1973	CM10-73	3	RC	666436	5490930	2062	0	-90	146.31	Map	NO	NO	NO	Manalta Coal Ltd.
1973	CM11-73	3	RC	665493	5494167	1672	0	-90	27.44	Map	NO	NO	NO	Manalta Coal Ltd.
1973	CM1-73	3	RC	663976	5494347	1649	0	-90	93.27	Map	NO	NO	NO	Manalta Coal Ltd.
1973	CM2-73	3	RC	663814	5494205	1651	0	-90	84.13	Map	NO	NO	NO	Manalta Coal Ltd.
1973	CM3-73	3	RC	664094	5494710	1616	0	-90	62.79	Map	NO	NO	NO	Manalta Coal Ltd.
1973	CM4-73	3	RC	664708	5495012	1533	0	-90	70.11	Map	NO	NO	NO	Manalta Coal Ltd.
1973	CM5-73	3	RC	666002	5493800	1844	0	-90	12.81	Map	NO	NO	NO	Manalta Coal Ltd.
1973	CM6-73	3	RC	665635	5493940	1718	0	-90	38.10	Map	NO	NO	NO	Manalta Coal Ltd.
1973	CM7-73	3	RC	665981	5494002	1845	0	-90	83.82	Map	NO	NO	NO	Manalta Coal Ltd.
1973	CM8-73	3	RC	665475	5494545	1587	0	-90	37.50	Map	NO	NO	NO	Manalta Coal Ltd.
1973	CM9-73	3	RC	665712	5492964	1831	90	-42	86.87	Map	NO	NO	NO	Manalta Coal Ltd.
1973	NB73-01	2	RC	664886	5494761	1500	0	-90	27.44	Map	NO	NO	NO	Coleman Collieries Ltd.
1973	NB73-02	2	RC	664879	5494777	1500	90	-45	25.91	Map	NO	NO	NO	Coleman Collieries Ltd.
1973	NB73-03	2	RC	664879	5494777	1500	270	-45	27.44	Map	NO	NO	NO	Coleman Collieries Ltd.
1973	NB73-04	3	RC	664874	5494838	1506	0	-90	22.86	Map	NO	NO	NO	Coleman Collieries Ltd.
1973	NB73-05	2	RC	664872	5494752	1501	270	-45	21.34	Map	NO	NO	NO	Coleman Collieries Ltd.
1973	NB73-06	2	RC	664910	5494705	1491	0	-90	28.96	Map	NO	NO	NO	Coleman Collieries Ltd.
1973	NB73-07	2	RC	664898	5494704	1491	270	-45	33.53	Map	NO	NO	NO	Coleman Collieries Ltd.
1973	NB73-08	3	RC	664884	5494507	1491	90	-45	22.86	Map	NO	NO	NO	Coleman Collieries Ltd.
1973	NB73-09	3	RC	664856	5494621	1506	0	-90	25.91	Map	NO	NO	NO	Coleman Collieries Ltd.
1973	NB73-10	3	RC	664849	5494828	1506	270	-45	9.15	Map	NO	NO	NO	Coleman Collieries Ltd.
1973	T73-15	3	RAB	666540	5490718	2042	0	-90	30.48	Map	NO	NO	NO	Coleman Collieries Ltd.
1973	T73-16	3	RAB	666562	5490787	2040	270	-60	35.36	Map	NO	NO	NO	Coleman Collieries Ltd.
1973	T73-17	3	RAB	666557	5490787	2040	270	-30	33.53	Map	NO	NO	NO	Coleman Collieries Ltd.
1973	T73-18	3	RAB	666560	5491086	2040	270	-60	25.91	Map	NO	NO	NO	Coleman Collieries Ltd.
1973	T73-19	3	RAB	666553	5491085	2041	270	-30	79.25	Map	NO	NO	NO	Coleman Collieries Ltd.
1973	T73-20	3	RAB	666571	5491041	2054	270	-60	39.63	Map	NO	NO	NO	Coleman Collieries Ltd.
1973	T73-21	3	RAB	666566	5491042	2054	270	-30	73.16	Map	NO	NO	NO	Coleman Collieries Ltd.
1973	T73-22	3	RAB	666581	5490874	2054	309	-60	38.10	Map	NO	NO	NO	Coleman Collieries Ltd.
1973	T73-23	3	RAB	666574	5490875	2054	309	-30	85.35	Map	NO	NO	NO	Coleman Collieries Ltd.
1975	T75-13	2	RAB	665977	5493773	1845	0	-90	55.33	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	T75-14	2	RAB	665977	5493689	1841	0	-90	64.94	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	T75-15	2	RAB	666044	5493710	1846	0	-90	75.08	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	T75-16	2	RAB	666017	5493045	1817	0	-90	92.79	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	T75-17	2	RAB	665987	5493921	1857	0	-90	42.93	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	T75-18	2	RAB	665965	5491680	2187	90	-50	212.25	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	T75-20	2	RAB	665975	5491555	2201	90	-42	230.56	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	T75-21	2	RAB	665994	5491536	2197	90	-42	218.56	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	T75-22	2	RAB	666099	5491716	2076	270	-42	61.69	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	T75-23	2	RAB	666104	5491717	2076	270	-60	74.16	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	T75-24	2	RAB	666104	5491717	2076	0	-90	76.89	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	T75-25	2	RAB	666139	5491600	2074	282	-40	35.35	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	T75-26	2	RAB	666141	5491603	2074	282	-60	46.46	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	T75-27	2	RAB	666141	5491603	2074	0	-90	60.96	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	T75-28	2	RAB	666101	5491769	2080	280	-60	58.62	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	T75-29	2	RAB	666103	5491771	2080	0	-90	62.15	Map	NO	YES	NO	Coleman Collieries Ltd.

Year	Hole ID	Reliability	Hole Type	Easting	Northing	Elevation	Az	Dip	Depth (m)	Collar Survey	Deviation Survey	Geophysics	Coal Quality	Company
1975	T75-30	2	RAB	666105	5491773	2080	302	-42	51.07	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	T75-31	3	RAB	666028	5493829	1843	90	-45	123.44	Map	NO	NO	NO	Coleman Collieries Ltd.
1975	T75-32	2	RAB	666028	5493829	1843	90	-55	61.26	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	T75-33	2	RAB	665944	5493415	1812	270	-70	83.97	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	T75-34	2	RAB	666019	5493170	1816	270	-60	76.29	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	T75-35	3	RAB	666014	5493032	1817	270	-60	86.56	Map	NO	NO	NO	Coleman Collieries Ltd.
1975	T75-36	3	RAB	665948	5493389	1812	0	-90	80.47	Map	NO	NO	NO	Coleman Collieries Ltd.
1975	T75-37	2	RAB	665954	5493250	1815	0	-90	71.43	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	T75-38	2	RAB	665990	5493922	1855	90	-60	59.53	Map	NO	YES	NO	Coleman Collieries Ltd.
1973	TD73-1	2	DD	666268	5492305	2016	0	-90	723.9	Map	NO	YES	YES	Coleman Collieries Ltd.
1973	TD73-2	2	DD	666262	5492291	2016	90	-45	255.06	Map	NO	YES	NO	Coleman Collieries Ltd.
1973	TD73-3	2	DD	666034	5493728	1847	0	-90	337.08	Map	NO	YES	YES	Coleman Collieries Ltd.
1973	TD73-4	2	DD	666044	5493734	1847	90	-52	403.04	Map	NO	YES	YES	Coleman Collieries Ltd.
1973	TD73-5	2	DD	666044	5493734	1847	270	-50	278.77	Map	NO	YES	YES	Coleman Collieries Ltd.
1974	TD74-10	2	DD	666083	5493220	1853	0	-90	396.67	Map	NO	YES	YES	Coleman Collieries Ltd.
1974	TD74-16	2	DD	666376	5492699	1914	0	-90	364.54	Map	NO	YES	YES	Coleman Collieries Ltd.
1974	TD74-17	2	DD	666479	5491595	2038	0	-90	738.96	Map	NO	YES	YES	Coleman Collieries Ltd.
1974	TD74-18	2	DD	666396	5492532	1923	0	-90	401.47	Map	NO	NO	NO	Coleman Collieries Ltd.
1974	TD74-19	2	DD	666396	5492532	1923	90	-50	197.9	Map	NO	YES	NO	Coleman Collieries Ltd.
1974	TD74-20	2	DD	666492	5492174	1898	0	-90	399.02	Map	NO	YES	YES	Coleman Collieries Ltd.
1974	TD74-21	2	DD	666655	5491626	1973	0	-90	483.42	Map	NO	YES	YES	Coleman Collieries Ltd.
1974	TD74-22	2	DD	666492	5492174	1898	90	-50	209.62	Map	NO	YES	NO	Coleman Collieries Ltd.
1974	TD74-23	2	DD	666513	5492021	1923	0	-90	461.02	Map	NO	YES	NO	Coleman Collieries Ltd.
1974	TD74-24	2	DD	666710	5491183	2019	0	-90	546.09	Map	NO	YES	NO	Coleman Collieries Ltd.
1974	TD74-25	2	DD	666849	5490711	2085	0	-90	531.56	Map	NO	NO	NO	Coleman Collieries Ltd.
1974	TD74-26	2	DD	666710	5491183	2019	90	-55	417.58	Map	NO	YES	NO	Coleman Collieries Ltd.
1974	TD74-27	2	DD	666847	5491014	2066	0	-90	549.98	Map	NO	NO	NO	Coleman Collieries Ltd.
1974	TD74-28	2	DD	665207	5493124	1723	0	-90	218.78	Map	NO	YES	NO	Coleman Collieries Ltd.
1974	TD74-29	2	DD	665236	5493201	1720	90	-50	138.03	Map	NO	YES	NO	Coleman Collieries Ltd.
1974	TD74-30	2	DD	665236	5493201	1720	0	-90	100.51	Map	NO	YES	NO	Coleman Collieries Ltd.
1974	TD74-32	2	DD	665593	5493545	1709	90	-50	341.77	Map	NO	YES	NO	Coleman Collieries Ltd.
1974	TD74-6	2	DD	666211	5492858	1910	90	-50	376.72	Map	NO	YES	YES	Coleman Collieries Ltd.
1974	TD74-7	2	DD	666211	5492858	1905	0	-90	349.58	Map	NO	YES	YES	Coleman Collieries Ltd.
1974	TD74-8	2	DD	666211	5492858	1902	270	-60	301.75	Map	NO	YES	YES	Coleman Collieries Ltd.
1974	TD74-9	2	DD	666448	5492343	1895	0	-90	391.55	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-34	2	DD	666061	5492510	1956	90	-52	581.54	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-35	2	DD	666595	5491340	2025	0	-90	645.92	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-36	2	DD	666237	5491819	2075	90	-75	778.46	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-37	2	DD	666151	5492245	2016	90	-50	93.03	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	TD75-38	2	DD	666147	5492244	2016	0	-90	203.9	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-39	2	DD	665579	5494246	1661	0	-90	207.19	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-40	2	DD	666890	5490654	2076	0	-90	276.95	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-41	2	DD	665579	5494246	1661	90	-56	136.84	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	TD75-42	2	DD	666102	5493601	1809	0	-90	90.61	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-43	2	DD	666899	5490580	2062	90	-75	431.69	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-44	2	DD	666102	5493601	1809	90	-55	95.13	Map	NO	YES	YES	Coleman Collieries Ltd.

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1975	TD75-45	2	DD	666102	5493601	1809	270	-58	83.08	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-46	2	DD	665943	5493547	1812	0	-90	71.96	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-47	2	DD	666091	5493374	1816	0	-90	143.04	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-48	2	DD	666091	5493374	1816	90	-80	170.69	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-49	2	DD	666724	5490417	1965	90	-80	415.9	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-50	2	DD	666091	5493374	1816	270	-75	131.98	Map	NO	NO	YES	Coleman Collieries Ltd.
1975	TD75-51	2	DD	666021	5493837	1841	0	-90	52.97	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-52	2	DD	666021	5493837	1841	270	-80	54.56	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-53	2	DD	666021	5493837	1841	90	-80	57.92	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-54	2	DD	665381	5492928	1819	270	-71	308.96	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-55	2	DD	666796	5490246	1873	90	-75	367.95	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-56	2	DD	665364	5492819	1841	270	-70	340.87	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-57	2	DD	666794	5490246	1873	0	-90	253.86	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-58	2	DD	665364	5492819	1841	0	-90	264.56	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-59	2	DD	665154	5493349	1674	0	-90	149.95	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-60	2	DD	666948	5489859	1867	90	-50	204.39	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-61	2	DD	665154	5493349	1674	90	-50	100.28	Map	NO	NO	YES	Coleman Collieries Ltd.
1975	TD75-62	2	DD	665154	5493349	1674	270	-47	109.68	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-63	2	DD	665154	5493349	1674	270	-73	100.96	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-64	2	DD	665168	5493519	1638	90	-50	106.38	Map	NO	NO	NO	Coleman Collieries Ltd.
1975	TD75-65	2	DD	665168	5493519	1638	0	-90	164.46	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-66	2	DD	665109	5493594	1612	270	-50	93.63	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	TD75-68	2	DD	665109	5493594	1612	270	-74	112.71	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	TD75-69	2	DD	665475	5494558	1584	0	-90	183.3	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	TD75-70	2	DD	666745	5489995	1807	90	-51	291.87	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-71	2	DD	665475	5494558	1584	90	-50	121.95	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	TD75-72	2	DD	665475	5494558	1584	270	-69	164.25	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	TD75-73	2	DD	665543	5494353	1637	270	-70	192.08	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-74	2	DD	666907	5490169	1867	90	-51	207.36	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-75	2	DD	664982	5494495	1474	0	-90	106.68	Map	NO	NO	NO	Coleman Collieries Ltd.
1975	TD75-76	2	DD	667027	5490548	2041	90	-65	99.06	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	TD75-77	2	DD	664982	5494495	1474	270	-60	152.40	Map	NO	NO	NO	Coleman Collieries Ltd.
1975	TD75-78	2	DD	664205	5495742	1722	0	-90	67.37	Map	NO	NO	NO	Coleman Collieries Ltd.
1975	TD75-79	2	DD	664205	5495742	1722	90	-55	51.52	Map	NO	NO	NO	Coleman Collieries Ltd.
1975	TD75-80	2	DD	664317	5495498	1712	90	-75	88.40	Map	NO	NO	NO	Coleman Collieries Ltd.
1975	TD75-81	2	DD	666012	5492949	1818	0	-90	119.36	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-82	2	DD	666012	5492949	1818	270	-60	121.92	Map	NO	YES	YES	Coleman Collieries Ltd.
1975	TD75-83	2	DD	666012	5492949	1818	270	-50	127.68	Map	NO	YES	NO	Coleman Collieries Ltd.
1975	TD75-84	2	DD	665984	5493920	1856	90	-45	94.22	Map	NO	YES	NO	Coleman Collieries Ltd.
1976	TD76-100	2	DD	666723	5490418	1965	75	-45	272.49	Map	NO	YES	YES	Coleman Collieries Ltd.
1976	TD76-101	2	DD	666718	5491483	1950	0	-90	249.82	Map	NO	YES	YES	Coleman Collieries Ltd.
1976	TD76-102	2	DD	666876	5490428	1988	82	-55	291.96	Map	NO	YES	YES	Coleman Collieries Ltd.
1976	TD76-105	2	DD	666535	5490622	2017	81	-70	378.09	Map	NO	YES	YES	Coleman Collieries Ltd.
1976	TD76-106	2	DD	666804	5489473	1690	75	-66	27.74	Map	NO	YES	NO	Coleman Collieries Ltd.
1976	TD76-106A	2	DD	666809	5489465	1688	75	-66	387.1	Map	NO	YES	NO	Coleman Collieries Ltd.
1976	TD76-107	2	DD	666915	5489281	1678	78	-60	236.32	Map	NO	YES	YES	Coleman Collieries Ltd.

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1976	TD76-113	2	DD	666801	5489762	1749	90	-60	8	Map	NO	NO	NO	Coleman Collieries Ltd.
1976	TD76-85	2	DD	666548	5491883	1887	0	-90	316.6	Map	NO	YES	YES	Coleman Collieries Ltd.
1976	TD76-86	2	DD	666921	5490847	2031	0	-90	257.34	Map	NO	YES	YES	Coleman Collieries Ltd.
1976	TD76-87	2	DD	666548	5491883	1887	102	-50	247.02	Map	NO	YES	YES	Coleman Collieries Ltd.
1976	TD76-88	2	DD	666514	5490785	2032	0	-90	79.24	Map	NO	YES	YES	Coleman Collieries Ltd.
1976	TD76-89	2	DD	666519	5490943	2035	0	-90	79.21	Map	NO	YES	YES	Coleman Collieries Ltd.
1976	TD76-90	2	DD	666611	5491724	1942	0	-90	291.18	Map	NO	YES	YES	Coleman Collieries Ltd.
1976	TD76-91	2	DD	666720	5491267	1986	0	-90	361.71	Map	NO	YES	YES	Coleman Collieries Ltd.
1976	TD76-92	2	DD	666550	5490792	2031	0	-90	38.51	Map	NO	YES	YES	Coleman Collieries Ltd.
1976	TD76-93	2	DD	666538	5491102	2037	0	-90	29.7	Map	NO	YES	NO	Coleman Collieries Ltd.
1976	TD76-94	2	DD	666498	5491094	2041	0	-90	79.3	Map	NO	YES	YES	Coleman Collieries Ltd.
1976	TD76-95	2	DD	666551	5490944	2031	0	-90	36.27	Map	NO	YES	YES	Coleman Collieries Ltd.
1976	TD76-96	2	DD	667018	5490796	1999	90	-73	40	Map	NO	YES	NO	Coleman Collieries Ltd.
1976	TD76-97	2	DD	666611	5491724	1942	77	-53	336.99	Map	NO	YES	YES	Coleman Collieries Ltd.
1976	TD76-98	2	DD	667017	5490796	1999	80	-80	263.32	Map	NO	YES	YES	Coleman Collieries Ltd.
1976	TD76-99	2	DD	666695	5490839	2136	0	-90	564.94	Map	NO	YES	YES	Coleman Collieries Ltd.
1977	TD77-117	2	DD	666929	5488885	1578	90	-61	192.58	Map	NO	YES	NO	Coleman Collieries Ltd.
1977	TD77-119	2	DD	666801	5489762	1749	90	-63	350.75	Map	NO	YES	YES	Coleman Collieries Ltd.
2018	TM18-001	1	DD	665544	5494159	1677	248	-50	82.95	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2018	TM18-002	1	RAB	665547	5494353	1636	0	-90	60	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2018	TM18-003	1	RAB	666085	5492451	1957	0	-90	240	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2018	TM18-004	1	RAB	665679	5494083	1713	0	-90	119	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2018	TM18-004LDC	1	RAB-LDC	665677	5494084	1713	0	-90	80.2	Topcon GR-5 RTK	NO	NO	YES	Montem Resources
2018	TM18-005	1	DD	666449	5492329	1897	70	-60	185.15	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2018	TM18-006	1	RAB	665710	5493869	1733	0	-90	119	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2018	TM18-007	3	RAB	665895	5492667	1894	0	-90	27	Topcon GR-5 RTK	NO	NO	NO	Montem Resources
2018	TM18-008	1	RAB	665719	5492896	1847	0	-90	138	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2018	TM18-009	3	RAB	665892	5492883	1824	0	-90	23	Topcon GR-5 RTK	NO	NO	NO	Montem Resources
2018	TM18-010	3	RAB	665893	5493286	1800	0	-90	20	Topcon GR-5 RTK	NO	NO	NO	Montem Resources
2018	TM18-011	2	RAB	666048	5492706	1866	0	-90	111.25	Topcon GR-5 RTK	NO	NO	NO	Montem Resources
2018	TM18-012	1	RAB	665994	5493754	1844	0	-90	131	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2018	TM18-012LDC	1	LDC	665995	5493757	1845	0	-90	56.33	Topcon GR-5 RTK	YES	NO	YES	Montem Resources
2018	TM18-013	1	RAB	666404	5492706	1913	0	-90	150	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2018	TM18-013LDC	1	LDC	666406	5492706	1913	0	-90	51.48	Topcon GR-5 RTK	NO	NO	YES	Montem Resources
2018	TM18-013LDCB	1	LDC	666407	5492707	1913	0	-90	47.32	Topcon GR-5 RTK	NO	NO	NO	Montem Resources
2018	TM18-014	1	DD	665372	5492972	1818	70	-60	151.95	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2018	TM18-015	1	RAB	666363	5493173	1827	0	-90	73	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-016	1	RAB	666129	5494023	1769	0	-90	121.92	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-017	1	RAB	665795	5493955	1776	90	-50	100.58	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-018	1	RAB	666218	5493510	1828	90	-60	15.24	Topcon GR-5 RTK	NO	NO	NO	Montem Resources
2019	TM19-019	1	RAB	666212	5493480	1829	90	-60	185.93	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-020	1	RAB	666704	5491837	1873	0	-90	100.58	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-020LDC	1	LDC	666702	5491837	1874	0	-90	111.5	Topcon GR-5 RTK	YES	YES	YES	Montem Resources
2019	TM19-021	1	RAB	666435	5492428	1910	0	-90	121.92	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-022	1	RAB	666487	5492211	1900	0	-90	106.7	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-022LDC	1	LDC	666490	5492206	1899	0	-90	117.59	Topcon GR-5 RTK	YES	YES	YES	Montem Resources

Year	Hole ID	Reliability	Hole Type	Eastings	Northing	Elevation	Az	Dip	Depth (m)	Collar Survey	Deviation Survey	Geophysics	Coal Quality	Company
2019	TM19-023	1	RAB	666410	5492462	1924	0	-90	48.8	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-024	2	RAB	666457	5492373	1894	0	-90	67.1	Topcon GR-5 RTK	NO	YES	NO	Montem Resources
2020	TM19-024LDC	1	LDC	666457	5492367	1895	0	-90	50.56	Topcon GR-5 RTK	YES	YES	YES	Montem Resources
2019	TM19-025	1	RAB	666456	5492700	1886	90	-60	161.54	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-026	1	RAB	666415	5492962	1828	90	-50	173.74	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-027	1	RAB	666604	5491797	1918	0	-90	106.68	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-027LDC	1	LDC	666601	5491794	1918	0	-90	100.19	Topcon GR-5 RTK	YES	YES	YES	Montem Resources
2019	TM19-027LDCB	1	LDC	666605	5491793	1918	0	-90	100.36	Topcon GR-5 RTK	YES	YES	YES	Montem Resources
2019	TM19-028	1	RAB	666886	5491655	1850	0	-90	85.53	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-028LDC	1	LDC	666886	5491658	1850	0	-90	82.78	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-029	1	RAB	666420	5492959	1829	0	-90	161.54	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-029LDC	1	LDC	666421	5492964	1828	0	-90	150.03	Topcon GR-5 RTK	YES	YES	YES	Montem Resources
2019	TM19-030	2	RAB	665623	5493952	1715	0	-90	219.53	Topcon GR-5 RTK	NO	YES	NO	Montem Resources
2019	TM19-031	2	RAB	665857	5492529	1923	90	-50	79.24	Topcon GR-5 RTK	NO	YES	NO	Montem Resources
2019	TM19-032	2	RAB	665854	5492529	1923	0	-90	100.58	Topcon GR-5 RTK	NO	YES	NO	Montem Resources
2019	TM19-033	1	RAB	665928	5492391	1941	0	-90	137.16	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-034	1	RAB	666170	5492381	1995	90	-50	91.44	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-035	1	RAB	666241	5492118	2058	0	-90	173.74	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-035LDC	1	LDC	666234	5492119	2057	0	-90	84.31	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-036	1	RAB	666292	5492005	2065	90	-50	152.4	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-037	1	RAB	666045	5491942	2083	270	-50	182.88	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-038	1	DD	666483	5491380	2056	0	-90	162.21	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-039	1	RAB	666817	5491168	2013	90	-50	176.78	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-040	1	RAB	666191	5491581	2070	0	-90	201.17	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-040LDC	1	LDC	666189	5491589	2070	0	-90	38.74	Topcon GR-5 RTK	YES	YES	YES	Montem Resources
2019	TM19-041	1	RAB	666719	5491475	1958	90	-60	164.59	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-042	1	RAB	666695	5491637	1972	90	-50	173.73	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-043	1	DD	666059	5491942	2081	90	-50	271.23	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-044	1	RAB	666182	5491607	2070	90	-50	149.4	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-045	1	RC	666448	5492323	1898	0	-90	45	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-045LDC	1	LDC	666448	5492319	1898	0	-90	39.09	Topcon GR-5 RTK	YES	YES	YES	Montem Resources
2019	TM19-045LDCB	1	LDC	666450	5492316	1898	0	-90	36.98	Topcon GR-5 RTK	YES	YES	YES	Montem Resources
2019	TM19-046	2	RAB	665201	5493157	1720	270	-50	121.92	Topcon GR-5 RTK	NO	NO	NO	Montem Resources
2019	TM19-047	2	RAB	665208	5493153	1720	90	-50	106.68	Topcon GR-5 RTK	NO	NO	NO	Montem Resources
2019	TM19-048	1	RAB	665205	5493153	1720	0	-90	33.53	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-048LDC	1	LDC	665202	5493148	1720	0	-90	21.28	Topcon GR-5 RTK	YES	YES	YES	Montem Resources
2019	TM19-049	1	DD	666172	5492386	1995	210	-70	251.27	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-050	1	RC	666452	5492696	1886	0	-90	60	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-050LDC	1	LDC	666457	5492698	1886	0	-90	49.13	Topcon GR-5 RTK	YES	YES	YES	Montem Resources
2019	TM19-051	1	DD	665698	5492685	1911	90	-50	264.29	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-052	1	RC	666712	5491483	1958	0	-90	116	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-052LDC	1	LDC	666711	5491486	1959	0	-90	116.24	Topcon GR-5 RTK	YES	YES	YES	Montem Resources
2019	TM19-053	1	DD	665882	5492682	1891	210	65	200.72	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-054	1	RC	665878	5493097	1787	0	-90	60	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-055	1	DD	666652	5491648	1972	230	-75	200.91	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-056	1	RC	665977	5493955	1857	0	-90	46	Topcon GR-5 RTK	YES	YES	NO	Montem Resources

Year	Hole ID	Reliability	Hole Type	Easting	Northing	Elevation	Az	Dip	Depth (m)	Collar Survey	Deviation Survey	Geophysics	Coal Quality	Company
2019	TM19-057	1	RC	665311	5492986	1788	0	-90	125	Topcon GR-5 RTK	YES	YES	NO	Montem Resources
2019	TM19-058	1	DD	666514	5492024	1921	90	-60	194.23	Topcon GR-5 RTK	YES	YES	NO	Montem Resources



THE CHINOOK PROJECT JORC REPORT SUMMARY

Prepared for Montem Resources Alberta Operations Ltd.

APRIL 20, 2020

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INTRODUCTION

This summary report was commissioned by Montem Resources Limited (ACN 623 236 831) (Montem) to comply with regulatory disclosure and reporting requirements to support the Initial Public Offering (IPO) of Montem to the Australian Stock Exchange (ASX). The report summarises the 2020 Coal Resource Declaration for the Chinook Project ("Chinook" or "the project" or "the property"). Montem own 100% of the Chinook Project.

The Chinook Project Mineral Resource Statement has been prepared by Dahrouge Geological Consulting Ltd. (Dahrouge) in accordance with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (December 2012) and the 2014 Australian Guidelines for Estimation and Classification of Coal Resources. The complete Chinook Project Resource Report inclusive of Table 1 is available on the Montem Website. That detailed report summarizes historical coal exploration on the property and presents further details on coal resource estimates, coal quality and other modifying factors. The full report can be found at:

<http://montem-resources.com/projects/chinook-project/>

The Chinook Project consists of a 1-3 km wide strip of generally continuous tenements that extends 30 km to the north and 12 km to the south of the township of Coleman (population ~1,500) (Figure 1). The Project consists of two areas, north of Coleman is referred to as Chinook Vicary and south of Coleman is referred to as Chinook South. The major city of Calgary is located approximately 250 kilometres to the northeast by road. Chinook has access to both the Crowsnest Highway and heavy rail via well maintained but unsealed historical mine and forestry access roads. The rail line provides potential access to coal export terminals in Vancouver and Prince Rupert. The Chinook Project represents a significant brownfield coking coal resource in the Crowsnest Pass region of Alberta, Canada.

The Crowsnest Pass region has a long history of coal production dating back the early 1900's with historical production ceasing at Chinook in 1978. Overall, the project has produced approximately 30-35 million tonnes (Mt) of product coal from historical underground and open cut operations. Historical mining operations within the project include, at Chinook South, the International Mine, the York Creek Mine and the Broun Mine, and, at Chinook Vicary, the McGillivray Mine, the Vicary Mine, Vicary North and the Racehorse Mine. Limited historical data indicates that the product coals were blended and exported to Japan as a medium-volatile metallurgical coal (Booth and Leigh, 1973).

The Chinook Project was purchased in 2016 when Montem entered into an agreement with Prairie Mines & Royalty ULC (a subsidiary of Westmoreland Mining LCC), subject to certain terms and conditions, to acquire the Chinook Properties (Chinook South, Chinook North, Vicary-Racehorse, Isola, & Oldman) and the Tent Mountain Mine. The Property comprises 53 Alberta Coal Leases and 58 Alberta Freehold Tenements (all minerals except gold, silver) that cover an area of approximately 9,746 ha (Figure 2).

In 2018, Tamplin Resources Pty Ltd and Norwest Corp Pty Ltd generated JORC Resource Statements and Resource estimates on the southern (Chinook South) and northern (previously known as Chinook North and Vicary-Racehorse) portions of the property, respectively. These statements were prepared in accordance with the JORC Code and were based upon available historical data. Subsequent to these Coal Resource Statements, additional historical drillholes have been identified and the geological dataset and models have been extensively reviewed. The most recent 2020 resource statement updates those completed in 2018 by incorporating the expanded historical datasets and the revisions to the geological model.

SUMMARY STATEMENT OF COAL RESOURCES

This report, which summarizes the 2020 Chinook Project JORC report on the coal resources of the Chinook Project (53 Alberta Coal Leases and 58 Alberta Freehold Tenements (all minerals except gold, silver)) that encompass an area of approximately 9,746 ha, was prepared for Montem Resources Limited

(ACN 623 236 831) (Montem) by Dahrouge Geological Consulting Ltd. The report is compliant with the JORC Code (2012).

The project is located in the foothills and front ranges of the Rocky Mountains of Alberta, immediately north and south of the township of Coleman in the Crowsnest Pass in the Western Canadian Sedimentary Basin, Canada. The Resources are contained in the Jurassic-Cretaceous S2, S3, S4, S4A and S5 coal seams. Based on the analysis of historical results, *“Most of the coal at Chinook South is classified as a Semi Hard Coking Coal, with less than 10% deemed suitable as a Hard Coking Coal. The majority of the coal at Chinook Vicary was found to be good quality Hard Coking Coal, with FSI of 6 – 7 and CSR above 55. Minor portions of the resource, limited to seam S4/4A, report FSI below 6 and CSR below 50”* (Koornhof, 2020). Although the historical clean coal quality data is indicative to the product coals defined above, further validation with current methods and standards is required to verify the historical results and increase the quantity and spatial distribution of data across the Project.

The drillhole database used in the resource estimation has been independently verified by Dahrouge. A three-dimensional geologic model was constructed using Leapfrog and Maptek Vulcan Software. The geological coal model used historical drillhole logs, as well as, downhole geophysics (density and gamma logs), historical underground and open cut workings and surface geological controls.

Total open cut resources for the Chinook Project are estimated at 149.1 million tonnes, of which some 103.8 million tonnes are classified as Indicated with the remainder being Inferred (Table 1). Resources are limited to a 0.3m minimum aggregate thickness, a 20:1 bcm/insitu tonne cumulative strip ratio and a 300m maximum depth from surface.

Conceptual Exploration Targets are presented as a range to represent the uncertainty in seam thickness, quality and location. The upper (larger tonnage) range was generated using a 20:1 stripping ratio cut-off and the lower (smaller tonnage) range was generated by restricting the upper range to a 300 m depth cut off. Exploration Targets occur in areas where there has been insufficient exploration to estimate a Mineral Resource and are in part down-dip projections of coal resources. The Targets were identified by a combination of surficial geological mapping, down-dip and along strike extensions of the coal resources as well as historically mapped coal outcrops (Table 2). It is important to note that the potential quantity and grade of the exploration target is conceptual in nature and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Chinook Project has been classified as a complex geology type due to the presence of regional and local faulting, folding and deformation seam thickening. In this context the points of observation spacing requirements (after Hughes et al., 1989) for each resource category are demonstrated in Table 3.

Table 1 - The Chinook Project In-Place Coal Resource Summary (kilotonnes)

Area	In-Place Coal Resources (kilotonnes)			
	ASTM Group	Measured	Indicated	Inferred
Chinook South	Medium Volatile Bituminous	0	50,676	12,609
Chinook South - Inside Historical Underground Mine Boundary	Medium Volatile Bituminous	0	551	479
Chinook Vicary	Medium Volatile Bituminous	0	43,691	24,102
Chinook Vicary - Inside Historical Underground Mine Boundary	Medium Volatile Bituminous	0	8,896	8,138
Total		0	103,814	45,327

Table 2 - The Chinook Project Modelled Conceptual Exploration Targets (exclusive of Resources)

Area	Exploration Target (Mt)	
	Exploration Target - 20:1 SR, 300m Depth Cutoff	Exploration Target - 20:1 SR, No Depth Cutoff
Chinook South	1	10
Chinook Vicary	125	450

**It is important to note that the potential quantity and grade of the exploration target is conceptual in nature and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

Table 3 - Generalized Resource Classification Categories Guide (Hughes et al., 1989)

Geology Type	Resource Classification (Distance from Point)		
	Measured	Indicated	Inferred

PROJECT DESCRIPTION

The Chinook Project is located in the foothills and front ranges of the Rocky Mountains of Alberta, Canada, in the vicinity of the township of Coleman in the Crowsnest Pass. The property is entirely situated within Alberta's southernmost subalpine-montane sub-region of the larger Rocky Mountain Natural Region, an area that generally exhibits a steep and highly variable topography.

The Chinook Project covers an area of approximately 9,746 ha and consists of a 1-3 km wide strip of generally continuous tenements that extends 30 km to the north and 12 km to the south of Coleman. The area north of Coleman, is referred to as Chinook Vicary, whereas the area south of Coleman is referred to as Chinook South (Figure 1). The city of Calgary is located approximately 250 road km to the northeast of the project.

Access to the northern portion of Chinook South is byway of an unpaved road, informally known as the York Creek Road, which runs south from Coleman. Access to the southern portion of Chinook South is byway of an unpaved road, informally known as the Sartoris Road, which runs southwest from the town of Blairmore. Access to Chinook Vicary is byway of numerous unpaved roads that run west from Highway 40 and intersect the Project. Chinook Vicary is also accessed from the south byway of an unpaved road, informally known as the Prospect Road, which intersects Highway 3 and runs north into the Project. The main rail line, operated by Canadian Pacific Railway, bisects the project at Coleman and provides potential access to coal export terminals in Vancouver and Prince Rupert.

TENEMENTS AND TITLES

The Chinook Project is comprised of 53 Alberta Coal Leases and 58 Alberta Freehold Tenements (all minerals except gold, silver) that encompass an area of approximately 9,746 ha (Figure 2)

All coal deposits in Alberta are subject to the provisions of the Coal Development Policy for Alberta (1976). This policy defines different parts of the land area of the province in which specific regulations for coal development apply. The land category essentially defines what activities are permissible in each area and the level of control those activities will be subjected too. The property is primarily located within Category 4 of the Coal Development Policy for Alberta, other than a small portion of the property covering and surrounding the town of Coleman which is within Category 1 and Category 2 (Figure 2). As detailed below, exploration is permissible in both Category 4 and 2 lands, no exploration or commercial development is permitted on Category 1 lands:

Coal Category 4

Exploration may be permitted in Category 4 lands under appropriate control, and surface or underground mining or in-situ operations may be considered subject to proper assurances respecting protection of the environment and reclamation of disturbed lands.

Coal Category 2

Within this category limited coal exploration is desirable and may be permitted under strict control but in which commercial development by surface mining will not normally be considered at the present time. This category contains lands for which the preferred land or resource use remains to be determined, or areas where infrastructure facilities are generally absent or considered inadequate to support major mining operations. In addition, this category contains local areas of high environmental sensitivity in which neither exploration nor development activities will be permitted. Underground mining or in-situ operations may be permitted in areas within this category where the surface effects of the operations are deemed to be environmentally acceptable.

Coal Category 1

No exploration or commercial development is permitted within Category 1. These areas are determined to have alternative land uses of higher priority than coal activity.

In general terms, Category 4 lands are considered to be a favourable regulatory framework under which to seek exploration and mining approvals. These activities are also permissible in Category 2 lands, however, regulatory approval is more difficult and controls and limitations to activities are more severe. No exploration or commercial development is permitted in Category 1 lands.

Exploration activities in Alberta require a number of precursor permits and agreements. These include a Coal Exploration Permit, a Deep Drilling Permit, a Water Withdrawal Licence, a review of historical Resources and Stakeholder Consultations. Road-use agreements with disposition holders will also be required to provide access to the property. Montem is in the process of applying for these permits, licenses and agreements as they relate to planned exploration activities at Chinook.

GEOLOGY AND MINERALIZATION

The project is situated within the Lewis Thrust Sheet of the Rocky Mountain Front Ranges in southwestern Alberta. Regionally the area is bound by the North Livingston Thrust in the east and the Erickson Fault in the west. The stratigraphy of the area is characterized by Precambrian to Upper Cretaceous rocks of the Fernie Group, Kootenay Group, Spray River Group, Etherington Formation, Rocky Mountain Group and Mount Head Formation. Economic coal potential in the Front Ranges lies in the Mist Mountain Formation of the Kootenay Group.

Stratigraphy in the area was subject to extensive folding and faulting during the Late Cretaceous Laramide Orogeny. This resulted in the development of a series of major thrust faults across the area that control the distribution and orientation of coal bearing sediments. At Chinook, these include the westerly dipping Coleman, Racehorse, West Coleman, McGillivray and Vicary thrust faults. This major faulting and folding has affected coal seam thickness, lateral continuity, geometry and quality. In this context, the structural geology of the Chinook Project is categorized as complex with the faulting and folding dividing the deposit into a number of discrete structural domains of varying styles and complexities.

The principal coal seams at Chinook in descending order are seams S1, S2, S3, S4, S4A and S5. All seams, except for seam S1 have been correlated and modelled on a coal seam ply basis. At Chinook South, S1 has not been modelled due to its discontinuous nature; seams S2, S4, and S5 are currently divided into 3 plies (upper, middle and lower); seams S1 and S3 are currently divided into 2 plies (upper and lower); and seam S4A is modelled as a single ply. At Chinook Vicary, seams S1 and S3 have not been identified; and seams S2, S4, S4A and S5 are currently divided into 3 plies (upper, middle and lower).

Structurally, the deposit is reasonably well understood, and an alternative interpretation is not likely. The current interpretations have not materially changed compared to historical works in the 1970's. The main factor affecting coal seam continuity is the interplay of faulting, folding, seam dip, depth of weathering and surface topography. Seams show a highly variable thickness which reflects depositional and structural variations as well as the localized structural thickening of coal seams which occur in the apex of folds and adjacent to reverse faults (Refer to Figures 4 to 6). These coal seam thickenings represent the project's principal open cut targets.

All remaining coal Resources at Chinook have open cut potential. Resources have a moderate level of confidence. Drillholes are spaced closely enough for coal seam continuity and quality to be assumed justifying Indicated and Inferred status within the declaration areas.

EXPLORATION AND GEOLOGICAL MODELS

Historical exploration on the Chinook Project began in the early 1900's when the International Coal and Coke Company Ltd. ("ICC") acquired the coal rights to the area that now makes up Chinook South, and the McGillivray Creek Coal and Coke Company Ltd. ("MCCC") acquired the coal rights to the area that now makes up Chinook Vicary.

In the early 1950's, Coleman Collieries Ltd. ("Coleman Collieries") acquired the properties that make up the Chinook Project from ICC and MCCC. In the 1970's Norcen Energy Resources Ltd. ("Norcen") acquired the properties that make up the Chinook Project from Coleman Collieries. In 1985, Manalta Coal Ltd. ("Manalta") acquired the properties that make up the Chinook Project from Norcen (Chinook Coals, 1989), and in 1998, Luscar Ltd. ("Luscar"), acquired the properties that make up the Chinook Project from Manalta. Luscar was a subsidiary of Sherritt International Corp. ("Sherritt International"). In 2014, Westmoreland Mining LCC ("Westmoreland") acquired all of Sherritt International's assets and then in 2016, Montem purchased the properties that make up the Chinook Project from Westmoreland.

Chinook South

Between 1971 and 1982, Norcen conducted exploration at Chinook South, which included drilling, coal quality testing and coal seam model development for preliminary non-JORC compliant reserve estimations. Manalta conducted additional drilling between 1986 and 1989 which included coal quality analysis of RC chips and drill core. The focus of this early exploration was on determining the extent of seams X and Y (currently modeled as seams S3 and S2, respectively).

In addition to these drilling campaigns, several geological mapping programs were also carried out, namely, by V.H. Johnson in 1965, R.L. Dyson in 1973, and L.A. Smith Consulting and Development Ltd. ("Smith") in 1980. In 1980, Smith was contracted to prepare an evaluation of all Coleman Collieries' coal properties in southern Alberta. The evaluation included coal quality and non-JORC compliant resource/reserve estimates.

Chinook Vicary

Between 1964 and 1982, Coleman Collieries conducted exploration at Chinook Vicary which included geological mapping, drilling, adit drivage, coal quality analysis and bulk sampling. Further drilling, geological mapping and coal quality analysis was carried out by Chinook Coals Ltd. ("Chinook Coals"), a subsidiary of Manalta, between 1986 and 1991. Additionally, Algas Resources Ltd. undertook a drilling program in 1977 to assess the coal bed methane potential of the area.

The Mineral Resource estimates for the Chinook Project detailed in this report are based on historical drilling, historical mine plans and surface mapping that were collected on the property from 1964 onwards. Separate geological models were constructed for Chinook South and Chinook Vicary. Resource models and estimates were generated for each area from the geological models. The geological and resource models were constructed using a database of 494 drillholes, totalling 59,118 m (Table 4 and Appendix 1). A total of 11 drillholes were excluded from the model due to insufficient or conflicting location information.

The geological model incorporated drilling, trenching data points, underground mine seam data points, historical surface maps and detailed cross-sectional analysis to evaluate the geological structures and stratigraphic orientations, using 3-D modelling software. The geological model was constructed using Leapfrog GeoTM 3-D modelling software with the resultant solid triangulation models imported into Vulcan for detailed validation and resource estimates. Historical mine working solids were created using LeapfrogTM Intrusion geological modelling method and were constrained by drill intersections, surface mapping, and historical cross-sections. The basal surface of historical dumps and pits were used to generate an approximate bedrock surface that could be used to build the base of weathering surface. Coal seam solids were generated for each ply and clipped to the base of weathering surface, which included the open cut and underground historical workings and the upper oxidized coal.

Resource classifications were determined using an Inverse Distance Estimator (ID2), with datapoint search oriented to the structural trends of the deposit. Search ellipsoids for Inferred Resources were set to a maximum distance of 500 m and a minimum distance of 100 m with the maximum distance generally applied along strike and the minimum distance applied down dip. The search radius was restricted to zones with 3 or more confirmed coal seam points of observations within the defined search radius.

The majority of extrapolated data is contained in Inferred Resources which make up 30% of the total Resource. It is estimated that extrapolated data makes up between 15%-30% of the total Resource Estimate.

This study and Resource Estimates were independently reviewed by Tamplin Resources Pty. Ltd. Recommendations were reviewed and incorporated into reporting.

Table 4 - The Chinook Project Exploration Dataset (includes excluded drillholes)

Area	Campaign	# Rotary	# DDH	Meterage	Company
Chinook South	1971	2	-	159.2	Norcen Energy Resources Ltd.
Chinook South	1978	-	10	796.53	Norcen Energy Resources Ltd.
Chinook South	1982	10	3	1,332.65	Norcen Energy Resources Ltd.
Chinook South	1986	32	-	3,373.10	Manalta Coal Ltd.
Chinook South	1987	52	-	6,196.00	Manalta Coal Ltd.
Chinook South	1988	47	-	5,024.52	Manalta Coal Ltd.
Chinook South	1989	119	2	13,603.96	Manalta Coal Ltd.
Chinook Vicary	1964	2	5	891.23	Coleman Collieries Ltd.
Chinook Vicary	1965	10	-	847.95	Coleman Collieries Ltd.
Chinook Vicary	1966	11	-	1,079.60	Coleman Collieries Ltd.
Chinook Vicary	1967	17	-	1,047.14	Coleman Collieries Ltd.
Chinook Vicary	1968	-	1	30.78	Coleman Collieries Ltd.
Chinook Vicary	1969	-	6	285.45	Coleman Collieries Ltd.
Chinook Vicary	1970	10	-	2,047.65	Coleman Collieries Ltd.
Chinook Vicary	1972	-	5	1,842.98	Coleman Collieries Ltd.
Chinook Vicary	1973	2	13	3,667.57	Coleman Collieries Ltd.
Chinook Vicary	1974	-	3	904.04	Coleman Collieries Ltd.
Chinook Vicary	1977	1	-	359.66	Algas Resources Ltd.
Chinook Vicary	1978	3	6	1,885.19	Coleman Collieries Ltd.
Chinook Vicary	1982	7	-	832.5	Coleman Collieries Ltd.
Chinook Vicary	1988	43	-	4,482.85	Chinook Coal Ltd. (Manalta)
Chinook Vicary	1989	2	-	122.85	Chinook Coal Ltd. (Manalta)
Chinook Vicary	1990	38	-	3,662.64	Chinook Coal Ltd. (Manalta)
Chinook Vicary	1991	32	-	4,641.49	Chinook Coal Ltd. (Manalta)
Total		440	54	59,117.53	

COAL QUALITY

Based on a review of the historical clean coal proximate, rheology, petrographic and ash chemistry analysis of the Chinook Project coal seams by Kobie Koornhof Associates Inc. (Koornhof, 2020), the quality of the coal and predicted coal classification are summarized below:

“Most of the coal at Chinook South is classified as a Semi Hard Coking Coal, with less than 10% deemed suitable as a Hard Coking Coal. The majority of the coal at Chinook Vicary was found to be good quality Hard Coking Coal, with FSI of 6 – 7 and CSR above 55. Minor portions of the resource, limited to seam S4/4A, report FSI below 6 and CSR below 50” (Koornhof, 2020).

The quality of the data that has been reviewed does not meet current standards of reporting. The available historical data is limited by preponderance of RC data as opposed to core data. The core was NQ and HQ diameter, and recoveries were generally poor, which may have skewed results. RC coal quality data can underrepresent fines, which generally display better rheological properties than coarser fractions. There is limited petrographic data available, especially for Chinook Vicary, and datapoints are not evenly distributed across the Resource. Further work is required to bring the data up to current standards of reporting and increase the number and spatial distribution of datapoints across the Project.

The clean coal quality parameters of the Chinook South and Chinook Vicary coal seams are presented in Table 5 and Table 6, respectively.

Table 5 - Chinook South Clean Coal Quality Summary (Source Koornhof, 2020)

% of Resource			Seam 2 (61.8%)	Seam 3 (21.7%)	Seam 4/4A (10.1%)	Seam 5 (6.5%)
Chemistry	VM (air dry)	%	26.3	25.2	25.7	26.0
	Ash (air dry)	%	10.0	9.9	9.0	9.5
	Sulphur (air dry)	%	0.37	0.43	0.48	0.52
	Phosphorus (dry)	%	0.067	0.025	0.042	0.066
Rheology	CSN		4	4	4.5	5.5
	Max Fluidity Average	ddpm	6	5	22	37
	Max Fluidity Range	ddpm	5 - 20	5 - 20	20 - 80	20 - 80
	Total Dilatation	%	15 - 20	45 - 50	45 - 50	70 - 75
Ash Chemistry	SiO ₂ in Ash	%	52.63	54.47	60.03	54.42
	Fe ₂ O ₃ in Ash	%	5.12	2.43	2.18	4.11
	CaO in Ash	%	4.34	2.40	1.72	4.77
	Base/Acid Ratio	%	0.14	0.08	0.06	0.13
	Ash Basicity Index		1.42	0.75	0.55	1.22
Petrography	Reflectance Ro		1.05	1.00	1.06	1.05
	Vitrinite	%	40.6	34.8	34.9	50.7
	Reactive Semifusinite	%	22.4	25.5	26.6	20.7
	Total Reactives	%	65.1	63.0	63.1	72.5
	Inert Semifusinite	%	22.4	25.5	26.6	20.7
	Total Inerts	%	34.9	37.0	36.9	27.6
Coke Strength	Stability Index (Calc.)		36	13	23	51
	DI 30/15 (Calc.)	%	87.7	70.8	79.7	93.2
	CSR (Estimated)	%	45 - 50	45 - 50	45 - 55	55-60

Table 6 - Chinook Vicary Clean Coal Quality Summary (Source Koornhof, 2020)

% of Resource			Seam 2 (17.5%)	Seam 4/4A (25.3%)	Seam 5 (57.1%)
Chemistry	VM (air dry)	%	23.8	20.7	22.0
	Ash (air dry)	%	7.8	12.2	8.8
	Sulphur (air dry)	%	0.51	0.56	0.50
	Phosphorus (dry)	%	0.092	0.046	0.016
Rheology	CSN		7	4	6
	Max Fluidity Average	ddpm	60	10	5
	Max Fluidity Range	ddpm	50 - 100	10 - 20	5 - 15
	Total Dilatation	%	55 - 60	35 - 40	10 - 15
Ash Chemistry	SiO ₂ in Ash	%	49.1	59.26	58.2
	Fe ₂ O ₃ in Ash	%	2.6	1.2	2.7
	CaO in Ash	%	5.1	1.6	2.5
	Base/Acid Ratio	%	0.11	0.04	0.09
	Ash Basicity Index		0.84	0.54	0.76
Petrography	Reflectance Ro		1.28	1.30	1.25
	Vitrinite	%	43	24.1	n.a.
	Reactive Semifusinite	%	24	32	n.a.
	Total Reactives	%	68	57	n.a.
	Inert Semifusinite	%	24	32	n.a.
	Total Inerts	%	32	43	n.a.
Coke Strength	DI 30/15 (Calculated)	%	93.6	85.3	n.a.
	CSR (Estimated)	%	60 - 65	45 - 50	55 - 60

DEVELOPMENT AND OPERATIONS

As of the date of this report, Montem has not conducted mining on the property. The Chinook Project has a long history of intermittent historical open cut and underground production. Remaining infrastructure on the project consists of a network of roads, historical pits, dumps and underground workings (Figure 3).

At Chinook historical underground mines targeted the No. 2 and No. 4 seams. Chinook South mines produced approximately 14Mt of coal and include the International and Broun underground mines as well as the small York Creek surface mine. Chinook Vicary mines produced approximately 19Mt and include the McGillivray, Vicary and Vicary North underground mines in addition to the Racehorse surface mine.

Coal quality results from historical mines are very limited. Coking coal from seam No. 2 at the Vicary Mine was shipped to the Japan starting in 1959. Initially, 59,000 tons was shipped and by 1967 it increased to 400,000 tons per year. In April 1967, Coleman Collieries signed a 15 year contract for the sale of 13,300,000 long tons to Japan, and in 1970 another contract was signed for the sale of an additional 5,125,000 long tons of coking coal with shipments to commence in April of 1972 (Booth and Leigh, 1973).

Montem's ongoing liability is only for disturbance created during current exploration activities.

DEVELOPMENT CONSTRAINTS

Consideration for reasonable prospects for production at the Chinook Project include favourable geology (other nearby producers of coking coal from the same formation and seams), nearby infrastructure (road, rail and power), a nearby labour pool, favourable land-use categories, and a favourable government and social attitude to resource extraction.

Several Indigenous groups are located within 100 km of the project area. Montem has initiated consultation with Indigenous peoples that may have interest in the project area, in order to begin building relationships and develop an understanding of each group's needs and internal processes.

The Project does not fall within the South Saskatchewan Regional Plan ("SSRP"); however, the southern portion of Chinook South borders Castle Provincial Park, which is included in the SSRP.

The Project is partially located within the Mountain Goat and Bighorn Sheep range (Figure 2). In this area, any disturbances that may have direct or indirect adverse effects, such as permanent alteration of habitat must be avoided or mitigated. Additionally, most of the Project is located within a Grizzly Bear Protection Zone (Figure 2); regulations require that Montem provide and preserve either core or secondary grizzly bear habitat.

Several areas of the Property are also located in the Key Wildlife and Biodiversity Zone. The Alberta government outlines guidelines for these areas in order to protect the long-term integrity and productivity of the ungulate winter ranges and populated areas. New permanent access is to be avoided, temporary access should minimize disturbance to wildlife habitat, and industrial work should be limited between December 15th and April 30th.

The Mist Mountain Formation, the targeted coal-bearing unit, naturally contains selenium. In alkaline, aerobic conditions, elemental selenium and selenide minerals can be oxidized releasing soluble selenate ions which can be transported in surface runoff. Large scale surface mining in the Elk Valley, British Columbia (BC) has enriched the Elk River in selenium. Any future mine development on the property will require the development of a selenium management plan.

CONCLUSIONS AND RECOMMENDATIONS

The Chinook Project contains significant thicknesses of coking coal. Significant work has been undertaken to investigate the historical geological interpretations and to confirm the location and data sourced from historical exposures, trenches, adits, and drill sites in order to model and estimate Resources. Access by road and historical exploration trails is generally good though additional tracks and trails will be required to facilitate exploration. Proximity to rail and municipal infrastructure and services is also good, with the proximal towns of Coleman and Blairmore (combined population about 4000). The Canadian Pacific rail line runs through Coleman and connects with the main CNR east-west line for access to Vancouver and Prince Rupert ports.

There are currently four producing coking coal mines in the Sparwood/Elk Valley area, BC. All four mines are owned by Teck Resources Ltd. and they have an aggregate annual capacity of approximately 25 Mt. Mining personnel for the project could potentially be sourced from Coleman and Blairmore or other surrounding settlements.

Other than a small portion covering and surrounding the town of Coleman, the entirety of the Chinook Project lies within Category 4 land zone with respect to coal exploration and development as designated by the 1976 Coal Development Policy for Alberta. This land category allows for exploration to be permitted under appropriate control, and surface or underground mining or in-situ operations may be considered subject to proper assurances respecting protection of the environment and reclamation of disturbed lands.

The property contains significant coal resources at extractable depths as supported by historical mining operations and the current Resource. The economics of coal extraction have not been evaluated as part of this report.

Structurally, the deposit is well understood, and an alternative interpretation is not likely. The current interpretations have not materially changed compared to historical works in the 1970-1990's. Multiple workers have reviewed the interpretation in the ensuing period. The main factor affecting coal seam continuity is the interplay of faulting, folding, seam dip, depth of weathering and surface topography. Seams show a highly variable thickness which reflects depositional and structural variations as well as the localized thickening of coal seams which occur in the apex of folds and adjacent to reverse faults.

All remaining coal resources at the Chinook Project have open cut potential. Resources have a moderate level of confidence. Drillholes are spaced closely enough for coal seam continuity and quality to be assumed justifying Indicated and Inferred status within the declaration areas.

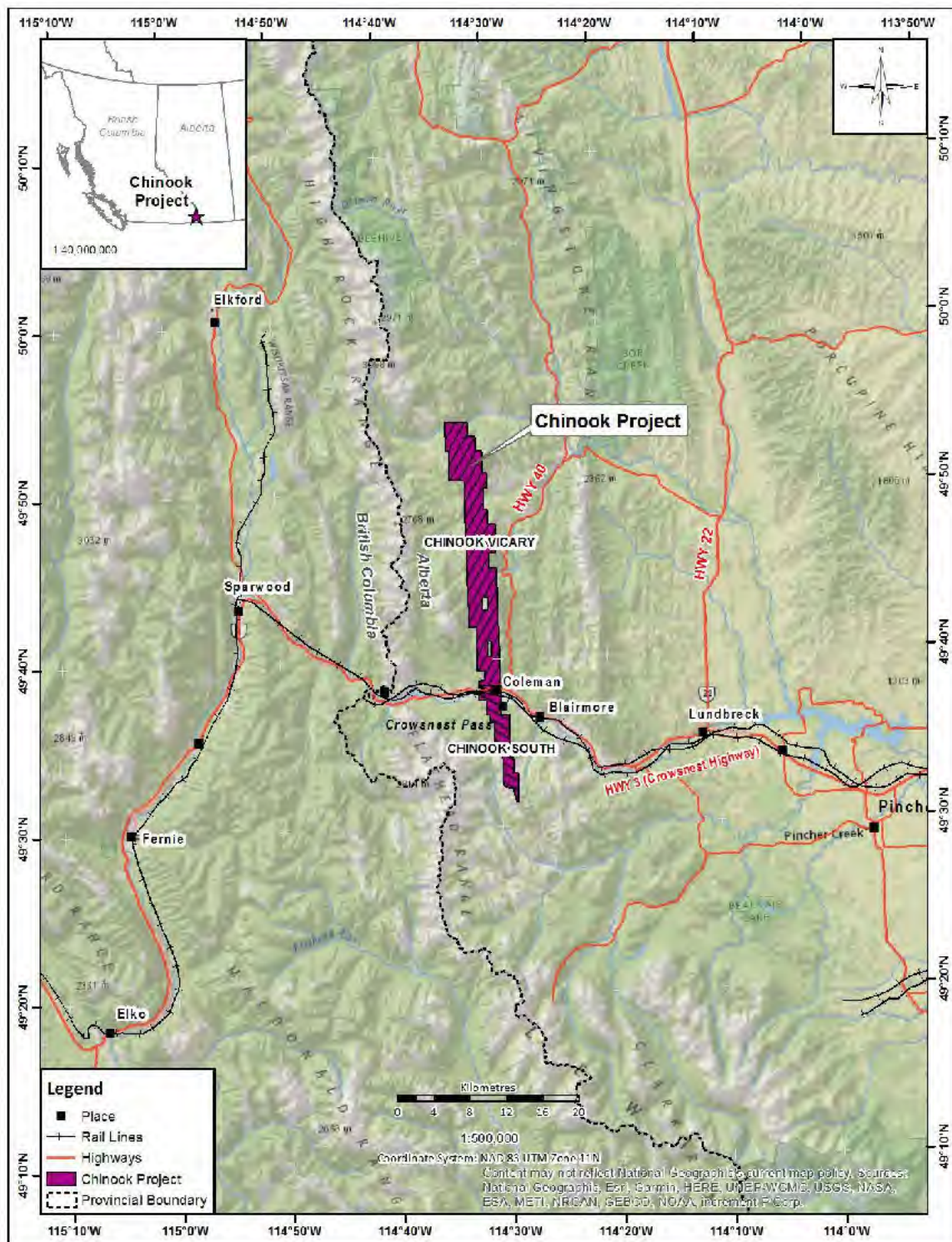


Figure 1 - The Chinook Project Location

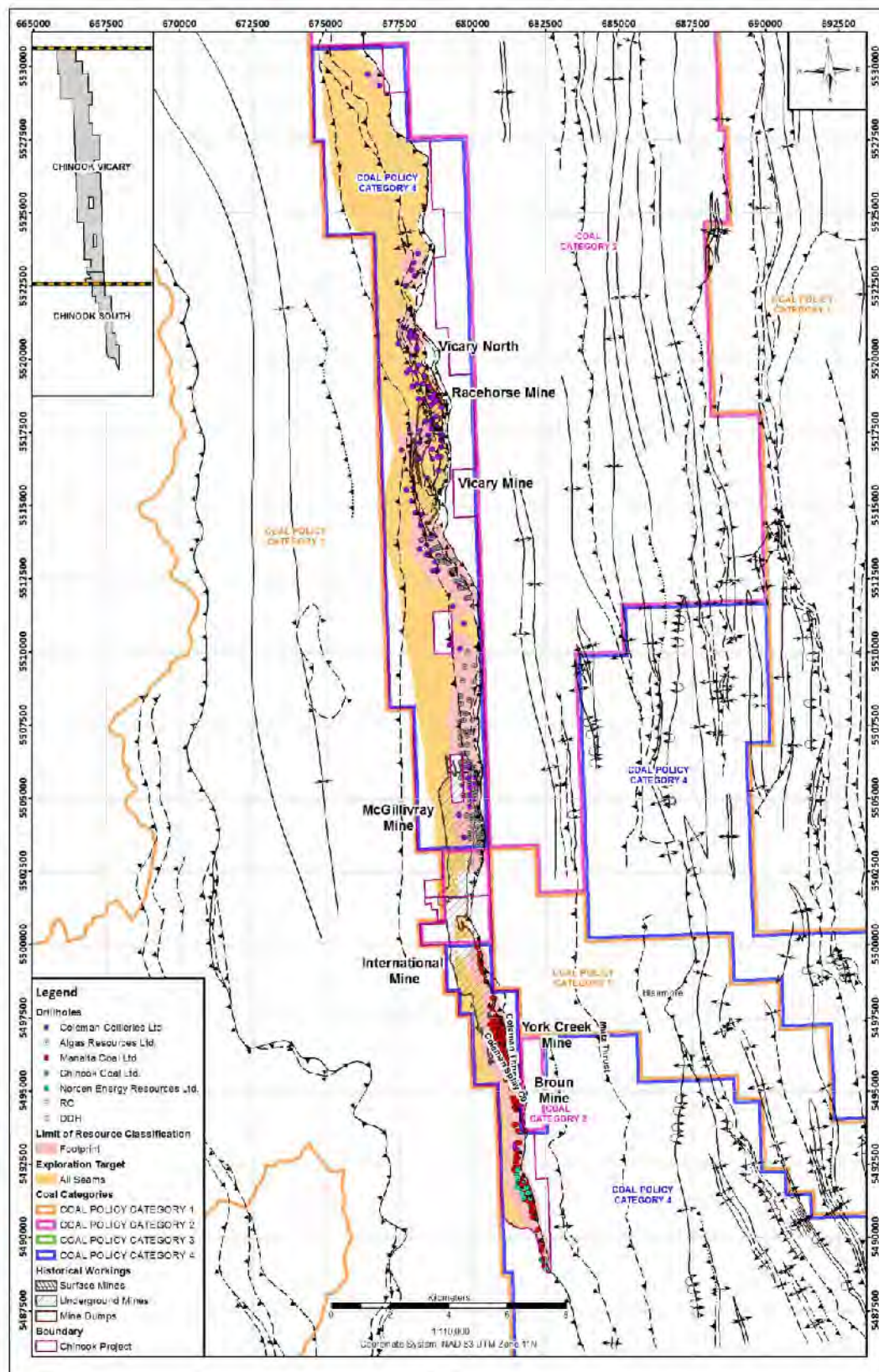


Figure 3 - The Chinook Project Resource and Exploration Target Areas

**It is important to note that the potential quantity and grade of the exploration target is conceptual in nature and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

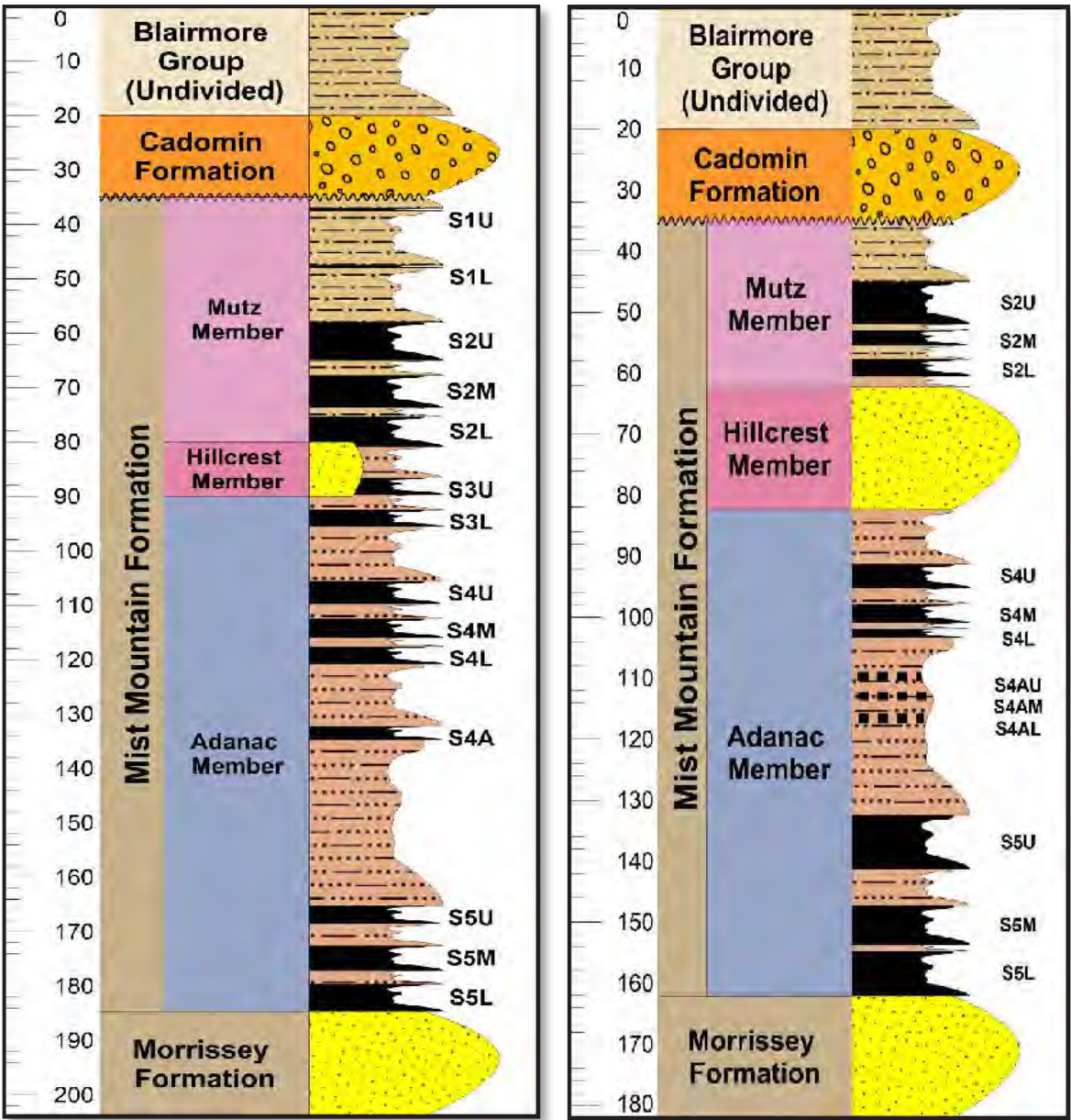


Figure 4 - The Chinook Project Stratigraphy - Chinook South (left) and Chinook Vicary (right)

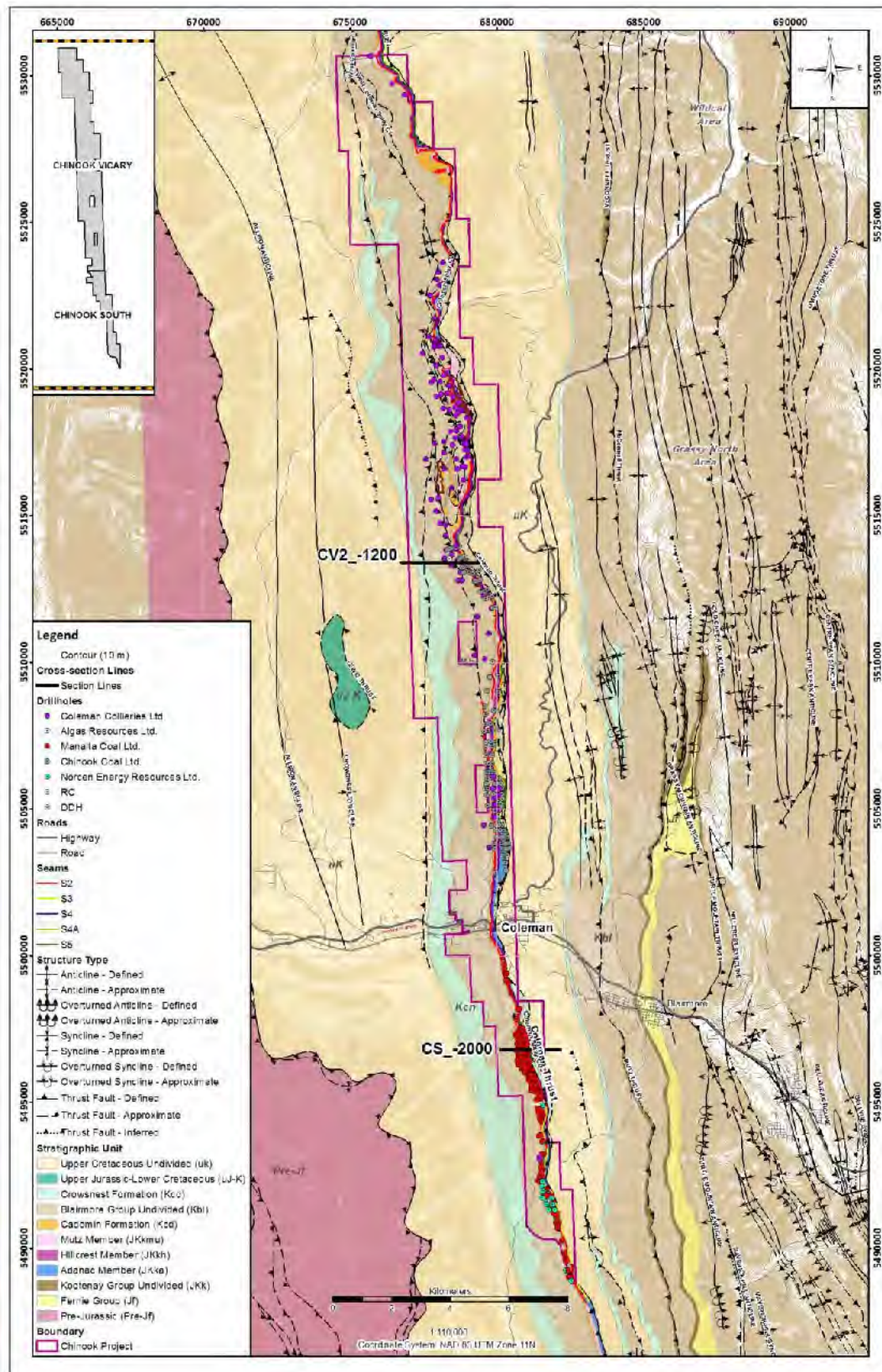


Figure 5 - The Chinook Project Surface Geology and Cross Section Locations

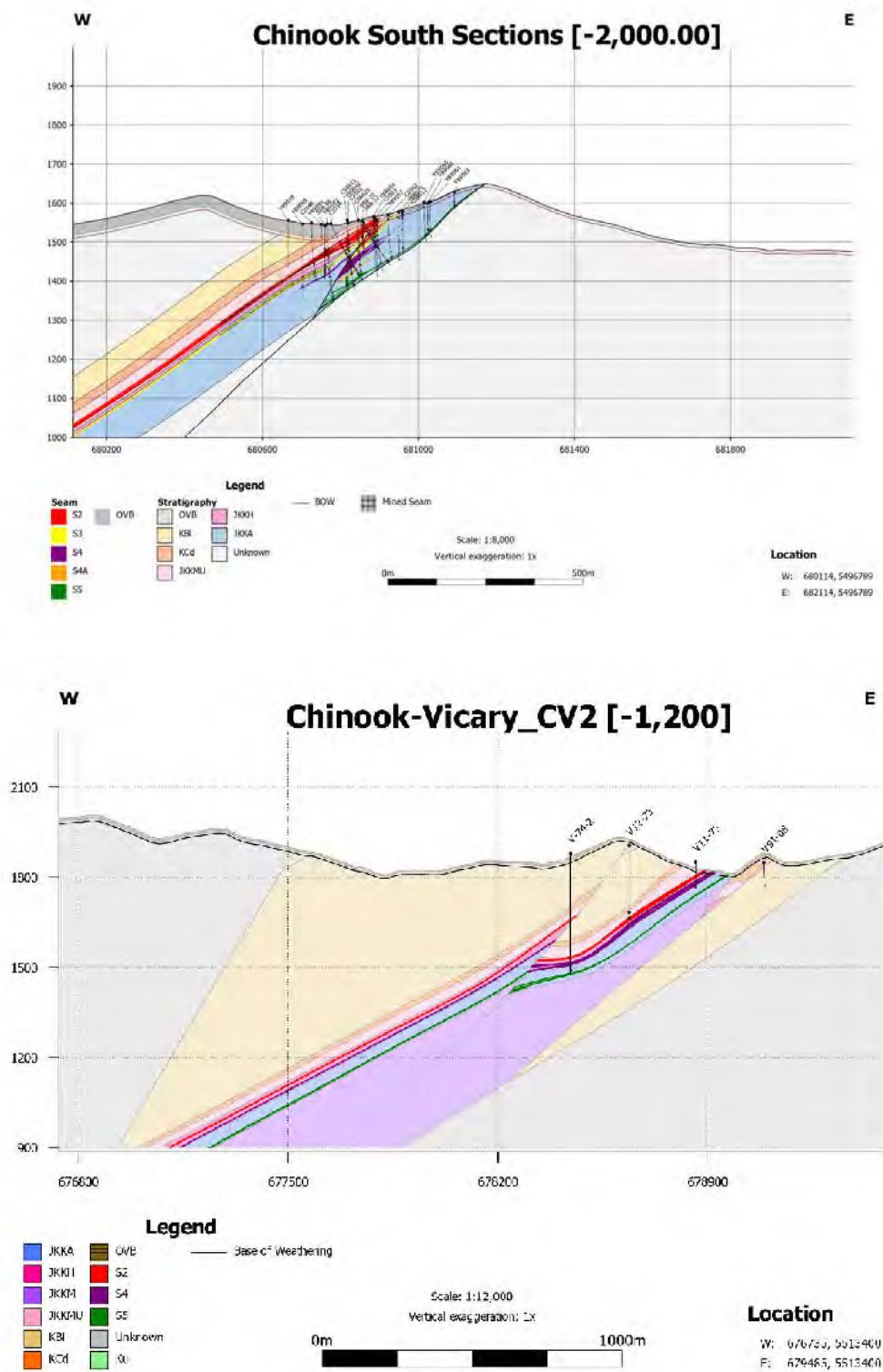


Figure 6 - The Chinook Project North Looking Cross Sections

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representativity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	- The historical database used for geological and resource modelling was compiled from drilling by Coleman Collieries, Norcen Energy Resources Ltd. and Manalta Coal Ltd. between 1964 and 1989. It consists of 494 drillholes (57 core holes and 437 rotary holes) from which 11 were excluded because of insufficient data. See Section 7, 8, 10 and 11 of the report for details. - Coal core samples were collected for 36 of the 57 core holes. Sampling took place over many different drill campaigns and although the Authors have no direct knowledge of the historical sampling methods, they have no reason to believe that industry standard practices were not followed. The industry standard process is described below: - Core from the drillholes were geologically logged (i.e. measured and described) using standard descriptive terms to document rock type, colour, brightness, hardness and grain size. - Geophysical logs were run downhole to collect caliper, density (gamma-gamma) and natural gamma data. The geophysical logs are used to identify rock types, including coal intersected in the drillhole. - Coal intervals were collected and logged by a geologist. The geologist's core log consisted of the measured thickness and description of the coal, inter-seam partings, adjacent roof and floor rock, and details of any sample intervals removed for analysis. - Recovered core was measured to determine an overall recovery (reported in percent) by comparing the recovered core length with the coring run length recorded by the driller. Recovered core was measured and compared to the coal interval thickness determined from the geophysical log suite. - Collected samples were placed in pre-labelled sample bags with the hole number and sample identifier clearly marked. The sample bags were placed together in a collection bag or 5-gallon pails for the hole before being

Criteria	JORC Code explanation	Commentary
		<i>placed in palletized containers and shipped to an independent laboratory for analysis.</i> - Coal chip samples were collected from 196 of the 440 RC drillholes. Sampling took place over many different drill campaigns and although the authors have no direct knowledge of the historical sampling methods, they have no reason to believe that industry standard practices were not followed. The industry standard process is described below: - Coal chip samples were collected in one to three-foot intervals as the drill was slowly advanced and put in cloth bags to drain. - A small portion of each interval was put in the lithological sample tray for subsequent geological logging and comparison to geophysical logs. - After draining, the bagged samples were evaluated by the site geologist and composited by seam with the aid of downhole logs to eliminate partings and seam floor material. - Collected chip samples were placed in pre-labelled sample bags with the hole number and sample identifier clearly marked. The sample bags were placed together in a collection bag or 5-gallon pail(s) for the hole before being placed in palletized containers and shipped to an independent laboratory for analysis. - Typically, no special security methods were identified for the shipping and storage of samples. - Geophysical logs are available for 374 rotary drillholes and the majority of diamond drillholes used in the geological model. - Coal sample intervals for RC drillholes were generally sampled at plus or minus 0.25 m leading to cross contamination across lithological boundaries; samples included some waste from overlying and underlying non-coal material. - Cored holes were sampled seam by seam. Chips were logged in the field and then corrected to geophysics. Coal brightness was not generally recorded on open holes. Sample top and base records exist for all holes, but sample depths were generally uncorrected to

Criteria	JORC Code explanation	Commentary
		geophysics resulting in some discrepancies between coal samples and the recorded sample top and base. Sampled intervals were assigned unique sample numbers and recorded for each seam.
Drilling techniques	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	- Cored holes were HQ (63.5 mm) single tube core. Rotary holes were generally 125-165 mm diameter, drilled by reverse circulation. - All holes were drilled at a range of inclinations and directions in an attempt to intersect strata perpendicular to dip.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	494 historical drillholes (57 core holes and 437 rotary holes) were georeferenced and validated. Drillholes were sampled for coal quality across all seams in the deposit. - Coal recovery in cored holes was poor to moderate ranging between 10% to 100% with an average coal recovery ranging from 59 to 100% depending on the drill campaign. This is due to the extremely friable nature of the coal and considerable internal micro-faulting within the seams in this area. - Primarily, the cored drillhole coal quality evaluation datapoints were limited to cored drillhole coal intersections with greater than 75% recovery, although, in some areas of the Chinook Project, where data density was an issue, lower recovered cored drillhole coal seam intersections were considered. - Coal quality data from coal cores with recoveries of less than 75% has reduced value, but volatile matter, inherent moisture and reflectance are not adversely affected by poor recovery. - Observations suggest that core loss is concentrated on the more fragile bright coal bands, which may have biased those samples to higher ash content than high recovery samples. - For RC chip coal samples, recovery data was poorly recorded historically. Generally, RC drilling recovers most of the sampled interval, with the higher rheology-performing coal fines typically making up most of the unrecovered sampled interval. RC coal sample intervals are generally sampled at plus or minus 0.25 m leading to cross contamination across lithological boundaries. That is, most coal samples in an RC dataset will include some waste from overlying and

Criteria	JORC Code explanation	Commentary
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	underlying non-coal material and vice versa. - Chips and cores were logged in the field and corrected to downhole geophysics. - All holes were wireline logged where possible for density, and gamma neutron. Coal and rock lithologies from chip and core descriptions were entered into a lithology database. Coal seams were identified and correlated between holes. The standard and level of detail is considered appropriate for mineral resource estimation. - No photographs exist of samples of core or chip holes.
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	- As the sampling occurred over many different drill campaigns, the Authors have no direct knowledge of the sampling methods undertaken during each drill campaign but have no reason to believe the operators and the laboratories did not follow industry standard practices. - For these samples, preparation, subsampling and quality control procedures were ensured by the use of certified commercial labs in Canada and the US, employing recognized QA procedures and following international standards for coal testing (ASTM). Collected samples were placed in pre-labelled sample bags with the hole number and sample identifier clearly marked. The sample bags were placed together in a collection bag or 5-gallon pail(s) for the hole before being placed in palletized containers and shipped to an independent laboratory for analysis. - The sample preparation methods utilized for the historical samples were industry standard at the time. Details of the sample preparation are not known other than the descriptions provided by the laboratories (Coleman Collieries, 1982). The laboratories that performed the historical exploration are all independent commercial laboratories and are not connected in any corporate way to Coleman Collieries, Manalta, Norcen or Luscar Ltd, the companies for which the work was originally performed. The quality control procedures employed by the laboratories were in the past and remain standard for the coal testing industry in Canada. All Canadian coal laboratories are subject to periodic testing and certification by an agency of the Canadian Federal Government.
Quality of assay data	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered	All coal analysis was based on the accepted International standards at the time of analysis (ASTM).

Criteria	JORC Code explanation	Commentary
and laboratory tests	<i>partial or total.</i> - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	- The coal quality database is in excel format. The resultant database appears to have a valid range of data and exhibits sound regression relationships such as washability – ash. - Birtley Coal and Minerals Testing and Loring Laboratories Ltd. in Calgary, where most of the analytical work was done, are still in operation. As part of their current certification by the Coal Association of Canada (CAC) there is an obligation to complete relevant round robin checks and other routine checking procedures to ensure they meet the required accuracy for each test since their inception. Both labs have advised that they are unsure if this quality control check applied in the 1970's. Birtley confirmed that this system was in place for the Chinook Coal Ltd. (Manalta subsidiary) reverse circulation programs (1986-1990). This system was apparently not yet developed when the earlier programs were conducted.
Verification of sampling and assaying	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data.	- Coal intersections used in the geological model were verified against geophysical measurements. Montem's consultant, Dahrhough Geological Consulting Ltd. (Dahrhough) completed a 100% validation of historical drillhole locations: and an approximate 75% spot check of coal seam intersections, creating an independent database for resource modelling. - Not all data addressed in the historical summary reports and technical reports could be located by Dahrhough, and therefore, could not be used in this report. Twinned holes were not used. - Drillhole collar, lithology and basic raw coal quality data is stored in a Vulcan and Excel database. All available source field records, lab reports, survey data etc., are stored in electronic form.
Location of data points	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Specification of the grid system used. - Quality and adequacy of topographic control.	- The topographic surface utilized for the geological model was a combination of LiDAR15 DEM as well as an open source topographic surface from the Canadian Federal Geospatial Platform used for the southern half of the Chinook South area where LiDAR was unavailable for purchase. The surfaces were merged using Leapfrog™ merge mesh function creating one continuous surface running the length of the Property. All drillholes in Chinook Vicary area and 210 drillholes in the Chinook South area were encompassed by the purchased LiDAR, while 60 drillholes in Chinook South were underlain by the open-sourced surface data. All drillholes were snapped to the newly created topographic surface. - Data is stored in UTM NAD 83 Zone 11N projection format.

Criteria	JORC Code explanation	Commentary
		- Historical drill collars, historical surface mapping points, trenching points and mine plans were georeferenced and validated against topography. - Reverse circulation and core hole collar information was generally well constrained for X-Y coordinates, but less reliable for Z coordinates. Downhole directional information was available for 305 drillholes. Not all drillholes in the database were used to constrain the current geological interpretation as information was lacking or conflicting. - The generally close alignment collars and LIDAR data support the notion that the validation process undertaken by previous studies is generally reliable. These historical collar locations are incorporated into the geological model.
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i>	- The Chinook Project described in this report is comprised of the properties historically known as the Chinook South, Chinook North and Vicary-Racehorse, comprising a total area of 9,746 ha. - The geological and resource models were constructed using a database of 483 drillholes, totalling 57,748.73 m (Table 11-2). A total of 11 drillholes were excluded from the model due to insufficient or conflicting location information (Table 11-3). - The historical dataset reflects the standards and exploration targets of the time. There is a bias in the drillhole dataset towards information on S2 and S3 seams in Chinook South which represents the principal open-cut targets. There are also high concentrations of data around shallower coal occurrences which likely were amenable to shorter term open-cut operations. Due to the geological complexity of the deposit, the combined dataset exhibits a high level of variability in data distribution and reliability both in plan and stratigraphically. - Where coal intersections have been sampled in multiple sections per seam, compositing of samples has been applied. - The data spacing and distribution are considered by the Competent Persons to be collectively sufficient to establish the degree of geological and grade continuity appropriate for the mineral resource estimate and classifications applied.
<i>Orientation of data in relation to</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation</i>	The coal Resource on the Chinook Project is bounded by the Coleman, Isolation and McConnell thrusts which strike north-south and results in a marked anisotropy to the deposit. This east-west anisotropy to the deposit is geostatistically significant but it is also

Criteria	JORC Code explanation	Commentary
geological structure	<i>of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	reasonably consistent and well understood. - One subsidiary splay thrust is interpreted to ramp off the Coleman Thrust in the geologically complex York Creek area, resulting in zones of uncharacteristically thick coal seams as well as zones of uncharacteristically thin coal seams. The possibility exists for several additional small-scale thrusts in the area, however little is known about the structure other than the expression of coal seams as fault repeats in some drillholes. - Several secondary thrust faults exist at Chinook Vicary with the area being more structurally complex than Chinook South. North of the McGillivray Mine, the Vicary thrust splays off the main Coleman Thrust causing a small repeat of the Cadomin Formation. In the area around the historical Vicary Mine, surface mapping indicates complex surface geology with a series of splay faults and a slip fault with large deformed blocks of Cadomin and Mist Mountain formation. The underground mine plans show coal seam S2 to be relatively planar, offset by a series of splay thrusts, so it is believed the surface deformation is a result of near surface slip faulting (Smith, 1991) - Drilling of the deposit has occurred in east-west traverses of closely spaced drillholes approximately perpendicular to the strike of the coal. Many holes were drilled at angles to intersect seams as nearly perpendicular as feasible (Figure 8-1 through 8-5). Downhole deviation logs and collar surveys constrain drillhole data in 3D space.
Sample security	<i>The measures taken to ensure sample security.</i>	- No known special sample security measures were adopted during historical exploration programs because the industry regards coal as a low value bulk commodity. - Samples have a unique sample number that is provided for analysis. Each sample tag listed project name, drillhole, top and base of sample interval, and sample number.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	The drillhole database was created and validated by Manalta geological personnel during the early 1990's with a review by Norwest consultants on behalf of Luscar Ltd. and Sherritt International Corp. in 2005. This dataset is based entirely on historical drilling and outcrop data collected from 1964 to 1989. Data from this period appears to be of a professional and consistent quality but due to its age the data used in the resource estimation cannot be directly confirmed. Data has been excluded where the datasets are incomplete or could not be constrained or confirmed.

Criteria	JORC Code explanation	Commentary
		In 2019, the geological dataset and model was validated by Dahrouge, using reports, tables, contour plans and cross-sections. The Resource Estimates which form part of this report were based on the historical drilling, select trenching data, adit data, and mapping data. Dahrouge completed a 100% validation of the historical drillhole locations; and an approximate 75% spot check of coal seam intersections, creating an independent database.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	- The Chinook Project is a narrow north-south trending parcel from 1 to 5 km wide and about 42 km long. It consists of 53 Alberta Coal Leases and 58 Alberta Freehold Tenements (all minerals except gold, silver) held by Montem (Tables 4-1, 4-2 and Figures 4-1 to 4-4) and is subject terms and conditions of an agreement outlined Section 4.4. Coal leases are valid between Dec. 2020 and Sept. 2032 and can be renewed (Table 4-1). - Two of the Alberta Coal Leases (1306050828 and 306050830) that make up the northern portion of the Project are located partially within Chinook Vicary and partially within a Property, also owned by Montem but not discussed within this report, that lies directly to the north of the Chinook Project. - A coal exploration permit (CEP) application is in process to undertake a drilling and exploration program. A Deep Drilling Permit (for holes deeper than 150 m vertically), a water Withdrawal Licence. A Road Use Agreement and Historical Resources Review will also be required. No impediments to obtaining these are anticipated. - All coal deposits in Alberta are subject to the provisions of the Coal Development Policy for Alberta, which was originally enacted in 1976. This policy defines different parts of the land area of the province in which specific regulations for coal development apply. The Project is almost entirely within Category 4 of the Coal Development Policy for Alberta, other than a small portion of the Project covering and surrounding the town of Coleman which is within Category 1 and Category 2 (Figure 4 5). - In Coal Category 4 lands, exploration may be permitted under appropriate control, and surface or underground mining or in-situ operations may be considered subject

Criteria	JORC Code explanation	Commentary
		to proper assurances respecting protection of the environment and reclamation of disturbed lands. ○ In Coal Category 2 lands, limited coal exploration is desirable and may be permitted under strict control but in which commercial development by surface mining will not normally be considered at the present time. This category contains lands for which the preferred land or resource use remains to be determined, or areas where infrastructure facilities are generally absent or considered inadequate to support major mining operations. In addition, this category may contain local areas of high environmental sensitivity in which neither exploration nor development activities will be permitted. Underground mining or in-situ operations may be permitted in areas within this category where the surface effects of the operations are deemed to be environmentally acceptable. ○ In Category 1 lands, no exploration or commercial development is permitted. • Several Indigenous groups are located within 100 km of the project area. Montem is currently in the ACO managed Indigenous peoples consultation process with all Treaty 7 First Nations in Southern Alberta, which includes: • The Blackfoot (Niitsitapi) peoples ○ The Piikani Nation ○ The Kainai (Blood) Nation ○ The Siksika Nation • The Stoney Nakoda Nations ○ The Chiniki Nation ○ The Bearpaw Nation ○ The Wesley Nation ○ The Tsuut'ina Nation. • The targeted coal-bearing Mist Mountain Formation is naturally rich in selenium. In alkaline, aerobic conditions, elemental selenium and selenide minerals are oxidized releasing soluble selenate ions which can be transported in surface runoff. Large scale surface mining in the Elk Valley, British Columbia has enriched the Elk River in selenium. Any future mine development on the Project will require the

Criteria	JORC Code explanation	Commentary
		development of a selenium management plan. Montem's ongoing liability is only for disturbance created during current exploration activities. • The Project is partially located within the Mountain Goat and Bighorn Sheep Range (Figure 4-5). In this area, any disturbances that may have direct or indirect adverse effects, such as permanent alteration of habitat must be avoided or mitigated. Additionally, most of the Property is located within a grizzly bear protection zone (Figure 4-5); regulations require that Montem provide and preserve either core or secondary grizzly bear habitat. • Several areas of the Property are located in the Key Wildlife and Biodiversity Zone. The Alberta government outlines guidelines for these areas in order to protect the long-term integrity and productivity of the ungulate winter ranges and populated areas. New permanent access is to be avoided, temporary access should minimize disturbance to wildlife habitat and limited industrial work is to be carried out between December 15th and April 30th. • The Project does not fall within the South Saskatchewan Regional Plan ("SSRP"); however the southern portion of Chinook South borders Castle Provincial Park, which is included in the SSRP (Figure 4-5). The SSRP was established to manage and monitor the environment and support responsible development of Alberta's resources. The strategies developed within the SSRP are designed to minimize the amount of land used for new development, including the usage of historical roads and trails for future exploration program access, and progressive reclamation of areas no longer being used.
<i>Exploration done by other parties</i>	• <i>Acknowledgment and appraisal of exploration by other parties.</i>	• Historical work on the Chinook Project began in the early 1900's when International Coal and Coke Company Ltd. ("ICC") acquired coal rights to the Chinook South area, and McGillivray Creek Coal and Coke Company Ltd. ("MCCC") acquired coal rights to Chinook Vicary area (Vicary-Racehorse and Chinook North). • In 1903, ICC commenced underground mining operations south of Coleman at the International Mine which operated until 1952. An estimated 13.8 Mt of raw coal were extracted from S2 and S4 over the lifespan of the mine. Prior to 1955, a small underground operation known as the Broun Mine was operated by ICC and extracted <10 kt of raw coal from S2 south of the International Mine (Van Katwyk, 1991). • In 1906, MCCC commenced underground mining operations at the

Criteria	JORC Code explanation	Commentary
		McGillivray Mine, which was located within Chinook Vicary. The property was purchased by Coleman Collieries in the early 1950's and operations continued at the McGillivray Mine until 1958. The Alberta Energy Regulator ("AER") reports that a total of 10.8 million tonnes of coal was extracted from the McGillivray Mine. - Between 1947 and 1952, within Chinook South, open-pit mining was carried out at 4 small pits known as the York Creek Mine, where seams X and Y (currently modelled as seams S3 and S2, respectively) merge together into a thick coal seam of 10 to 12 m. It is estimated that 500,000 tonnes of raw coal were extracted by ICC from these 4 pits. - In the early 1950's, Coleman Collieries acquired the properties that make up the Chinook Project from ICC and MCCC - Between 1964 and 1982, Coleman Collieries conducted exploration at the Chinook Vicary, which included geological mapping by consultants, drilling, adit drive and bulk sampling. - In 1971, Norcen Energy Resources Ltd. ("Norcen") acquired an 82% interest in the properties that make up the Chinook Project from Coleman Collieries before subsequently acquiring the remaining 18% in 1977 (Van Katwyk, 1991). - In 1977, Coleman Collieries contracted Aero Geometrics Ltd. to complete aerial photography, which was used by R.M. Hardy and Associates Ltd. in 1978, to provide a photogrammetric map at a scale of 1:5000; the map was used as a base for a regional exploration program including mapping and the 1978 diamond drilling. Additional drilling was carried out by Algas Resources Ltd. in 1977 to assess coal bed methane potential of the area. - In addition to the drill programs, several mapping programs were carried out on the Property by V.H. Johnson in 1965, R.L. Dyson in 1973, and L.A. Smith Consulting and Development Ltd. ("Smith") in 1980. - Between 1971 and 1982, Norcen conducted exploration at Chinook South, which included drilling, coal quality testing and coal seam development for preliminary non-JORC compliant reserve estimations. - In 1985, Manalta acquired the properties that make up the Chinook Project from Norcen (Chinook Coals, 1989), and its subsidiary Chinook Coals Ltd. completed additional drilling between 1986 and 1989 in the Chinook South area, as well as an evaluation of coal

Criteria	JORC Code explanation	Commentary
		resources/reserves. Results of Manalta's drilling indicated open-pit mining potential north of York Creek and that coal south of York Creek and near old open pits was complex due to thrust stacking. Early exploration focus was on determining the extent of seams X and Y (currently modelled as seams S3 and S2, respectively). Chinook Coals also conducted geological mapping north of Coleman during this time. • In 1998, Luscar Ltd. ("Luscar"), acquired the properties that make up the Chinook Project from Manalta. Luscar was a subsidiary of Sherritt International Corp. ("Sherritt International"). • In 2014, Westmoreland Mining LCC ("Westmoreland") acquired all Sherritt International's assets and then • In 2016, Montem purchased the properties that make up the Chinook Project from Westmoreland.
Geology	• <i>Deposit type, geological setting and style of mineralisation.</i>	• The Chinook Project is roughly bounded by the Carbondale River in the south and the Oldman River in the north, the Livingston Thrust in the east and the Erickson Fault in the west. Strata ranging from the Precambrian Purcell Lava to the Upper Cretaceous Belly River Formation are exposed in the area. • The Jurassic-Cretaceous Mist Mountain Formation of the Kootenay Group hosts the economic coal seams on the Property. It consists of interbedded sandstone, siltstone, mudstone and coal up to 1000 m thick and is interpreted as deltaic and/or fluvial-alluvial-plain deposits. Economically important coal seams occur throughout the succession. Regionally, the seams are up to 18 m thick and vary in rank from south to north, from high volatile bituminous to semi anthracite. • On the Property, the formation is between 100 to 150 m thick and is subdivided into 3 members: ◦ The Mutz Member is the stratigraphically, uppermost unit of the Mist Mountain Formation and comprises up to 90 m of fluvial siltstone with minor interbedded claystone and coaly partings. The Mutz Member contains coal in the laterally extensive S2 (formerly known as the #2 seam) as well as the overlying but intermittently occurring A and B (S1) seams. No resources were declared in S1 due to its poor continuity along strike. This lateral inconsistency is most likely a result of washouts from the overlying and unconformable Cadomin Formation. ◦ The Hillcrest Member lies conformably below the Mutz

Criteria	JORC Code explanation	Commentary
		Member and consists of up to 30 m of fluvial channel sandstone deposits with interbedded siltstone and claystone. The Hillcrest Member is well exposed at Chinook Vicary and the northern portion of Chinook South but discontinuous to the south; this may be a depositional or structural feature. The Hillcrest Member contains no major coal seams. The recessive Adanac Member lies conformably below the Hillcrest Member. It forms the base of the Mist Mountain Formation and consists of shale, siltstone and fine-grained sandstone. In the Chinook South and Chinook Vicary, the Adanac Member is often truncated by the Coleman Thrust. Coal seams S3, S4, S4A and S5 occur within the Adanac Member. The principal seams on the Chinook Project, in descending order are S1, S2, S3, S4, S4A and S5 (Table 6-2). From south to north there are variations in these seams. Five economic coal seams have been identified at Chinook South with an average cumulative total true thickness of approximately 48 m and four economic coal seams have been identified at Chinook Vicary, with an average cumulative total true thickness of approximately 47 m The Chinook Project is located within the Front Ranges of the Rocky Mountain Foreland Thrust and Fold Belt, on a series of small thrust faults within the Lewis Thrust Sheet. The thrusting is evident as a succession of generally west-dipping thrust faults and associated folds with predominantly west-dipping axial surfaces. The strata have been strongly folded and faulted, resulting in sediments and coal zones repeated in parallel north south striking bands. Coal deposits of this type are generally characterized by linear strikes along thrusts and associated tight folds, some with steeply inclined or overturned limbs. The Coleman Thrust cuts through the middle of the Mist Mountain Formation and acts as a basal surface to the Chinook Project geological model, as no significant resources are believed to exist below the Coleman Thrust. Major faults have resulted in repetition of the Kootenay Group and have brought coal measures of the Mist Mountain Formation to depths accessible by modern mining methods. Although extensive deformation of coal-bearing strata has enhanced the economic

Criteria	JORC Code explanation	Commentary
		potential of the region, it has also complicated mining and exploration. Bedding slip surfaces, joints and cleats, and extension, contraction and wrench faults have been recognized as the fundamental fabric elements within many of the major coal beds of the Kootenay Group (Norris, 1971). Notably, in other areas, shearing of coals has resulted in increased ash yields, locally promoted in-situ oxidation and resulted in unpredictable roof conditions, making underground mining difficult.
		- Geological Survey of Canada Paper 88-21 (GSC 88-21) outlines criteria that may be used to classify coal deposits on the basis of "geology type" (degree of geological complexity) and "deposit type" (potential mining methods). Based on these criteria, the Chinook Project is probably best classified as a complex, surface mineable deposit, as the deposit has been subjected to relatively high levels of tectonic deformation with tight folds and steeply inclined or overturned limbs. Individual fault-bounded plates generally retain normal stratigraphic sequences although coal seam thicknesses are commonly structurally thickened or thinned. - The Chinook Project coals are considered Medium Volatile Bituminous coal under ASTM standards. Based on the analysis of historical results, <i>"Most of the coal at Chinook South is classified as a Semi Hard Coking Coal, with less than 10% deemed suitable as a Hard Coking Coal. The majority of the coal at Chinook Vicary was found to be good quality Hard Coking Coal, with FSI of 6 – 7 and CSR above 55. Minor portions of the resource, limited to seam S4/4A, report FSI below 6 and CSR below 50"</i> (Koorhof, 2020). Although the historical clean coal quality data is indicative to the product coals defined above, further validation with current methods and standards is required to verify the historical results and increase the quantity and spatial distribution of data across the Project. - Details of coal quality analysis are presented in Section 12. - Detailed drillhole information and coal intersections compiled for the current resource model are presented in Section 8 and Tables 8-1, to 8-4 of this Report. - The historical drilling compilation consists of 57 core holes and 437 rotary holes. Eleven holes were excluded from this database due to insufficient/conflicting information - Historical drillhole data was extracted from original exploration reports, geological logs, and geophysical logs when available. Collar
Drill hole Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - eastings and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth	

Criteria	JORC Code explanation	Commentary
	- o hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	locations were georeferenced from historic exploration maps in UTM NAD 83 Zone 11N projection format. • A LiDAR survey of most of the Property was purchased and combined with available government DEM surface data to validate drillhole locations and constrain the resource model.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Coal intersections for RC drillholes were generally sampled at one metre segments and composited as one sample per seam. Where applied, compositing of density was aggregated by volume; proximate analysis results, sulphur and washability aggregated by sample length; and clean coal results aggregated by the sum product of yield and mass. These approaches are industry standards. Where quoted coal quality is for the full seam. Grade cut-offs were not applied to exploration results in the database. For resource modelling, a minimum seam thickness of 0.3 m; maximum internal ply interburden of 0.45 m and maximum stripping ratio of 20:1 were used. Depth cut-off was 300 m.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• All thicknesses in the geological model from historical drilling data are apparent thickness (Table 8-3 and 8-4). Unless otherwise specified all thicknesses in this document are apparent thicknesses. Structural thickening of seams is known to occur on the Project. Many of the drillholes have been inclined in an attempt to intersect strata perpendicular to the strata dip. The geological modelling software combines drillhole orientation and intercepts from downhole logs with known and extrapolated structural information from surface mapping to project geometry of coal seams. Resource modelling takes these geometries and, with constraints, calculates in-place volumes for the seams, with calculated interburden volumes removed.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• See Figures 1-1 through 15-1 and Tables 1-1 through 14-1
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• There is no preferential reporting of results. The current Chinook Project geological model is both a tool for creating Resource Estimates over the Property, and for targeting future exploration. Data has been extensively validated against raw records. Key further validation tools include the generation of cross sections and isopach plans and generic Leapfrog and Vulcan drillhole validation checks. No material information has been excluded and outputs from the model honor data.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	- Montem has not yet conducted any exploration on the Project. - No material potentially deleterious or contaminating substances have been identified other than those specified below. - A field mapping dataset exists across the Chinook Project which has been utilized to develop and refine the structural framework of the geological interpretation. - Aerial and topographic interpretation demonstrate the north south striking regional geology of the deposit as it relates to the north south striking westerly dipping thrust belts. - There is a substantial historical dataset of geological and mine related reports that supports and builds on the results detailed in this study. - A 1989 study by Piteau Engineering identified the Cadomin strata as having a moderate acid-forming potential due its moderate (1-1.5%) sulphur content and lack of neutralizing components.
Further work	- The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	- Recommend: 10,000-15,000 m of RAB or RC drilling to increase resource classifications to indicated and measured, and to better define structure. 5-10 drillholes should be completed in areas of historical mining to test the accuracy of the historical mine plans. - A subsidence survey to determine the extent the underground workings have affected the topography in the area. - Downhole geophysical logging and ATV/OTV surveys of all holes to consistently identify coal seams and geologic structures. - Recommend a high resolution LIDAR survey is flown for the entirety of the Chinook Project. - Large diameter 6" or 9" coring (LDC) of 30 to 40 holes is recommended to collect a minimum of six spatially distributed 6" coal samples from each of the S2, S3, S4, S4A and S5 seams. These samples would then undergo size distribution analysis using the modern method of drop shattering and wet tumbling samples with steel cubes. Washability and detailed analysis on a range of size fractions will be required to determine the optimum size and density at which to prepare clean coal composites. Petrography analysis and detailed coking coal tests, including carbonisation studies, should be completed on simulated clean coal products to develop preliminary market specifications for the resource. - Between 3000 and 4000 m of LDC drilling should target areas where target seam depth is between 30 and 100 m. Pilot holes to constrain exact depth to target seams will be part of the resource definition

Criteria	JORC Code explanation	Commentary
		drilling and will minimize coring intervals - Between 3000 and 5000 m of HQ split-tube diamond drilling is recommended and should be spatially distributed across the Project targeting both the hanging wall and footwall of proposed pit shells as a mine plane is developed, in addition to primary and secondary geological structures. - A preliminary hydrogeological study should be commenced during the drill campaign with the installation of monitoring wells and vibrating wire piezometers in select completed drillholes to establish a relationship between the deposit, historical workings and surrounding watershed. - Packer tests are recommended as the HQ diamond drillholes are advanced to evaluate hydraulic conductivity of the bedrock surrounding the coal seams.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary						
Database integrity	- Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. - Data validation procedures used.	- The Competent Persons have relied on the professional quality of the historical data compilation work, including reviews of this historical work. The Resource Estimates which form part of this report were based on historical drilling, select trenching data, adit data, and mapping data. Dahrouge completed a 100% validation of historic drillhole locations; and an approximate 75% spot check of coal seam intersections, creating an independent database. The data sets, including analytical data, are incomplete in some instances, and analytical certificates and details of QA/QC programs were not necessarily included in the historic summary reports. - Drillholes were qualified using a reliability indicator classification system, from 1-4. The reliability was based on the quantity and quality of data available and the known accuracy of each collar location (see Section 11). Results are summarized below: <table><tr><th>Reliability</th><th>Total Drillholes (RC + DDH)</th></tr><tr><td>1</td><td>0</td></tr><tr><td>2</td><td>298</td></tr></table>	Reliability	Total Drillholes (RC + DDH)	1	0	2	298
Reliability	Total Drillholes (RC + DDH)							
1	0							
2	298							

Criteria	JORC Code explanation	Commentary
		3 131 4 65 Excluded 11 - Not all data addressed in the historical summary reports and technical reports could be located by Dahrourge, and therefore, could not be used in this report. The Authors have reviewed the data for consistency between the different projects and companies and eliminated data that could not be constrained or confirmed in reports or government databases. The Authors have concluded that work completed by the coal production and exploration companies was conducted in a professional manner that was consistent with the data collection and reporting standards at that time. - All drillhole, geological and structural data is contained in an Excel® and Vulcan® database.
Site visits	- Comment on any site visits undertaken by the Competent Person and the outcome of those visits. - If no site visits have been undertaken indicate why this is the case.	- Competent person Mr. Bradley Ulry visited the Property August 13 and October 31-November 1, 2019. Mr. Nathan Schmidt, Mr. Matthew Carter and Mr. John Gorham have not visited the Property. - Mr. Ulry's visits were conducted to evaluate existing access and for planning future exploration and permitting.
Geological interpretation	- Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. - Nature of the data used and of any assumptions made. - The effect, if any, of alternative interpretations on Mineral Resource estimation. - The use of geology in guiding and controlling Mineral Resource estimation. - The factors affecting continuity both of grade and geology.	Details of the geological interpretation and its use in resource estimation are presented in section 13. The geological model was constructed using an implicit 3-D modelling software, Seequent - Leapfrog Geo™. A vetted database was imported into Leapfrog™, where it was validated, and any erroneous or conflicting data was amended. The geological model incorporated historical surface maps, cross-sections and mine plans; surface mapping datapoints; drilling and trenching datapoints. The historical surface maps, cross-sections and mine plans were used to evaluate the geological structures and stratigraphic orientations (Figure 13-3 through 13-16).
Dimensions	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	- The Chinook Project covers a narrow north-south trending belt of the Kootenay Group from 1 to 5 km wide and about 42 km in length. The strike trend on the Project is more or less north-south. - The maximum plan length and width of the estimated resources are about 10.7 km and 0.75 km respectively for Chinook South (Figure 13-17 through Figure 13-21), and 20.0 km and 0.9 km respectively for

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	<i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i> <i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i> <i>The assumptions made regarding recovery of by-products.</i> <i>Estimation of deleterious elements or other non-grade variables of economic significance (eg. sulphur for acid mine drainage characterisation).</i> <i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i> <i>Any assumptions behind modelling of selective mining units.</i> <i>Any assumptions about correlation between variables.</i> <i>Description of how the geological interpretation was used to control the resource estimates.</i> <i>Discussion of basis for using or not using grade cutting or capping.</i> <i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i>	Chinook Vicary (Figure 13-22 through 13-25). Plan extent of individual seam resources varies. - Resources are limited to Project boundaries; subcrop clipped against base of weathering (8 m); a minimum coal thickness of 0.3 m, a maximum depth of 300 m from topography, and a cumulative strip ratio of 20:1 bcm/t. This approach approximately reflects existing practical recovery limits for thin seam open cut mining. - Details of the resource modelling and estimation techniques are presented in Section 13. For the purpose of this Resource Estimate, the Chinook Project Resource has been assigned as a complex geology type, due to the presence of regional and local faulting, folding and deformation seam thickening. Resource classifications were determined using an Inverse Distance Estimator (ID²). The base-of-weathering clipped resource classification grade shell (polygons) is illustrated in Figures 13-17 through 13-25 presenting the near surface distribution Indicated and Inferred category resources. - Historical density information for deposits on the Project was relatively sparse, particularly in Chinook Vicary and all past resource estimations used a constant bulk density value that was assumed across the Property. This value was determined from the coal rank and average ash contents as defined in GSC 88-21. Average dried ash content was determined to be 25-30 percent by weight, with a rank classification of medium volatile bituminous coal. This produced a bulk density of 1.45 g/cm³. - The current Resource Estimation used a constant bulk density following an extensive review, as it was determined that the historical coal quality data was not of a high enough standard to produce reliable and accurate coal quality grids (Section 13.3.2). - Maptek Vulcan™ 12 was utilized to generate the block model for the Chinook Project. The modelling database, topography, seam and structural models from the Leapfrog Geo™ Chinook South and Chinook Vicary geologic models were imported into Vulcan™. Imported data was evaluated to confirm the correct model extents, coordinate system, location of drill collars, and coal seam intersections relative to seam solid and structural models. Additionally, any imported triangulated solids were validated to ensure conservation of original volumes, closure of the solids, consistency of the solids, and no crossing or self-intersections. The Leapfrog™ seam models for each ply were converted into Vulcan™

Criteria	JORC Code explanation	Commentary
		seam roof and seam floor surfaces. Each resultant Vulcan™ roof and floor surface was evaluated to ensure no crossing or self-intersections had been created during the conversion process. Seam roof and floor surfaces were overlaid and visually compared to their original parent Leapfrog™ solids to confirm surface geometries and extents were honoured (see Section 13.3.3 for details). • The summarized modelling methodology used for the Resource Estimation for all areas of the Project consisted of the following steps: • Import validated Leapfrog™ modelling database, topography, seam solid triangulations, and structural model into Maptek Vulcan 12™ • Verify correct coordinate system (UTM NAD83 Zone 11N) and model extents for imported data. • Validate seam solid triangulations, testing for conservation of volume, consistency, closure, and crossing/self-intersection. • Validate structural fault blocks, testing for conservation of volume, consistency, closure, and crossing/self-intersection. • Validate structural fault surfaces by applying a Boolean test against the corresponding fault block. • Visually confirm placement of drill collars relative to topography and assigned model coordinates. • Visually confirm drill intersections correspond to seam solid and structural models. • Build the Vulcan™ Horizon List (gdc_glob). • Convert Leapfrog™ seam solid triangulations into Vulcan™ seam roof and floor surfaces. • Validate Vulcan™ seam roof and seam floor surfaces by visual comparison to the original Leapfrog™ seam solid triangulations. • Clip seam roof and seam floor surfaces to remove extracted coal in areas of underground workings. • Create a HARP (Horizontal Adaptive Rectangular Prism) block model. Blocks were 5 m x 5 m. • Validate HARP generated seam volumes against original Leapfrog™ seam solid triangulation volumes. • Superimpose and visually verify HARP generated seam solid triangulations honour original Leapfrog™ seam solid triangulations • Determine the cumulative stripping ratio for each block of coal within the model (total volume of waste/total tonnage of product). • Generate Vulcan™ grade shells for each resource classification –

Criteria	JORC Code explanation	Commentary
		Measured, Indicated, and Inferred from the Leapfrog™ ID² generated Resource classification. • Apply a maximum Resource depth cut-off of 300 m from topography accommodating for the steep topographic terrain. • Constrain resource estimation by Montem Coal Lease and Freehold Tenement boundaries. • Constrain resource estimation to a seam aggregate thickness greater than 0.3 m with a maximum internal ply interburden < 0.45 m. • Classify Resource blocks by bounding Indicated and Inferred solid models. • For the purpose of resource classification, an open cut minable resource was used. Open cut resources are those resources with a cumulative stripping ratio of less than 20:1 (cubic metres of waste to a tonne of coal), an aggregate seam thickness greater than 0.3 m, and a vertical depth from topography less than 300 m. A minimum seam thickness cut-off of 0.3 m was used for the Resource Estimate. A definitive evaluation of the mining methods has not been completed and included in this report. The in-place resources for the Chinook Project are summarized in Table 13-4 and detailed by seam in Table 13-5 through 13-12 and in Figures 13-26 to 13-38. • Exploration Targets have been defined for the Chinook Project in areas where there is insufficient data to estimate a Mineral Resource (Figure 1 1 and Figure 1 2). It is important to note that the potential quantity and grade of the Exploration Target is conceptual in nature and that it is uncertain if further exploration will result in the estimation of a Mineral Resource. • Conceptual Exploration Targets are presented as a range to represent the uncertainty in seam thickness, quality and location. The upper (larger tonnage) range was generated using a 20:1 stripping ratio cut-off and the lower (smaller tonnage) range was generated by restricting the upper range to a 300 m depth cut off. • The Exploration Targets are summarized in Section 14
Moisture	• <i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i>	• The current 2020 Resource utilized an assumed constant bulk density across the Property of 1.45 g/cm³. This value was determined from the coal rank and average ash contents as defined in GSC 88-21. This produced a conservative bulk density estimate of 1.45 g/cm³. The historical Resource Estimates also utilized an assumed bulk density across the Property (Table 13-12). • The decision to use a constant bulk density was made following a

Criteria	JORC Code explanation	Commentary
		comprehensive review of the historical raw coal quality data by Dahrhough. Following the review, it was determined that the historical coal quality data was not of a high enough standard to produce reliable and accurate coal quality grids. This decision was made based on a lack of cored drillhole coal quality data and a heavy reliance on RC drillhole and poorly recovered cored drillhole coal quality data. This was compiled by the fact that the majority of the RC drillholes lacked nearby twinned cored drillholes to evaluate, validate and confirm the RC drillhole coal quality results.
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied.	Resources are limited to coal tenement boundaries; subcrop against base of weathering; a minimum coal thickness of 0.3 m, a maximum internal ply interburden < 0.45 m, a maximum depth of 300 m and a cumulative strip ratio of 20:1bcm/t. This approach approximately reflects existing practical recovery limits for thin seam open-cut mining.
Mining factors or assumptions	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	- For the purpose of Resource classification, an open cut minable Resource was used. Open cut resources are those with a cumulative stripping ratio of less than 20:1 (cubic metres of waste to a tonne of coal), an aggregate seam thickness greater than 0.3 m, and a vertical depth from topography less than 300 m. A minimum seam thickness cut-off of 0.3 m was used for the Resource Estimate. A definitive evaluation of the mining methods has not been completed and included in this report. - Consideration of reasonable prospects for production include favourable geology (other nearby producers of coking coal from the same formation, nearby infrastructure (road, rail and power) abundant available water, a nearby labour pool (4 operating surface coking coal mines), favourable land-use categories, and a favourable government and social attitude to resource extraction. - Mining losses and dilution have not been factored into the resource estimates.
Metallurgical factors or assumptions	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	- Montem has not conducted any coal quality analysis. - Coal quality from historical data was compiled by Dahrhough. This included a validated database from hardcopy laboratory and exploration reports, including drillhole, trench, bulk and wash-plant samples. This data was obtained from historical records from Norcen, Manalta, Coleman Collieries and others. Though coal quality data was available for historical mine workings, the data was excluded from the compiled database as survey information was unavailable.

Criteria	JORC Code explanation	Commentary
		Coal quality varies from south to north on the Property and between the different seams. • The principle seam packages are seam S1, S2, S3, S4, S4a and S5. Analytical and petrographic analyses were completed at ASTM certified labs; however, the analyses pre-date the current ISO laboratory certification requirements. Core intervals and RC chips were sampled using historical project-defined procedures. • The Chinook Project raw coal quality database consists of 232 coal quality boreholes, 120 drillholes from Chinook South and 112 drillholes from Chinook Vicary, made up predominantly of RC drill samples • Compared to cored samples, RC derived samples are limited in respect to their data validity and their suitability for some types of analysis such as washability and product ash determinations. • The RC drilling method is limited by the following constraints: ◦ Coal sample intervals are generally sampled at plus or minus 0.25 m leading to cross contamination across lithological boundaries. That is, most coal samples in an RC dataset will include some waste from overlying and underlying non-coal material and vice versa. ◦ RC samples are crushed by the drilling action resulting in non-representative size grading. This aspect makes it difficult to predict coal preparation plant yields from RC data. Generally, the crushing liberates ash causing the resultant washability tests to be optimistic relative to ROM conditions. In this context, wash simulation and product ash results from RC drilling should be used with caution. ◦ Generally, RC drilling recovers most of the sampled interval, with the higher rheology-performing coal fines typically making up most of the unrecovered sampled interval. • Historically, raw coal drillhole samples were analysed for ash content and relative density, some samples were also analysed for Proximate analysis (i.e., moisture %, ash %, volatiles %, fixed carbon %), total sulphur (S) % and crucible swelling number (CSN). • Historical coal analysis was completed by certified laboratories in

Criteria	JORC Code explanation	Commentary
		Canada. These included Birtley and Loring in Calgary, Alberta. For testing work that required it, both laboratories used or continue to use the procedures of the A.S.T.M. • Dahrourge relied upon the findings of an independent study on product coal quality by Koorhof Associates Inc. titled Assessment of the Chinook Project Clean Coal Quality (Koorhof, 2020). • The Chinook Project clean coal quality database includes proximate, rheology, petrographic and ash chemistry analysis from cored drillholes (HQ and NQ), RC drillholes, adits and bulk samples completed between 1972 and 1991. • Clean coal results that included anomalously low CSN results (~ less than 2) and had correspondingly shallow coal seam intersection depths (~ less than 25 m), were removed from the database on the basis that the coal could potentially be oxidized at these shallow depths. • Clean coal results that included anomalously high ash results (~ greater than 14%) and had correspondingly low CSN results (~ less than 2), were removed from the database on the basis that the ash content was not representative of a typical clean coal (~ 8% to 10% ash). • Due to a lack of data, similarities in results and the relatively small portion of the Resource that seam S4A makes up (0.77% at Chinook South and 4.04% at Chinook Vicary), the coal quality of seams S4A and S4 have been assessed together. • The quality of the data that has been reviewed does not meet current standards of reporting. The available historical data is limited by preponderance of RC data as opposed to core data. The core was NQ and HQ diameter, and recoveries were generally poor, which may have skewed results. RC coal quality data often underrepresents fines, which generally display better rheological properties than coarser fractions. There is limited petrographic data available, especially for Chinook Vicary, and datapoints are not evenly distributed across the Property. • The authors consider these datasets suitable for a preliminary characterization of the Project's coal quality. Further drilling is recommended to increase confidence in coal quality spatial variations and historical sampling methods. • Based on the analysis of historical results, <i>"Most of the coal at Chinook South is classified as a Semi Hard Coking Coal, with less</i>

Criteria	JORC Code explanation	Commentary
		than 10% deemed suitable as a Hard Coking Coal. The majority of the coal at Chinook Vicinity was found to be good quality Hard Coking Coal, with FSI of 6 – 7 and CSR above 55. Minor portions of the resource, limited to seam S4/4A, report FSI below 6 and CSR below 50" (Koorhof, 2020). Although the historical clean coal quality data is indicative to the product coals defined above, further validation with current methods and standards is required to verify the historical results and increase the quantity and spatial distribution of data across the Project • Details of coal quality for the Chinook Project are summarized in Section 12.
Environmental factors or assumptions	• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• Section 4.8 and 4.9 detail environmental liabilities and other significant factors and risks • The targeted coal-bearing Mist Mountain Formation is naturally rich in selenium. In alkaline, aerobic conditions, elemental selenium and selenide minerals are oxidized releasing soluble selenate ions which can be transported in surface runoff. Large scale surface mining in the Elk Valley, British Columbia has enriched the Elk River in selenium. Any future mine development on the Property will require the development of a selenium management plan. Montem's ongoing liability is only for disturbance created during current exploration activities. • The Project is partially located within the Mountain Goat and Bighorn Sheep Range (Figure 4-5). In this area, any disturbances that may have direct or indirect adverse effects, such as permanent alteration of habitat must be avoided or mitigated. Additionally, most of the Property is located within a grizzly bear protection zone (Figure 4-5); regulations require that Montem provide and preserve either core or secondary grizzly bear habitat. • Several areas of the Property are located in the Key Wildlife and Biodiversity Zones. The Alberta government outlines guidelines for these areas in order to protect the long-term integrity and productivity of the ungulate winter ranges and populated areas. New permanent access is to be avoided, temporary access should minimize disturbance to wildlife habitat and limited industrial work is to be carried out between December 15th and April 30th. • The Project does not fall within the South Saskatchewan Regional Plan ("SSRP"); however the southern portion of Chinook South borders Castle Provincial Park, which is included in the SSRP (Figure

Criteria	JORC Code explanation	Commentary
		4 5). The SSRP was established to manage and monitor the environment and support responsible development of Alberta's resources. The strategies developed within the SSRP are designed to minimize the amount of land used for new development, including the usage of historical roads and trails for future exploration program access, and progressive reclamation of areas no longer being used.
Bulk density	• <i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</i> • <i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</i> • <i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i>	• Historical density information for deposits on the Property was relatively sparse, particularly in Chinook Vicary and all past Resource Estimates used a constant bulk density value that was assumed across the Property. This value was determined from the coal rank and average ash contents as defined in GSC 88-21. Average dried ash content was determined to be 20-25 percent by weight, with a rank classification of medium volatile bituminous coal. This produced a bulk density of 1.45 g/cm³. • The current 2020 Resource Estimate utilized an assumed constant bulk density across the Project of 1.45 g/cm³. This value was determined from the coal rank and average ash contents as defined in GSC 88-21. This produced a conservative bulk density estimate of 1.45 g/cm³. • In-situ moisture was estimated at 8%.
Classification	• <i>The basis for the classification of the Mineral Resources into varying confidence categories.</i> • <i>Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i> • <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i>	• As the stratigraphic and structural complexity of a coal deposit increases, a greater number of data points are required to assign the coal to measured, indicated, or inferred resource categories. Data points are defined as locations where a coal seam, or a marker horizon indicating the proximity to a coal seam, is exposed. Valid data points were obtained from drillhole intersections, trenches, and surface outcrop. • For the purpose of this Resource Estimate, the Chinook Project has been assigned as a complex geology type, due to the presence of regional and local faulting, folding and deformation seam thickening. Resource classifications were determined using an Inverse Distance Estimator (ID2) with the criteria provided in Section 13-3-1 (see Tables 13-3 to 13-11 and Figures 13-17 to 13-25). • ID² search ellipsoids were set to the following ranges, where the maximum search range is along the geological trend of the deposit: ◦ Indicated - Maximum 300 m; Intermediate 300 m; Minimum 100 m ◦ Inferred - Maximum 500 m; Intermediate 500 m; Minimum 100 m

Criteria	JORC Code explanation	Commentary
		The classified geological complexity, structural trend, and seam thickness variograms were used to support the search ellipsoid for classification. Geostatistical analysis was conducted in tandem with resource modelling and supports the classification.
Audits or reviews	<i>The results of any audits or reviews of Mineral Resource estimates.</i>	This study and Resource Estimates were independently reviewed by Tamplin Resources Pty. Ltd. Recommendations were reviewed and incorporated into reporting.
Discussion of relative accuracy/confidence	<i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i> <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>	- Structurally, the Chinook South and Chinook Vicary deposits are moderately well understood, and the Competent Persons regard the interpretation as valid. The main factors affecting coal seam continuity are the interplay of faulting, folding, seam dip, depth of weathering and surface topography. Seams show a highly variable thickness which reflects depositional and structural variations as well as the localized thickening of coal seams which occur in the apex of folds and adjacent to reverse faults. These provided substantial tonnage benefits during past mining. - Historical coal recovery in cored holes was poor to good, ranging from a low of 10% to a high of 100% for the identified seam groups, with an average coal recovery ranging from 59% to 100% depending on the drill campaign (Table 8-2). This is due to the extremely friable nature of the coal and considerable internal micro faulting within the seams. This core coal recovery is typical of coals in this area. - All remaining coal resources on the Chinook Project have open cut potential. Resources have a moderate level of confidence. Drillholes are spaced closely enough for coal seam continuity and quality to justify Indicated and Inferred status within the declaration areas. The extent of coal washouts and faulting may negatively affect the coal resource tonnage for each affected coal seam. Significant faulting and folding is likely to exist throughout the deposit.

Appendix 1 - Geological Model Drillhole Database

Year	Hole ID	Reliability	Hole Type	Easting NAD83 Z11	Northing NAD83 Z11	Elevation (m)	Az	Dip	Depth (m)	Collar Survey	Geophysics Log	Deviation Survey	Coal Quality	COMPANY
Chinook South Area Drillholes														
1987	C2001	2	RC	680845.00	5496770.00	1556.18	0	-90	142.3	Map	Yes	Yes	Yes	Manalta Coal Ltd.
1987	C2002	2	RC	680922.00	5496809.00	1569.82	0	-90	119.2	Map	Yes	Yes	Yes	Manalta Coal Ltd.
1987	C2003	2	RC	680887.00	5496809.00	1560.80	0	-90	133.2	Map	Yes	Yes	Yes	Manalta Coal Ltd.
1987	C2003B	3	RC	680888.00	5496808.00	1561.23	0	-90	27.5	Map	Yes	No	No	Manalta Coal Ltd.
1987	C2004	2	RC	682448.00	5489029.00	1920.00	0	-90	112.8	Map	Yes	Yes	No	Manalta Coal Ltd.
1987	C2005	2	RC	682445.00	5489259.00	1917.50	0	-90	145.5	Map	Yes	Yes	No	Manalta Coal Ltd.
1987	C2006	2	RC	682497.00	5489039.00	1918.38	0	-90	135	Map	Yes	Yes	Yes	Manalta Coal Ltd.
1987	C2007	2	RC	682369.00	5489659.00	1868.05	0	-90	146	Map	Yes	Yes	Yes	Manalta Coal Ltd.
1987	C2008	2	RC	682061.00	5491081.00	1817.29	0	-90	110.3	Map	Yes	Yes	Yes	Manalta Coal Ltd.
1987	C2009	2	RC	682353.00	5489547.00	1889.13	0	-90	203	Map	Yes	Yes	Yes	Manalta Coal Ltd.
1987	C2010	2	RC	682316.00	5489843.00	1871.46	0	-90	142.2	Map	Yes	Yes	Yes	Manalta Coal Ltd.
1987	C2011	2	RC	681463.00	5492466.00	1674.61	0	-90	130.8	Map	Yes	Yes	Yes	Manalta Coal Ltd.
1987	C2012	2	RC	682109.00	5490702.00	1829.67	0	-90	142	Map	Yes	Yes	Yes	Manalta Coal Ltd.
1987	C2013	2	RC	681526.00	5492708.00	1672.76	0	-90	142.4	Map	Yes	Yes	Yes	Manalta Coal Ltd.
1987	C2014	3	RC	681585.00	5492704.00	1657.81	0	-90	80.2	Map	Yes	No	Yes	Manalta Coal Ltd.
1987	C2015	2	RC	681606.00	5493229.00	1742.50	0	-90	147	Map	Yes	Yes	Yes	Manalta Coal Ltd.
1987	C2016	2	RC	681513.00	5492979.00	1683.25	0	-90	105.4	Map	Yes	Yes	Yes	Manalta Coal Ltd.
1987	C2017	2	RC	681501.00	5493873.00	1713.75	0	-90	82.6	Map	Yes	Yes	Yes	Manalta Coal Ltd.
1987	C2018	2	RC	681548.00	5493240.00	1750.03	0	-90	137.1	Map	Yes	Yes	Yes	Manalta Coal Ltd.
1987	C2019	2	RC	681438.00	5493845.00	1732.21	0	-90	125.7	Map	Yes	Yes	Yes	Manalta Coal Ltd.
1987	C2020	2	RC	681552.00	5493645.00	1765.92	0	-90	114.9	Map	Yes	Yes	Yes	Manalta Coal Ltd.
1987	C2021	3	RC	681272.00	5495683.00	1696.48	80	-55	119.8	Map	Yes	No	No	Manalta Coal Ltd.
1987	C2022	2	RC	680880.00	5496282.00	1591.23	0	-90	137.4	Map	Yes	Yes	No	Manalta Coal Ltd.
1987	C2023	3	RC	680997.00	5496154.00	1598.77	0	-90	114.4	Map	Yes	No	No	Manalta Coal Ltd.
1987	C2024	2	RC	681490.00	5495101.00	1847.73	0	-90	147.4	Map	Yes	Yes	No	Manalta Coal Ltd.
1987	C2025	2	RC	681105.00	5496024.00	1635.35	0	-90	110.3	Map	Yes	Yes	No	Manalta Coal Ltd.
1987	C2026	2	RC	680977.00	5496348.00	1628.56	0	-90	114.9	Map	Yes	Yes	No	Manalta Coal Ltd.
1987	C2027	2	RC	681390.00	5494765.00	1793.89	80	-60	145.4	Map	Yes	Yes	No	Manalta Coal Ltd.
1987	C2028	2	RC	680981.00	5496454.00	1632.80	0	-90	101.1	Map	Yes	Yes	Yes	Manalta Coal Ltd.
1987	C2029	2	RC	680864.00	5496111.00	1600.94	0	-90	164.7	Map	Yes	Yes	No	Manalta Coal Ltd.
1987	C2030	2	RC	681466.00	5494757.00	1803.09	80	-60	125.8	Map	Yes	Yes	Yes	Manalta Coal Ltd.
1987	C2031	2	RC	681160.00	5495688.00	1718.15	0	-90	144.5	Map	Yes	Yes	Yes	Manalta Coal Ltd.
1987	C2032	2	RC	681314.00	5495349.00	1776.55	80	-53	128.8	Map	Yes	Yes	No	Manalta Coal Ltd.
1987	C2033	2	RC	681081.00	5495920.00	1665.89	0	-90	150.8	Map	Yes	Yes	No	Manalta Coal Ltd.
1987	C2034	2	RC	680775.00	5496758.00	1547.35	80	-63	171.5	Map	Yes	Yes	No	Manalta Coal Ltd.
1987	C2035	2	RC	680844.00	5497029.00	1534.20	0	-90	98.4	Map	Yes	Yes	No	Manalta Coal Ltd.
1987	C2036	2	RC	680692.00	5497279.00	1524.62	0	-90	17	Map	Yes	Yes	No	Manalta Coal Ltd.
1987	C2037	2	RC	680696.00	5496965.00	1539.47	0	-90	167.7	Map	Yes	Yes	No	Manalta Coal Ltd.
1987	C2038	2	RC	680795.00	5496276.00	1584.11	0	-90	148.5	Map	Yes	Yes	No	Manalta Coal Ltd.
1987	C2039	3	RC	680987.00	5497041.00	1592.52	0	-90	36.4	Map	Yes	No	Yes	Manalta Coal Ltd.
1987	C2040	3	RC	680891.00	5496416.00	1593.01	80	-54	96.8	Map	Yes	No	No	Manalta Coal Ltd.
1987	C2041	2	RC	681033.00	5496017.00	1641.49	0	-90	132.6	Map	Yes	Yes	No	Manalta Coal Ltd.
1987	C2042	2	RC	681310.00	5495346.00	1775.89	80	-86	141.7	Map	Yes	Yes	No	Manalta Coal Ltd.
1987	C2043	2	RC	681187.00	5496039.00	1642.46	0	-90	64	Map	Yes	Yes	No	Manalta Coal Ltd.
1987	C2044	2	RC	680838.00	5496408.00	1577.74	0	-90	118.2	Map	Yes	Yes	No	Manalta Coal Ltd.

Year	Hole ID	Reliability	Hole Type	Easting NAD83 Z11	Northing NAD83 Z11	Elevation (m)	Az	Dip	Depth (m)	Collar Survey	Geophysics	Geological Log	Deviation Survey	Coal Quality	COMPANY
1987	C2045	3	RC	680972.32	5496194.90	1598.93	0	-90	110.7	Map	Yes	Yes	No	No	Manalta Coal Ltd.
1987	C2046	2	RC	6807726.00	5496748.00	1549.24	80	-87	149.4	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1987	C2047	2	RC	681227.00	5496049.00	1644.35	0	-90	42.2	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1987	C2048	2	RC	681144.00	5496032.00	1637.91	0	-90	73.8	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1987	C2049	2	RC	680919.00	5497350.00	1542.04	0	-90	87.6	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1987	C2050	2	RC	680627.00	5497279.00	1505.78	0	-90	128.7	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1987	C2051	2	RC	681559.00	5492461.00	1647.80	0	-90	80.4	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1986	CS8601	2	RC	680188.00	5499926.00	1415.29	0	-90	55.5	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1986	CS8602	2	RC	680246.00	5499692.00	1427.45	0	-90	72.9	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1986	CS8603	2	RC	680289.00	5499321.00	1415.59	0	-90	82.9	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1986	CS8604	3	RC	680392.00	5499036.00	1430.57	0	-90	59.5	Map	Yes	Yes	No	No	Manalta Coal Ltd.
1986	CS8605	2	RC	680475.00	5498747.00	1457.13	0	-90	72.95	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1986	CS8606	2	RC	680670.00	5497826.00	1464.12	0	-90	89	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1986	CS8607	2	RC	680332.00	5499385.00	1413.49	0	-90	42	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1986	CS8608	2	RC	680253.00	5499516.00	1427.60	0	-90	77.5	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1986	CS8609	2	RC	680319.00	5499156.00	1425.42	0	-90	82.55	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1986	CS8610	3	RC	680709.00	5497151.00	1521.00	0	-90	156.8	Map	Yes	Yes	No	Yes	Manalta Coal Ltd.
1986	CS8611	3	RC	680817.00	5496721.00	1556.41	0	-90	179.5	Map	Yes	Yes	No	Yes	Manalta Coal Ltd.
1986	CS8612	2	RC	680959.00	5496877.00	1578.35	0	-90	120.2	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1986	CS8613	2	RC	680863.00	5497359.00	1536.25	0	-90	120	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1986	CS8614	2	RC	680907.00	5496132.00	1599.52	0	-90	165.5	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1986	CS8615	3	RC	681100.00	5496236.00	1608.67	0	-90	55.8	Map	Yes	Yes	No	No	Manalta Coal Ltd.
1986	CS8616	2	RC	681321.00	5495618.00	1727.33	0	-90	92.4	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1986	CS8617	2	RC	681419.00	5495478.00	1798.80	0	-90	101.4	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1986	CS8618	2	RC	681388.00	5495319.00	1799.96	0	-90	126	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1986	CS8619	2	RC	681482.21	5495239.45	1823.02	0	-90	141.4	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1986	CS8620	2	RC	681341.00	5495073.00	1846.97	0	-90	141.2	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1986	CS8621	3	RC	681534.00	5494493.00	1786.70	80	-60	100.5	Map	Yes	Yes	No	Yes	Manalta Coal Ltd.
1986	CS8622	2	RC	681453.00	5494438.00	1763.53	80	-60	106.1	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1986	CS8623	3	RC	680952.00	5496197.00	1596.02	0	-90	128.5	Map	Yes	Yes	No	Yes	Manalta Coal Ltd.
1986	CS8624	2	RC	680887.00	5496479.00	1589.30	0	-90	111	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1986	CS8625	2	RC	680846.00	5496762.00	1556.81	80	-55	143	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1986	CS8626	2	RC	680759.00	5496984.00	1533.32	80	-85	183.8	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1986	CS8627	2	RC	680914.00	5497017.00	1567.77	80	-54	101.7	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1986	CS8628	2	RC	681012.00	5496448.00	1634.97	80	-55	75	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1986	CS8629	3	RC	680998.00	5497343.00	1545.46	0	-90	37.4	Map	Yes	Yes	No	Yes	Manalta Coal Ltd.
1986	CS8630	2	RC	680759.00	5496983.00	1533.30	80	-58	174.6	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1986	CS8631	2	RC	681199.00	5495866.00	1679.12	0	-90	115.5	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1986	CS8632	2	RC	681237.00	5495947.00	1658.09	0	-90	61	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1982	DDH82-1	3	DDH	681643.00	5491685.00	1688.00	0	-90	168.6	Map	Yes	Yes	No	Yes	Norcen Energy Resources Ltd.
1982	DDH82-2	3	DDH	681554.00	5491895.00	1642.26	0	-90	103.6	Map	Yes	Yes	No	Yes	Norcen Energy Resources Ltd.
1982	DDH82-3	3	DDH	681522.00	5492132.00	1623.39	0	-90	81.7	Map	Yes	Yes	No	Yes	Norcen Energy Resources Ltd.
1989	L89-01	2	RC	681509.00	5492581.00	1675.95	0	-90	115.43	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	L89-02	2	RC	681519.00	5492799.00	1667.20	0	-90	98.15	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	L89-03	2	RC	681424.00	5492313.00	1650.64	0	-90	153.01	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	L89-04	2	RC	681480.00	5492279.00	1636.17	0	-90	110.4	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	L89-05	2	RC	681629.00	5491880.00	1658.01	0	-90	92.05	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.

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1989	L89-06	2	RC	682062.00	5490704.00	1850.14	0	-90	171	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	L89-07	2	RC	682226.00	5490262.00	1873.39	0	-90	147.2	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	L89-08	2	RC	682052.00	5491215.00	1806.88	0	-90	92	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	L89-09	2	RC	682117.00	5490889.00	1804.39	0	-90	73.46	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	L89-10	2	RC	682022.00	5490891.00	1837.23	0	-90	165.51	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	L89-11	2	RC	681918.00	5491604.00	1765.11	0	-90	78.2	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	L89-12	2	RC	681897.00	5491382.00	1805.51	0	-90	128.53	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	L89-13	2	RC	681881.00	5491808.00	1727.54	0	-90	96.6	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	L89-14	2	RC	681662.00	5492009.00	1649.83	0	-90	46	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	L89-15	2	RC	681958.00	5491199.00	1816.88	0	-90	134.42	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	L89-16	2	RC	681697.00	5492007.00	1657.24	0	-90	69	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	L89-17	2	RC	681714.00	5491782.00	1695.44	0	-90	96.6	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	L89-18	2	RC	681862.00	5491280.00	1799.27	0	-90	159.11	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	L89-19	2	RC	681805.00	5491501.00	1772.01	0	-90	122.53	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1982	RDH82-10	3	RC	681580.37	5491985.35	1637.31	0	-90	64	Map	Yes	Yes	No	Yes	Norcen Energy Resources Ltd.
1982	RDH82-11	3	RC	681546.36	5491727.32	1659.78	0	-90	125.5	Map	Yes	Yes	No	Yes	Norcen Energy Resources Ltd.
1982	RDH82-12	3	RC	681910.10	5491513.41	1789.10	0	-90	67.5	Map	Yes	Yes	No	Yes	Norcen Energy Resources Ltd.
1982	RDH82-13	3	RC	681977.42	5491333.90	1810.00	0	-90	92	Map	Yes	Yes	No	Yes	Norcen Energy Resources Ltd.
1982	RDH82-14	3	RC	681767.26	5491325.46	1773.61	0	-90	162	Map	Yes	Yes	No	Yes	Norcen Energy Resources Ltd.
1982	RDH82-15	3	RC	681857.88	5491707.97	1746.45	0	-90	68	Map	Yes	Yes	No	No	Norcen Energy Resources Ltd.
1982	RDH82-16	3	RC	681702.45	5491506.16	1740.80	0	-90	156.25	Map	Yes	Yes	No	Yes	Norcen Energy Resources Ltd.
1982	RDH82-7	3	RC	682530.93	5489903.92	1920.00	0	-90	165.8	Map	Yes	Yes	No	Yes	Norcen Energy Resources Ltd.
1982	RDH82-9A	3	RC	681561.79	5492295.88	1624.82	0	-90	27.9	Map	Yes	Yes	No	Yes	Norcen Energy Resources Ltd.
1988	S88-01	2	RC	680949.00	5497353.00	1543.16	0	-90	64.01	Map	Yes	Yes	Yes	No	Norcen Energy Resources Ltd.
1988	S88-02	2	RC	680884.66	5497338.99	1542.47	0	-90	109.73	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-03	2	RC	680842.00	5497180.00	1541.79	0	-90	146.3	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-04	2	RC	680825.00	5497327.00	1523.25	0	-90	134.11	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-06	2	RC	680909.00	5497192.00	1566.48	0	-90	124.97	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-07	2	RC	681012.00	5496649.00	1602.22	0	-90	70.1	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-08	2	RC	680952.00	5496631.00	1590.24	0	-90	109.73	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-09	2	RC	681052.00	5496322.00	1611.07	0	-90	67.05	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-10	2	RC	680879.00	5496611.00	1590.63	0	-90	126.49	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-11	2	RC	680782.00	5497167.00	1534.15	0	-90	138.4	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-12	2	RC	680925.00	5496324.00	1616.66	0	-90	128.02	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-13	2	RC	681129.00	5495926.00	1665.08	0	-90	121.92	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-15	2	RC	681041.00	5495913.00	1661.63	0	-90	171.3	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-16	2	RC	680790.00	5496589.00	1556.33	0	-90	147.5	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-17	2	RC	681428.00	5495364.00	1811.65	0	-90	85.95	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-18	2	RC	681430.00	5495207.00	1821.89	0	-90	134.72	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-19	2	RC	681504.00	5495250.00	1809.49	0	-90	80.15	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-20	2	RC	681465.00	5495366.00	1803.81	0	-90	61.87	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-21	2	RC	681211.00	5495688.00	1700.78	0	-90	96	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-22	2	RC	680728.00	5496567.00	1558.46	0	-90	179	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-23	2	RC	680978.00	5496000.00	1638.01	0	-90	195.7	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-24	2	RC	681053.00	5496184.00	1603.84	0	-90	78	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1988	S88-25	2	RC	681156.00	5495392.00	1752.75	80	-68	174.2	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-28	2	RC	681370.00	5495552.00	1771.36	0	-90	69.2	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.

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1988	S88-29	2	RC	681439.00	5495560.00	1772.17	0	-90	32.5	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1988	S88-31	2	RC	680856.00	5496822.00	1553.38	0	-90	87.1	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1988	S88-32	3	RC	680857.00	5496821.00	1553.76	80	-60	64.3	Map	Yes	Yes	No	Yes	Manalta Coal Ltd.
1988	S88-73	4	RC	680990.00	5497443.00	1511.81	0	-90	17.7	Map	No	Yes	No	Yes	Manalta Coal Ltd.
1988	S88-74	3	RC	680942.00	5497433.00	1514.05	0	-90	36.5	Map	Yes	Yes	No	No	Manalta Coal Ltd.
1988	S88-75	2	RC	680945.00	5497277.00	1567.89	0	-90	91.7	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-76	2	RC	680899.00	5497265.00	1559.31	0	-90	117.8	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-77	2	RC	681263.00	5495407.00	1755.05	0	-90	143.26	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-78	2	RC	680845.00	5497258.00	1537.94	0	-90	137	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-79	2	RC	681177.00	5495518.00	1733.03	0	-90	152.4	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-80	2	RC	680909.00	5496900.00	1566.09	0	-90	128.2	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-81	2	RC	680956.00	5497020.00	1581.28	0	-90	41.3	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1988	S88-82	2	RC	680983.00	5496920.00	1585.51	0	-90	91.9	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-83	2	RC	681091.00	5495759.00	1712.68	0	-90	122.22	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-84	2	RC	681060.00	5496474.00	1635.01	0	-90	50.5	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1988	S88-85	2	RC	681067.00	5496028.00	1632.42	0	-90	128	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-86	2	RC	680760.00	5496851.00	1542.66	0	-90	137.6	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-87	2	RC	681276.00	5495816.00	1674.05	0	-90	75	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-88	2	RC	681205.00	5495788.00	1697.39	0	-90	121.92	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-89	2	RC	680895.00	5497414.00	1532.44	0	-90	91	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1988	S88-90	2	RC	680798.00	5497245.00	1527.33	0	-90	159.5	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89001	2	RC	681057.00	5496394.00	1632.18	0	-90	59.8	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89002	2	RC	681010.00	5496383.00	1632.39	0	-90	92	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89003	2	RC	681078.00	5496262.00	1612.99	0	-90	69	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89004	3	RC	681027.00	5496166.00	1600.80	0	-90	110	Map	Yes	Yes	No	No	Manalta Coal Ltd.
1989	Y89005	2	RC	681200.00	5495939.00	1659.33	0	-90	87.4	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89006	2	RC	681235.00	5495874.00	1672.43	0	-90	87.4	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89007	2	RC	681174.00	5495934.00	1659.77	0	-90	105.2	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89008	2	RC	681095.00	5496095.00	1620.90	0	-90	88	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89009	3	RC	680703.00	5496851.00	1546.91	0	-90	197.2	Map	Yes	Yes	No	No	Manalta Coal Ltd.
1989	Y89010	2	RC	681145.00	5496105.00	1628.38	0	-90	64.4	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89011	2	RC	681195.00	5496112.00	1632.35	0	-90	36.8	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89012	2	RC	681102.00	5496345.00	1623.27	0	-90	36.8	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89013	2	RC	680709.00	5497147.00	1521.65	80	-70	209.4	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89014	3	RC	680984.00	5496632.00	1589.30	0	-90	92	Map	Yes	Yes	No	Yes	Manalta Coal Ltd.
1989	Y89015	2	RC	680843.00	5497326.00	1535.18	0	-90	135.5	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89016	2	RC	680808.00	5497170.00	1532.84	0	-90	158.5	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89017	2	RC	680772.00	5497078.00	1539.26	0	-90	158.8	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89018	2	RC	680921.00	5496619.00	1574.80	0	-90	130.1	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89019	2	RC	680766.00	5496671.00	1550.26	0	-90	213.35	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89020	2	RC	680822.00	5496596.00	1564.87	0	-90	178.9	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89021	2	RC	680922.00	5497274.00	1564.55	0	-90	130.6	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89022	2	RC	680766.00	5496761.00	1546.95	0	-90	197.9	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89023	2	RC	681071.00	5496986.00	1618.68	0	-90	132	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89024	2	RC	681057.00	5497052.00	1613.54	0	-90	68	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89025	3	RC	680828.00	5496291.00	1579.96	0	-90	172.8	Map	Yes	Yes	No	Yes	Manalta Coal Ltd.
1989	Y89026	2	RC	681281.00	5495525.00	1747.06	0	-90	110.64	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.

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1989	Y89027	2	RC	680926.00	5497436.00	1515.64	0	-90	67.6	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89028	2	RC	681178.00	5495860.00	1686.93	0	-90	152.4	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89029	2	RC	680829.00	5497482.00	1500.08	0	-90	102	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89030	2	RC	680785.00	5496414.00	1569.69	0	-90	148.4	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89031	2	RC	680799.00	5497543.00	1478.69	0	-90	78.2	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89032	2	RC	681094.00	5496182.00	1610.47	0	-90	67.67	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89033	3	RC	680840.00	5497548.00	1476.86	0	-90	50.6	Map	Yes	Yes	No	No	Manalta Coal Ltd.
1989	Y89034	2	RC	680864.00	5497488.00	1498.12	0	-90	64	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89035	3	RC	680904.00	5497490.00	1495.45	0	-90	35.6	Map	Yes	Yes	No	No	Manalta Coal Ltd.
1989	Y89036	3	RC	680973.00	5497351.00	1543.74	0	-90	50.6	Map	Yes	Yes	No	Yes	Manalta Coal Ltd.
1989	Y89037	2	RC	680906.00	5497339.00	1544.61	0	-90	101.2	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89038	2	RC	680937.00	5496148.00	1597.74	0	-90	149.96	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89039	3	RC	680666.00	5496742.00	1556.28	0	-90	124	Map	Yes	Yes	No	No	Manalta Coal Ltd.
1989	Y89040	3	RC	681360.00	5495720.00	1713.84	0	-90	96.6	Map	Yes	Yes	No	Yes	Manalta Coal Ltd.
1989	Y89041	2	RC	680807.00	5497400.00	1503.14	0	-90	115.82	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89042	3	RC	680783.00	5497227.00	1526.64	0	-90	175.7	Map	Yes	No	Yes	No	Manalta Coal Ltd.
1989	Y89043	3	RC	681422.00	5494623.00	1786.92	0	-90	122.7	Map	Yes	Yes	No	Yes	Manalta Coal Ltd.
1989	Y89044	2	RC	680913.00	5496944.00	1567.40	0	-90	142.3	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89045	2	RC	680850.00	5497408.00	1530.59	0	-90	115.85	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89046	2	RC	680819.00	5496810.00	1548.96	80	-88	172.8	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89047	2	RC	680875.00	5497261.00	1550.93	0	-90	134.72	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89048	2	RC	681512.00	5494349.00	1753.81	0	-90	87.4	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89049	2	RC	680877.00	5497103.00	1555.58	0	-90	146.91	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89050	2	RC	681585.00	5494540.00	1797.16	0	-90	92	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89051	2	RC	680747.00	5496266.00	1586.55	0	-90	195.7	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89052	2	RC	680901.00	5497015.00	1564.30	0	-90	144.48	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89053	2	RC	681537.00	5494658.00	1811.71	0	-90	87.4	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89054	2	RC	680885.00	5496709.00	1566.30	0	-90	159.11	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89055	3	RC	681243.00	5495797.00	1684.07	0	-90	100.5	Map	Yes	Yes	No	Yes	Manalta Coal Ltd.
1989	Y89056	2	RC	681153.00	5495926.00	1663.05	0	-90	115	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89057	2	RC	680893.00	5496830.00	1557.26	0	-90	134.72	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89058	2	RC	681039.00	5496089.00	1608.05	0	-90	124	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89059	3	RC	681320.00	5495814.00	1674.44	0	-90	55.2	Map	Yes	Yes	No	Yes	Manalta Coal Ltd.
1989	Y89060	2	RC	681014.00	5496732.00	1601.70	0	-90	103.63	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89061	2	RC	681029.00	5496818.00	1603.59	0	-90	91.74	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89062	3	RC	681099.00	5496405.00	1634.34	0	-90	35.2	Map	Yes	Yes	No	No	Manalta Coal Ltd.
1989	Y89063	3	RC	680695.00	5496396.00	1578.73	0	-90	193.7	Map	Yes	No	Yes	No	Manalta Coal Ltd.
1989	Y89064	2	RC	681049.00	5496241.00	1607.10	0	-90	96.6	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89065	2	RC	681023.00	5496861.00	1600.09	0	-90	85.34	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89066	2	RC	680907.00	5496229.00	1593.81	0	-90	136.2	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89067	2	RC	680892.00	5496436.00	1592.88	0	-90	135.5	Map	Yes	No	Yes	No	Manalta Coal Ltd.
1989	Y89068	2	RC	680956.00	5496447.00	1626.89	0	-90	115	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89069	2	RC	681031.00	5496924.00	1601.56	0	-90	79.86	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89070	2	RC	680949.00	5496726.00	1577.94	0	-90	130.1	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89071	2	RC	680975.00	5497124.00	1587.95	0	-90	109.73	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89072	2	RC	681025.00	5496553.00	1614.68	0	-90	98.15	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89073	2	RC	680978.00	5496470.00	1630.02	0	-90	102	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.

Year	Hole ID	Reliability	Hole Type	Easting NAD83 Z11	Northing NAD83 Z11	Elevation (m)	Az	Dip	Depth (m)	Collar Survey	Geophysics	Geological Log	Deviation Survey	Coal Quality	COMPANY
1989	Y89074	3	RC	681069.00	5496651.00	1623.37	0	-90	61.26	Map	Yes	Yes	No	No	Manalta Coal Ltd.
1989	Y89075	2	RC	680994.00	5496473.00	1630.24	0	-90	92	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89076	2	RC	680962.00	5496962.00	1582.59	0	-90	115.82	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89077	2	RC	681023.00	5497298.00	1565.59	0	-90	79.25	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89078	2	RC	680960.00	5496376.00	1626.73	0	-90	117.6	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89079	2	RC	680958.00	5496543.00	1583.65	0	-90	99.6	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89080	2	RC	680934.00	5496078.00	1615.62	0	-90	185	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89081	2	RC	680918.00	5496533.00	1607.07	0	-90	152.4	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89082	2	RC	680822.00	5497244.00	1531.52	0	-90	148.4	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89083	3	RC	681092.00	5496758.00	1628.72	0	-90	46	Map	Yes	Yes	No	Yes	Manalta Coal Ltd.
1989	Y89084	2	RC	681015.00	5496972.00	1598.91	0	-90	82.8	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89085	2	RC	680957.00	5497217.00	1583.03	0	-90	115	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89086	2	RC	680846.00	5496509.00	1572.83	0	-90	166.7	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89087	2	RC	680996.00	5497211.00	1588.82	0	-90	87.4	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89088	2	RC	680872.00	5497177.00	1554.63	0	-90	166.7	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89089	4	RC	680703.00	5497380.00	1498.14	0	-90	32.5	Map	No	Yes	No	No	Manalta Coal Ltd.
1989	Y89090	2	RC	680888.00	5496358.00	1592.45	0	-90	134.42	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89091	4	RC	680751.00	5496861.00	1545.97	0	-90	38.6	Map	No	Yes	No	No	Manalta Coal Ltd.
1989	Y89092	2	RC	680987.00	5496228.00	1600.62	0	-90	117.35	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89093	2	RC	680831.00	5497081.00	1531.59	0	-90	137	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89094	2	RC	680776.00	5498174.00	1510.69	0	-90	97.54	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89095	2	RC	680794.00	5496957.00	1545.89	0	-90	202.4	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89096	2	RC	680716.00	5498165.00	1534.58	0	-90	85.34	Map	Yes	Yes	Yes	No	Manalta Coal Ltd.
1989	Y89097	2	RC	680928.00	5497106.00	1570.50	0	-90	128.8	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89098	2	RC	680978.00	5497292.00	1567.53	0	-90	73.6	Map	Yes	Yes	Yes	Yes	Manalta Coal Ltd.
1989	Y89099	3	RC	681152.00	5495925.00	1663.70	0	-90	22.3	Map	Yes	Yes	No	Yes	Manalta Coal Ltd.
1989	Y89100	3	RC	680967.00	5496480.00	1626.57	0	-90	50.6	Map	Yes	Yes	No	Yes	Manalta Coal Ltd.
1978	YC1	3	DDH	682357.00	5489248.00	1913.82	0	-90	121.01	Map	Yes	Yes	No	Yes	Norcen Energy Resources Ltd.
1978	YC2	3	DDH	682013.00	5491067.00	1825.72	0	-90	137.77	Map	Yes	Yes	No	Yes	Norcen Energy Resources Ltd.
1978	YC3	3	DDH	681706.00	5491876.00	1682.32	0	-90	91.44	Map	Yes	Yes	No	Yes	Norcen Energy Resources Ltd.
1978	YC4	3	DDH	681495.00	5492449.00	1663.66	80	-60	89	Map	Yes	Yes	No	Yes	Norcen Energy Resources Ltd.
1978	YC5	3	DDH	681551.00	5492974.00	1678.42	80	-65	70.71	Map	Yes	Yes	No	Yes	Norcen Energy Resources Ltd.
1978	YC6	3	DDH	681593.00	5493619.00	1762.23	80	-65	78.64	Map	Yes	Yes	No	Yes	Norcen Energy Resources Ltd.
1978	YC7	3	DDH	681572.00	5494890.00	1841.61	0	-90	28.04	Map	Yes	Yes	No	Yes	Norcen Energy Resources Ltd.
1978	YC7A	3	DDH	681573.00	5494891.00	1841.87	90	-60	72.85	Map	Yes	Yes	No	Yes	Norcen Energy Resources Ltd.
1978	YC8	3	DDH	681403.00	5495480.00	1796.47	0	-90	55.47	Map	Yes	Yes	No	Yes	Norcen Energy Resources Ltd.
1978	YC9	3	DDH	680971.00	5496076.00	1616.69	80	-65	51.6	Map	Yes	Yes	No	Yes	Norcen Energy Resources Ltd.
Chinook Vicinity Area Drillholes															
1978	DC10	3	DDH	675705.00	5530672.00	1592.82	0	-90	245.97	Map	Yes	Yes	No	Yes	Coleman Collieries Ltd.
1978	DC11	3	DDH	676525.00	5529803.00	1718.50	0	-90	242.93	Map	Yes	Yes	No	Yes	Coleman Collieries Ltd.
1978	DC12	3	DDH	676924.00	5529406.00	1923.70	0	-90	164.9	Map	Yes	Yes	No	Yes	Coleman Collieries Ltd.
1967	G1	4	RC	678931.04	5517241.33	2320.10	0	-90	27.43	Map	No	Yes	No	No	Coleman Collieries Ltd.
1967	G2	4	RC	678977.35	5517229.96	2304.61	0	-90	28.65	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1967	G3	4	RC	678907.23	5517425.22	2294.21	0	-90	35.05	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1967	G4	4	RC	678921.78	5517521.53	2300.23	0	-90	24.08	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1967	G5	4	RC	678968.09	5517427.34	2285.41	0	-90	24.69	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1967	G6	4	RC	678803.29	5517692.73	2257.50	0	-90	48.77	Map	No	Yes	No	No	Coleman Collieries Ltd.

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1967	G7	4	RC	679904.06	5517462.79	2294.62	0	-90	28.04	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1973	McGD-73-01	4	RC	679912.00	5504711.00	1578.22	0	-90	95.1	Map	No	Yes	No	No	Coleman Collieries Ltd.
1973	McGD-73-02	3	DDH	679741.00	5503668.00	1499.52	0	-90	214.88	Map	Yes	Yes	No	No	Coleman Collieries Ltd.
1973	McGD-73-03	3	DDH	679552.00	5504432.00	1564.43	0	-90	322.2	Map	Yes	Yes	No	No	Coleman Collieries Ltd.
1973	MD73-1	3	DDH	679810.00	5511843.00	2337.57	0	-90	170.08	Map	Yes	Yes	No	No	Coleman Collieries Ltd.
1973	MD73-2	3	DDH	679721.00	5510975.00	2171.89	0	-90	213.97	Map	Yes	Yes	No	No	Coleman Collieries Ltd.
1973	MD73-3	3	DDH	679231.00	5510237.00	1953.68	0	-90	365.76	Map	No	Yes	No	No	Coleman Collieries Ltd.
1973	MD73-4	3	DDH	679338.00	5511552.00	2192.43	0	-90	334.37	Map	Yes	Yes	No	No	Coleman Collieries Ltd.
1973	MDH73-5	3	RC	679584.00	5510107.00	2073.16	0	-90	244.8	Map	Yes	Yes	No	No	Coleman Collieries Ltd.
1988	N88-26	2	RC	679691.00	5505106.00	1566.89	0	-90	187.8	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1988	N88-27	2	RC	679631.00	5506526.00	1668.03	0	-90	174.04	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1988	N88-30	2	RC	679654.00	5505460.00	1585.75	0	-90	183.2	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1988	N88-33	2	RC	679632.00	5506833.00	1706.45	0	-90	165.81	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1988	N88-34	4	RC	679830.00	5506539.00	1659.13	0	-90	58	Map	No	Yes	No	No	Chinook Coal Ltd.
1988	N88-35	2	RC	679787.00	5506055.00	1693.11	0	-90	147.5	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1988	N88-36	3	RC	680087.00	5504986.00	1670.83	0	-90	50.6	Map	Yes	Yes	No	Yes	Chinook Coal Ltd.
1988	N88-37	2	RC	680029.00	5505161.00	1691.57	0	-90	96.3	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1988	N88-38	2	RC	679956.00	5505485.00	1716.29	0	-90	128	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1988	N88-39	2	RC	679924.00	5504972.00	1631.67	0	-90	118.8	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1988	N88-40	2	RC	679961.00	5505704.00	1735.59	0	-90	111	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1988	N88-41	2	RC	680124.00	5505178.00	1729.33	0	-90	78	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1988	N88-42	2	RC	679731.00	5506536.00	1645.71	0	-90	93	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1988	N88-43	2	RC	680141.00	5505502.00	1785.28	0	-90	80	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1988	N88-44	3	RC	680203.00	5505508.00	1791.74	0	-90	29.5	Map	Yes	Yes	No	No	Chinook Coal Ltd.
1988	N88-45	2	RC	680170.00	5505713.00	1828.73	0	-90	64.5	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1988	N88-46	2	RC	679845.00	5506826.00	1675.25	0	-90	42	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1988	N88-47	2	RC	679624.00	5507271.00	1707.26	0	-90	148	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1988	N88-48	2	RC	679815.00	5504417.00	1566.72	0	-90	174.3	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1988	N88-49	2	RC	679785.00	5507897.00	1772.49	0	-90	65.2	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1988	N88-50	2	RC	680009.00	5504022.00	1621.87	0	-90	133.8	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1988	N88-51	2	RC	679618.00	5507893.00	1772.81	0	-90	161	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1988	N88-52	4	RC	679988.00	5504447.00	1638.63	0	-90	89	Map	No	Yes	No	Yes	Chinook Coal Ltd.
1988	N88-53	3	RC	679593.00	5508492.00	1806.22	0	-90	70	Map	Yes	Yes	No	No	Chinook Coal Ltd.
1988	N88-54	2	RC	679943.00	5503635.00	1557.27	0	-90	142.3	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1988	N88-55	3	RC	680065.00	5509533.00	2148.91	0	-90	64	Map	Yes	Yes	No	No	Chinook Coal Ltd.
1988	N88-56	4	RC	679621.00	5506239.00	1625.92	0	-90	103	Map	No	Yes	No	Yes	Chinook Coal Ltd.
1988	N88-57	2	RC	679821.00	5506252.00	1677.39	0	-90	96.6	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1988	N88-58	2	RC	680008.00	5504742.00	1588.66	0	-90	41.7	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1988	N88-59	2	RC	679784.00	5507310.00	1749.27	0	-90	82.7	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1988	N88-60	3	RC	680082.00	5506041.00	1787.43	0	-90	55.5	Map	Yes	Yes	No	Yes	Chinook Coal Ltd.
1988	N88-61	2	RC	679827.00	5507130.00	1733.16	0	-90	55	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1988	N88-62	2	RC	679615.00	5505687.00	1594.95	90	-70	169.4	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1988	N88-63	2	RC	680191.00	5503417.00	1642.13	0	-90	70	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1988	N88-64	2	RC	680207.00	5503638.00	1669.45	0	-90	78	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1988	N88-65	2	RC	680195.00	5504026.00	1702.03	0	-90	96	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1988	N88-66	4	RC	679713.00	5507664.00	1740.55	0	-90	96.6	Map	No	Yes	No	No	Chinook Coal Ltd.
1988	N88-67	2	RC	680245.00	5504258.00	1729.83	0	-90	69	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.

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1988	N88-68	2	RC	679584.00	5507634.00	1746.62	0	-90	196	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1988	N88-69	2	RC	680155.00	5503822.00	1649.19	0	-90	87.3	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1988	N88-70	2	RC	679987.00	5504261.00	1629.82	0	-90	137.5	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1988	N88-71	2	RC	679941.00	5505852.00	1739.24	0	-90	114.9	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1988	N88-72	2	RC	680066.00	5505327.00	1725.57	0	-90	78	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1989	N8901	3	RC	680324.00	5502901.00	1670.81	0	-90	49.7	Map	Yes	Yes	No	No	Chinook Coal Ltd.
1989	N8902	3	RC	680297.00	5503146.00	1668.09	0	-90	73.15	Map	Yes	Yes	No	No	Chinook Coal Ltd.
1990	N90-02	3	RC	680403.00	5503818.00	1782.90	0	-90	41.15	Map	Yes	Yes	No	No	Chinook Coal Ltd.
1990	N90-03	3	RC	680362.00	5504033.00	1779.24	0	-90	50.3	Map	Yes	Yes	No	Yes	Chinook Coal Ltd.
1990	N90-04	2	RC	680322.00	5503643.00	1727.84	0	-90	54.86	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1990	N90-05	3	RC	680320.00	5503812.00	1735.32	0	-90	54.86	Map	Yes	Yes	No	No	Chinook Coal Ltd.
1990	N90-06	2	RC	680350.00	5503414.00	1707.42	0	-90	50.29	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1990	N90-07	2	RC	680178.00	5504435.00	1666.95	0	-90	27.43	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1990	N90-08	2	RC	680085.00	5504440.00	1664.23	0	-90	86.87	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1990	N90-09	2	RC	680109.00	5504266.00	1679.44	0	-90	109.73	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1990	N90-10	3	RC	679917.00	5503820.00	1561.62	0	-90	154.23	Map	Yes	Yes	No	Yes	Chinook Coal Ltd.
1990	N90-11	2	RC	679900.00	5505497.00	1700.29	0	-90	139.6	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1990	N90-12	3	RC	679851.00	5505122.00	1621.59	0	-90	132.92	Map	Yes	Yes	No	Yes	Chinook Coal Ltd.
1990	N90-13	3	RC	679940.00	5504926.00	1632.92	90	-50	102.93	Map	Yes	Yes	No	No	Chinook Coal Ltd.
1990	N90-14	2	RC	680130.00	5505859.00	1811.72	0	-90	67.06	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1990	N90-15	3	RC	679650.00	5505850.00	1605.26	0	-90	175.9	Map	Yes	Yes	No	Yes	Chinook Coal Ltd.
1990	N90-16	2	RC	680178.00	5505495.00	1788.30	0	-90	45.72	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1990	N90-17	3	RC	680180.00	5505333.00	1778.08	0	-90	59.44	Map	Yes	Yes	No	No	Chinook Coal Ltd.
1990	N90-18	2	RC	680023.00	5505863.00	1771.50	0	-90	96.01	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1990	N90-19	2	RC	679977.00	5506050.00	1761.17	0	-90	95.1	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1990	N90-20	3	RC	679917.00	5506229.00	1707.27	0	-90	64.01	Map	Yes	Yes	No	Yes	Chinook Coal Ltd.
1990	N90-21	3	RC	679650.00	5505851.00	1605.19	90	-50	139.9	Map	Yes	Yes	No	Yes	Chinook Coal Ltd.
1990	N90-22	2	RC	680108.00	5505067.00	1698.01	0	-90	59.44	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1990	N90-23	3	RC	679703.00	5505695.00	1620.18	90	-65	147.89	Map	Yes	Yes	No	No	Chinook Coal Ltd.
1990	N90-24	3	RC	679847.00	5510001.00	2150.31	0	-90	153.92	Map	Yes	Yes	No	No	Chinook Coal Ltd.
1990	N90-25	3	RC	679677.00	5506030.00	1636.44	0	-90	169.9	Map	Yes	Yes	No	No	Chinook Coal Ltd.
1990	N90-26	3	RC	679760.00	5509491.00	1999.49	0	-90	164.59	Map	Yes	Yes	No	No	Chinook Coal Ltd.
1990	N90-27	3	RC	679676.00	5509026.00	1906.40	90	-55	131.92	Map	Yes	Yes	No	No	Chinook Coal Ltd.
1990	N90-28	2	RC	679946.00	5507257.00	1784.48	0	-90	18.29	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1990	N90-29	2	RC	680015.00	5507678.00	1875.15	0	-90	32	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1990	N90-30	3	RC	679616.00	5508227.00	1775.78	0	-90	123	Map	Yes	Yes	No	Yes	Chinook Coal Ltd.
1990	N90-31	3	RC	679977.00	5508328.00	1931.67	0	-90	41.15	Map	Yes	Yes	No	No	Chinook Coal Ltd.
1990	N90-32	2	RC	679891.00	5508353.00	1918.23	0	-90	86.87	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1990	N90-33	3	RC	679615.00	5508228.00	1776.00	90	-50	125.91	Map	Yes	Yes	No	No	Chinook Coal Ltd.
1990	N90-34	2	RC	679697.00	5506244.00	1649.42	0	-90	146.3	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1990	N90-35	3	RC	679605.00	5507076.00	1695.09	0	-90	137.16	Map	Yes	Yes	No	No	Chinook Coal Ltd.
1990	N90-36	3	RC	679567.00	5507640.00	1750.19	0	-90	170.9	Map	Yes	Yes	No	No	Chinook Coal Ltd.
1990	N90-37	3	RC	680053.00	5508985.00	2066.52	0	-90	41.15	Map	Yes	Yes	No	No	Chinook Coal Ltd.
1990	N90-38	2	RC	679962.00	5502820.00	1497.80	90	-50	109.94	Map	Yes	Yes	Yes	No	Chinook Coal Ltd.
1982	RDH82-1	2	RC	680080.00	5505713.00	1785.96	0	-90	93	Map	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1982	RDH82-2	2	RC	680060.00	5505471.00	1756.68	0	-90	97.9	Map	Yes	Yes	Yes	Yes	Coleman Collieries Ltd.
1982	RDH82-3	2	RC	680028.00	5504984.00	1665.80	0	-90	113.6	Map	Yes	Yes	Yes	No	Coleman Collieries Ltd.

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1982	RDH82-4	2	RC	679875.00	5505687.00	1707.99	0	-90	141.5	Map	Yes	Yes	Yes	Yes	Coleman Collieries Ltd.
1982	RDH82-5	2	RC	679911.00	5505361.00	1677.69	0	-90	129.5	Map	Yes	Yes	Yes	Yes	Coleman Collieries Ltd.
1982	RDH82-6	2	RC	679936.00	5505131.00	1655.16	0	-90	125.5	Map	Yes	Yes	Yes	Yes	Coleman Collieries Ltd.
1982	RDH82-8	2	RC	679887.00	5506072.00	1736.73	0	-90	131.5	Map	Yes	Yes	Yes	Yes	Coleman Collieries Ltd.
1968	RH1	3	DDH	677883.79	5520871.96	1604.62	90	-60	30.78	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1978	RH10	3	DDH	677669.00	5521087.00	1600.63	90	-60	166.42	Map	Yes	Yes	No	Yes	Coleman Collieries Ltd.
1978	RH11	3	DDH	677888.00	5521722.00	1720.33	0	-90	185.01	Map	Yes	Yes	No	No	Coleman Collieries Ltd.
1978	RH12	3	DDH	678044.00	5522855.00	1774.20	0	-90	148.13	Map	Yes	Yes	No	Yes	Coleman Collieries Ltd.
1978	RH13	3	DDH	678002.00	5523305.00	1895.39	0	-90	262.74	Map	Yes	Yes	No	Yes	Coleman Collieries Ltd.
1978	RH14	3	DDH	677950.00	5523052.00	1811.61	0	-90	212.45	Map	Yes	Yes	No	Yes	Coleman Collieries Ltd.
1978	RH15	3	DDH	678150.00	5523622.00	1960.41	0	-90	256.64	Map	Yes	Yes	No	No	Coleman Collieries Ltd.
1969	RH2	3	DDH	677894.38	5520946.04	1596.90	90	-60	68.88	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1969	RH3	3	DDH	678018.20	5520838.09	1664.31	90	-60	32.92	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1969	RH4	3	DDH	677973.75	5520786.23	1661.03	90	-60	53.95	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1969	RH5	3	DDH	678045.96	5520813.11	1683.72	82	-55	28.96	Map	No	Yes	No	No	Coleman Collieries Ltd.
1969	RH6	3	DDH	678069.24	5520807.82	1695.25	0	-90	41.61	Map	No	Yes	No	No	Coleman Collieries Ltd.
1969	RH7	3	DDH	678059.72	5520753.85	1705.86	0	-90	59.13	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1964	S10	3	DDH	678495.80	5517413.84	2104.04	0	-90	115.82	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1964	S11	3	DDH	678189.42	5517529.20	2028.78	0	-90	154.23	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1964	S12	4	RC	678591.32	5517640.06	2172.28	0	-90	138.68	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1964	S14	4	RC	678763.56	5518042.49	2236.84	0	-90	119.79	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1965	S16	4	RC	678970.73	5518339.36	2270.73	90	-60	50.14	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1967	S1-67	4	RC	678953.80	5517004.27	2303.15	0	-90	43.59	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1965	S17	4	RC	678836.06	5518585.95	2176.05	90	-60	34.14	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1965	S18	4	RC	678671.75	5518500.75	2098.99	90	-60	39.93	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1965	S19	4	RC	678707.03	5518830.60	2051.04	90	-60	51.21	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1965	S20	4	RC	678514.41	5519045.44	1939.51	90	-60	17.07	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1965	S21	4	RC	678102.72	5519144.93	1832.01	90	-60	148.89	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1965	S22	4	RC	678617.78	5517885.33	2196.92	0	-90	144.78	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1965	S23	4	RC	678625.19	5517926.87	2201.77	0	-90	74.98	Map	No	Yes	No	No	Coleman Collieries Ltd.
1965	S24	4	RC	678627.57	5517929.52	2202.70	90	-60	123.44	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1965	S25	4	RC	678417.57	5517878.88	2139.57	0	-90	163.37	Map	No	Yes	No	No	Coleman Collieries Ltd.
1966	S26	4	RC	678761.01	5518606.23	2135.83	90	-60	39.62	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1967	S2-67	4	RC	678927.34	5516658.98	2299.77	0	-90	41	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1966	S27	4	RC	678669.99	5518661.27	2077.36	90	-60	33.53	Map	No	Yes	No	No	Coleman Collieries Ltd.
1966	S28	4	RC	678585.32	5518698.31	2030.01	90	-60	22.86	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1966	S29	4	RC	678376.83	5519423.27	1891.16	90	-60	91.74	Map	No	Yes	No	No	Coleman Collieries Ltd.
1966	S30	4	RC	678324.97	5519166.09	1890.57	90	-60	94.49	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1966	S31	4	RC	678374.71	5518602.00	2037.07	0	-90	146.91	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1966	S32	4	RC	678600.58	5518410.79	2104.12	0	-90	72.24	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1966	S33	4	RC	677958.79	5519067.67	1842.11	0	-90	208.18	Map	No	Yes	No	No	Coleman Collieries Ltd.
1966	S34	4	RC	677776.02	5519555.94	1757.06	0	-90	188.98	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1966	S35	4	RC	677862.01	5520742.93	1627.39	0	-90	123.44	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1966	S36	4	RC	678190.09	5519796.71	1781.44	0	-90	57.61	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1967	S3-67	4	RC	678862.42	5516204.11	2242.03	0	-90	50.29	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1967	S37	4	RC	678069.01	5519557.62	1810.55	0	-90	102.72	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1967	S38	4	RC	677933.37	5520126.89	1683.69	0	-90	83.21	Map	No	Yes	No	Yes	Coleman Collieries Ltd.

Year	Hole ID	Reliability	Hole Type	Easting NAD83 Z11	Northing NAD83 Z11	Elevation (m)	Az	Dip	Depth (m)	Collar Survey	Geophysics	Geological Log	Deviation Survey	Coal Quality	COMPANY
1967	S39	4	RC	677864.66	5519647.22	1748.20	0	-90	201.47	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1967	S40	4	RC	6777738.00	5522504.00	1590.93	0	-90	68.88	Map	No	Yes	No	No	Coleman Collieries Ltd.
1970	S41	4	RC	677477.04	5520540.52	1593.39	0	-90	226.77	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1970	S42	4	RC	678176.80	5518647.51	2034.53	180	-60	273.41	Map	No	Yes	No	No	Coleman Collieries Ltd.
1970	S43	4	RC	678130.56	5520392.35	1768.42	90	-65	111.25	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1970	S44	4	RC	677760.00	5515537.00	1892.83	0	-90	289.26	Map	No	Yes	No	No	Coleman Collieries Ltd.
1970	S45	4	RC	678001.00	5515599.00	1869.04	0	-90	290.47	Map	No	Yes	No	No	Coleman Collieries Ltd.
1970	S46	4	RC	677933.00	5515155.00	1879.80	0	-90	275.23	Map	No	Yes	No	No	Coleman Collieries Ltd.
1967	S4-67	4	RC	678829.71	5516670.10	2255.89	0	-90	81.38	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1970	S47	4	RC	678632.71	5513979.30	1804.89	0	-90	73.46	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1970	S48	4	RC	678423.00	5513866.00	1804.75	0	-90	200.56	Map	No	Yes	No	No	Coleman Collieries Ltd.
1970	S49	4	RC	678066.00	5514741.00	1871.23	0	-90	244.45	Map	No	Yes	No	No	Coleman Collieries Ltd.
1970	S51	4	RC	678577.00	5513846.00	1770.28	0	-90	62.79	Map	No	Yes	No	No	Coleman Collieries Ltd.
1967	S5-67	4	RC	678624.92	5516928.60	2196.71	0	-90	79.86	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1967	S6-67	4	RC	678653.76	5516583.31	2172.75	0	-90	78.03	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1964	S7	3	DDH	678463.96	5515935.82	2101.56	0	-90	119.79	Map	No	Yes	No	No	Coleman Collieries Ltd.
1964	S8	3	DDH	678213.23	5516598.13	2029.50	0	-90	66.14	Map	No	Yes	No	No	Coleman Collieries Ltd.
1964	S9	3	DDH	678199.74	5517142.91	2009.62	0	-90	176.78	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1973	V10-73	3	DDH	678262.00	5513820.00	1812.23	0	-90	344.4	Map	Yes	No	No	No	Coleman Collieries Ltd.
1973	V11-73	3	DDH	678860.00	5513298.00	1851.74	0	-90	89	Map	Yes	No	No	No	Coleman Collieries Ltd.
1973	V12-73	3	DDH	678638.00	5513481.00	1906.01	0	-90	247.5	Map	Yes	No	No	Yes	Coleman Collieries Ltd.
1972	V1-72	3	DDH	677880.38	5517460.14	2058.76	0	-90	392.28	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1972	V2-72	3	DDH	677580.61	5516914.31	2052.07	81	-60	485.55	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1972	V3-72	3	DDH	678235.27	5513522.37	1818.99	81	-62	369.11	Map	No	Yes	No	Yes	Coleman Collieries Ltd.
1972	V4-72	3	DDH	678672.45	5512777.75	1970.68	0	-90	363.63	Map	No	Yes	No	No	Coleman Collieries Ltd.
1972	V5-72	3	DDH	678811.47	5512793.90	1904.21	90	-70	232.41	Map	No	Yes	No	No	Coleman Collieries Ltd.
1973	V6-73	3	DDH	678807.00	5512794.00	1905.49	0	-90	263	Map	Yes	No	No	Yes	Coleman Collieries Ltd.
1974	V-74-1	3	DDH	678451.00	5513653.00	1799.00	0	-90	295.05	Map	Yes	Yes	No	No	Coleman Collieries Ltd.
1974	V-74-2	3	DDH	678442.00	5513331.00	1878.84	0	-90	399.9	Map	Yes	Yes	No	No	Coleman Collieries Ltd.
1973	V7-73	3	DDH	678754.00	5513064.00	1947.86	0	-90	302.3	Map	Yes	No	No	Yes	Coleman Collieries Ltd.
1973	V8-73	3	DDH	678260.00	5514684.00	1806.72	0	-90	167.6	Map	Yes	No	No	Yes	Coleman Collieries Ltd.
1991	V91-01C	2	RC	678725.00	5513537.00	1878.80	0	-90	167.75	Survey	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1991	V91-02	2	RC	679876.00	5511861.00	2350.27	0	-90	206.04	Survey	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1991	V91-03	2	RC	679942.00	5511869.00	2352.42	80	-70	151.18	Survey	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1991	V91-04C	2	RC	678793.00	5513551.00	1847.27	0	-90	99.74	Survey	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1991	V91-05	2	RC	679726.00	5512204.00	2251.80	80	-69	169.28	Survey	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1991	V91-06	2	RC	678849.00	5513579.00	1819.42	0	-90	141.83	Survey	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1991	V91-07	2	RC	679727.00	5512204.00	2251.73	0	-90	142.13	Survey	Yes	Yes	Yes	No	Chinook Coal Ltd.
1991	V91-08	2	RC	679088.00	5513282.00	1849.14	0	-90	82.35	Survey	Yes	Yes	Yes	No	Chinook Coal Ltd.
1991	V91-09	2	RC	679625.00	5512174.00	2233.19	0	-90	126.58	Survey	Yes	Yes	Yes	No	Chinook Coal Ltd.
1991	V91-10	2	RC	679043.00	5513264.00	1835.43	0	-90	73.2	Survey	Yes	Yes	Yes	No	Chinook Coal Ltd.
1991	V91-11	2	RC	679624.00	5512173.00	2233.38	80	-70	146.71	Survey	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1991	V91-12	2	RC	678910.00	5513587.00	1807.18	0	-90	73.2	Survey	Yes	Yes	Yes	No	Chinook Coal Ltd.
1991	V91-13	2	RC	679589.00	5512416.00	2174.53	0	-90	155.55	Survey	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1991	V91-14	2	RC	678954.00	5513264.00	1837.33	0	-90	96.03	Survey	Yes	Yes	Yes	No	Chinook Coal Ltd.
1991	V91-15	2	RC	679248.00	5512762.00	2087.74	80	-70	96.08	Survey	Yes	Yes	Yes	No	Chinook Coal Ltd.
1991	V91-16	2	RC	679343.00	5512768.00	2066.50	0	-90	158.6	Survey	Yes	Yes	Yes	Yes	Chinook Coal Ltd.

Year	Hole ID	Reliability	Hole Type	Easting NAD83 Z11	Northing NAD83 Z11	Elevation (m)	Az	Dip	Depth (m)	Collar Survey	Geophysics	Geological Log	Deviation Survey	Coal Quality	COMPANY
1991	V91-17	2	RC	679431.00	5512805.00	2038.27	0	-90	87.23	Survey	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1991	V91-18	2	RC	679694.00	5512479.00	2151.41	0	-90	73.2	Survey	Yes	Yes	Yes	No	Chinook Coal Ltd.
1991	V91-19	2	RC	679438.00	5512397.00	2174.92	0	-90	224.48	Survey	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1991	V91-20	2	RC	679834.00	5512245.00	2178.96	0	-90	91.5	Survey	Yes	Yes	Yes	No	Chinook Coal Ltd.
1991	V91-22	2	RC	679255.00	5512758.00	2090.10	0	-90	219.6	Survey	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1991	V91-23	2	RC	678725.00	5513957.00	1788.49	0	-90	82.35	Survey	Yes	Yes	Yes	No	Chinook Coal Ltd.
1991	V91-24	2	RC	679188.00	5513033.00	1963.30	90	-70	178.73	Survey	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1991	V91-25	2	RC	678461.00	5513878.00	1802.91	0	-90	190.63	Survey	Yes	Yes	Yes	Yes	Chinook Coal Ltd.
1991	V91-26	2	RC	678810.00	5513215.00	1880.18	0	-90	195.51	Survey	Yes	Yes	Yes	No	Chinook Coal Ltd.
1991	V91-27	2	RC	678879.00	5513070.00	1878.37	0	-90	201	Survey	Yes	Yes	Yes	No	Chinook Coal Ltd.
1991	V91-28	2	RC	679048.00	5513067.00	1905.92	0	-90	91.5	Survey	Yes	Yes	Yes	No	Chinook Coal Ltd.
1991	V91-29	2	RC	678321.00	5513848.00	1810.31	0	-90	232.65	Survey	Yes	Yes	Yes	No	Chinook Coal Ltd.
1991	V91-30	3	RC	678866.00	5513235.00	1861.17	0	-90	158.6	Survey	Yes	Yes	No	Yes	Chinook Coal Ltd.
1991	V91-31	3	RC	678394.00	5513864.00	1809.04	0	-90	250.71	Survey	Yes	Yes	No	No	Chinook Coal Ltd.
1991	V91-32	2	RC	678613.00	5513904.00	1790.65	0	-90	195.2	Survey	Yes	Yes	Yes	No	Chinook Coal Ltd.
1973	V9-73	3	DDH	678249.20	5514314.79	1849.58	0	-90	292.61	Map	No	Yes	No	Yes	Coleman Collieries Ltd.



EXPLORATION TARGET SUMMARY FOR THE 4-STACK PROPERTY

Prepared for Montem Resources Alberta Operations Ltd.

Alberta Coal Leases: 1306050830, 1316120156, 1316120157, 1317090279, 1306050828, 1306050825, 1317090280, 1306050829, 1316120153, 1316120154, 1317090268, 1317090269

JUNE 5, 2020



Prepared By:

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Montem Resources – Summary of Exploration Target on the 4-Stack Property

Montem Resources Alberta Operations Ltd. (“Montem”) is a wholly owned subsidiary of Montem Resources Ltd. Montem is a coal exploration and mine development company which currently holds the coal rights to the 4-Stack Property (“4-Stack” or “Property”) which is located within the Crowsnest Pass region of southwest Alberta. This summary of the 4-Stack Exploration Target is intended to be compliant with the JORC Code (2012) and meet the 2014 Australian guidelines for estimation and classification of coal resources. It summarizes historical coal exploration at 4-Stack and presents an Exploration Target based on the historical mapping on the Property and drilling adjacent to the Property. It must be noted that the potential quantity and grade of the Exploration Target presented herein is conceptual in nature and that it is uncertain whether further exploration will result in the estimation of a Mineral Resource.

4-Stack Exploration Target

The 4-Stack Property (“Property”) abuts Montem Resources Alberta Operations Ltd. (“Montem”) Chinook Project on its northern boundary. It consists of 12 Alberta Coal Leases wholly owned by Montem totaling 1965 ha (Table 2; Figure 2). Two of the leases (1306050828 and 306050830) are also part of Montem’s Chinook Project. Dahrouge Geological Consulting Ltd. (“Dahrouge”) prepared an estimation of an Exploration Target for the 4-Stack Property on behalf of Montem at the same time as preparing Resource Estimates and an Exploration Target for the adjacent Chinook Project (Gorham et al., 2020),(Table 1). There has been no coal exploration drilling on the Property.

Table 1: 4-Stack Exploration Target (March, 2020)

Area	Exploration Target (Mt)	
	Exploration Target (Mt) - 20:1 SR, 300m Depth Cutoff	Exploration Target (Mt) - 20:1 SR, No Depth Cutoff
4-Stack	65	125

Discussion of Land Category Changes

Under the Coal Policy for Alberta (1976), the area covered by the 4-Stack property was designated Coal Category 2 (allowing limited coal exploration which may be permitted under strict control but in which commercial development by surface mining would not normally be considered). For this reason, and because there was no historical coal drilling, the 4-Stack Property, which is contiguous with Montem’s Chinook Property to the south, was separated for purposes of estimating an Exploration Target.

On May 15, 2020, the Alberta Government announced that the 1976 Coal Policy will be rescinded effective June 1, 2020 (<https://inform.energy.gov.ab.ca/Documents/Published/IL-2020-23.pdf>). All restrictions on issued coal leases within the former Coal Categories 2 and 3 have been removed, therefore the development status of the 4-Stack and Chinook Properties are now the same. Alberta will continue to restrict coal leasing, exploration and development within public lands formerly designated as Coal Category 1.

Property Description

The 4-Stack Property is located between 30 and 40 km directly to the north of the town of Coleman, in the Crowsnest Pass region of Alberta, Canada. It is directly contiguous with the Chinook Vicary portion of Montem’s Chinook Project (Figure 1) and stretches 10 km north of the Dutch Creek Road. The city of Calgary is located approximately 250 road kilometres to the northeast of the Project. The Property consists of 12 Alberta Coal Leases wholly owned by Montem totaling 1965 ha (Table 2; Figure 2). Two of the leases (1306050828 and 306050830) are located partially within the 4-Stack Property and partially within Montem’s Chinook Project.

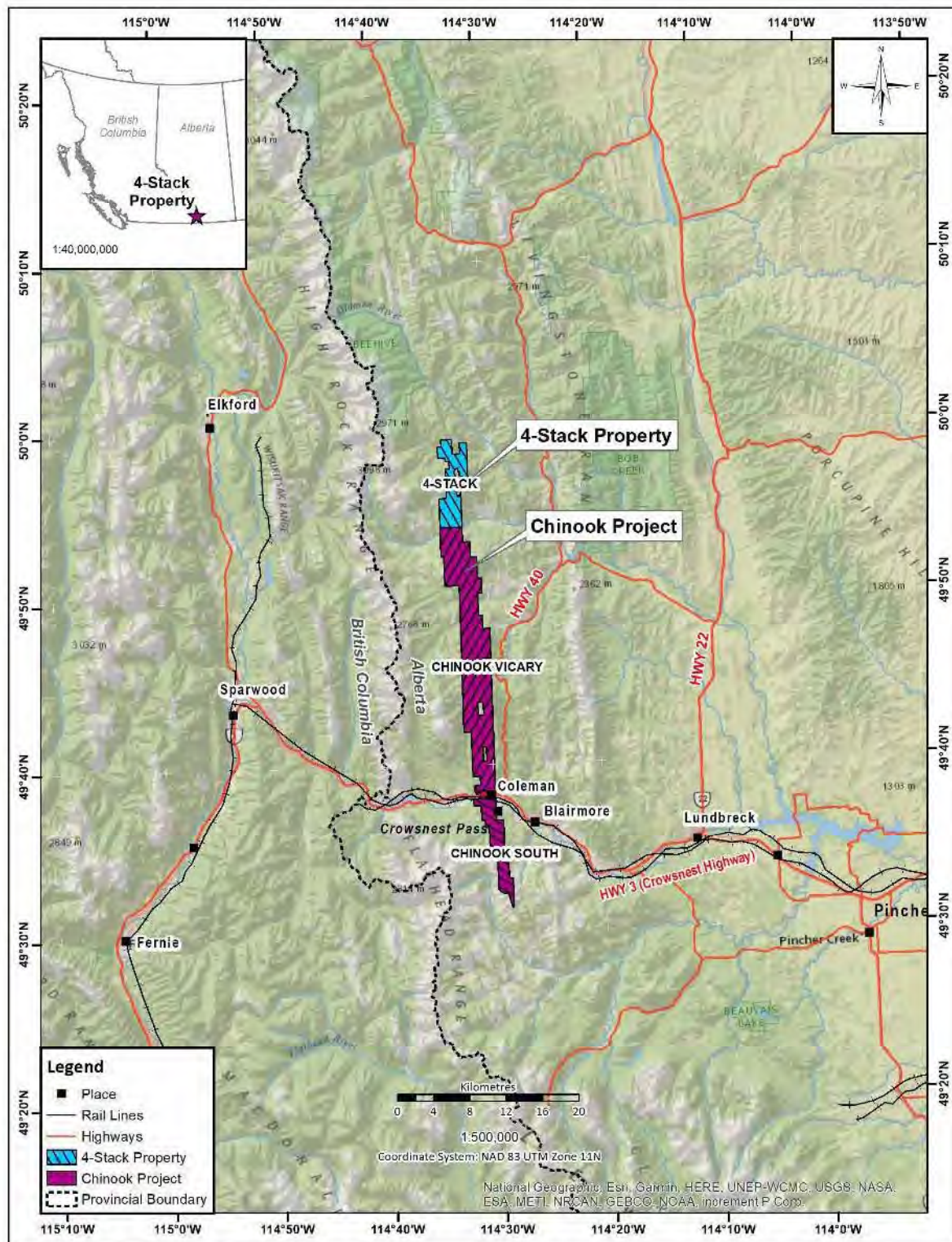


Figure 1: Location Map

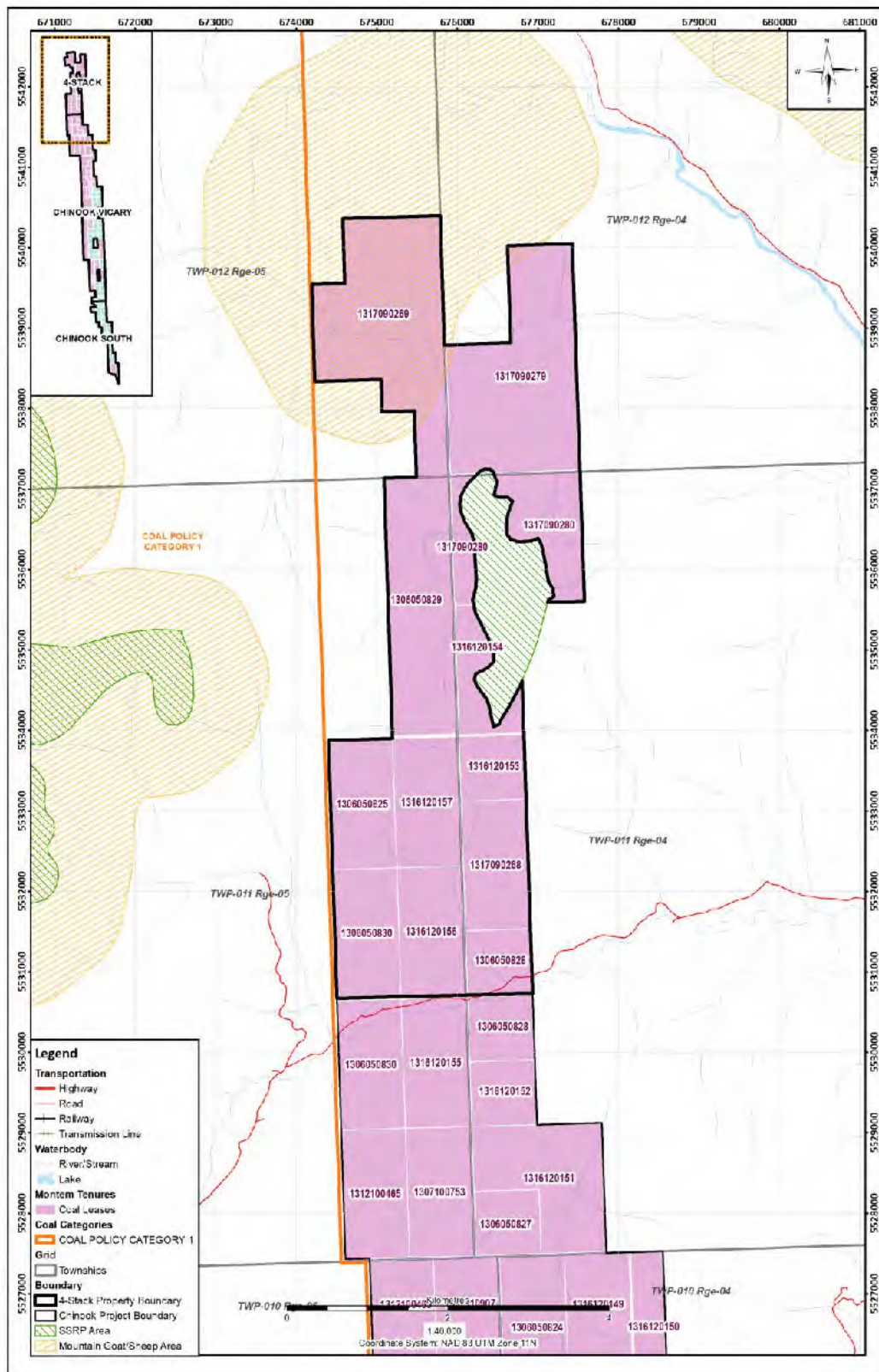


Figure 2: 4-Stack Property Map

Table 2: 4-Stack Property Alberta Coal Leases

Lease Type	Agreement Number	Status	Term Date	Expiry	NTS Map Sheet	Project Area	Area (ha)
13	1306050830	Active	21-May-06	21-May-21	082G15	4-Stack	127
13	1316120156	Active	10-Dec-16	10-Dec-31	082G15	4-Stack	129
13	1316120157	Active	10-Dec-16	10-Dec-31	082G15	4-Stack	129
13	1317090279	Active	8-Sep-17	8-Sep-32	082G15	4-Stack	355
13	1306050828	Active	21-May-06	21-May-21	082G15	4-Stack	65
13	1306050825	Active	21-May-06	21-May-21	082G15	4-Stack	128
13	1317090280	Active	8-Sep-17	8-Sep-32	082G15	4-Stack	150
13	1306050829	Active	21-May-06	21-May-21	082G15	4-Stack	258
13	1316120153	Active	10-Dec-16	10-Dec-31	082G15	4-Stack	65
13	1316120154	Active	10-Dec-16	10-Dec-31	082G15	4-Stack	70
13	1317090268	Active	8-Sep-17	8-Sep-32	082G15	4-Stack	130
13	1317090269	Active	8-Sep-17	8-Sep-32	082G15	4-Stack	359

Historical Exploration

In 1947, D.J. MacNeil conducted geological mapping in the area that now makes up part of the 4-Stack and Chinook Vicary Properties. Several subsequent geological mapping programs were carried out in the area, by V.H. Johnson in 1965, R.L. Dyson in 1973, and L.A. Smith Consulting and Development Ltd. in 1980.

Between 1964 and 1982, Coleman Collieries conducted extensive exploration at Chinook Vicary, immediately to the south of the 4-Stack Property, which included geological mapping, drilling, adit drivage and bulk sampling. In 1977, Coleman Collieries contracted Aero Geometrics Ltd. to complete aerial photography, which was used by R.M. Hardy and Associates Ltd. in 1978, to provide a photogrammetric map at a scale of 1:5000; the map was used as a base for a regional 1978 exploration program which included mapping on the 4-Stack Property. To the knowledge of the authors, no drilling has been conducted on the Property.

Geology of the 4-Stack Property

The 4-Stack Property lies within the Front Ranges of the Canadian Rocky Mountains, in southwestern Alberta, and spans the north-trending, west-dipping Coleman thrust sheet. It is underlain by Jurassic and Cretaceous rocks of the Fernie Group, Kootenay Group, Blairmore Group, and Crowsnest Formation, and undivided Upper Cretaceous formations (Figure 3 and Figure 4). The Mist Mountain Formation of the Kootenay Group contains coal seams with economic potential extending onto the Property from the Chinook Vicary Property to the south.

Strata dip west- to southwestward at 35 to 50 degrees and are variably truncated on the eastward side by the Coleman Thrust and several splays. These splays create multiple repetitions of part or all of the coal-bearing units, particularly in the area underlying coal leases 1306050829, 1316120154, and 1317090280. Seams present on the Property are S2, S4, S4A and S5 (Figure 5). The same seams are also present on the Chinook Vicary Property where they have a composite thickness of up to 47 m (Gorham et al., 2020). They are constrained by surface mapping, principally by the GSC and Paul Dyson Consultants Ltd., and 3 drill holes at the very north end of the Chinook Vicary Property (Hoffman and Smith, 1982) (Figure 3, Figure 6 and Figure 7).

No historical coal quality data is available for the 4-Stack Property. Three core holes drilled at the north end of the Chinook Project (DC 10 – DC 12) just south of the 4-Stack Property boundary, had generally poor recovery, but intersected all 4 seams and confirmed that they are low-volatile bituminous coal with FSI's ranging from 1 to 8.

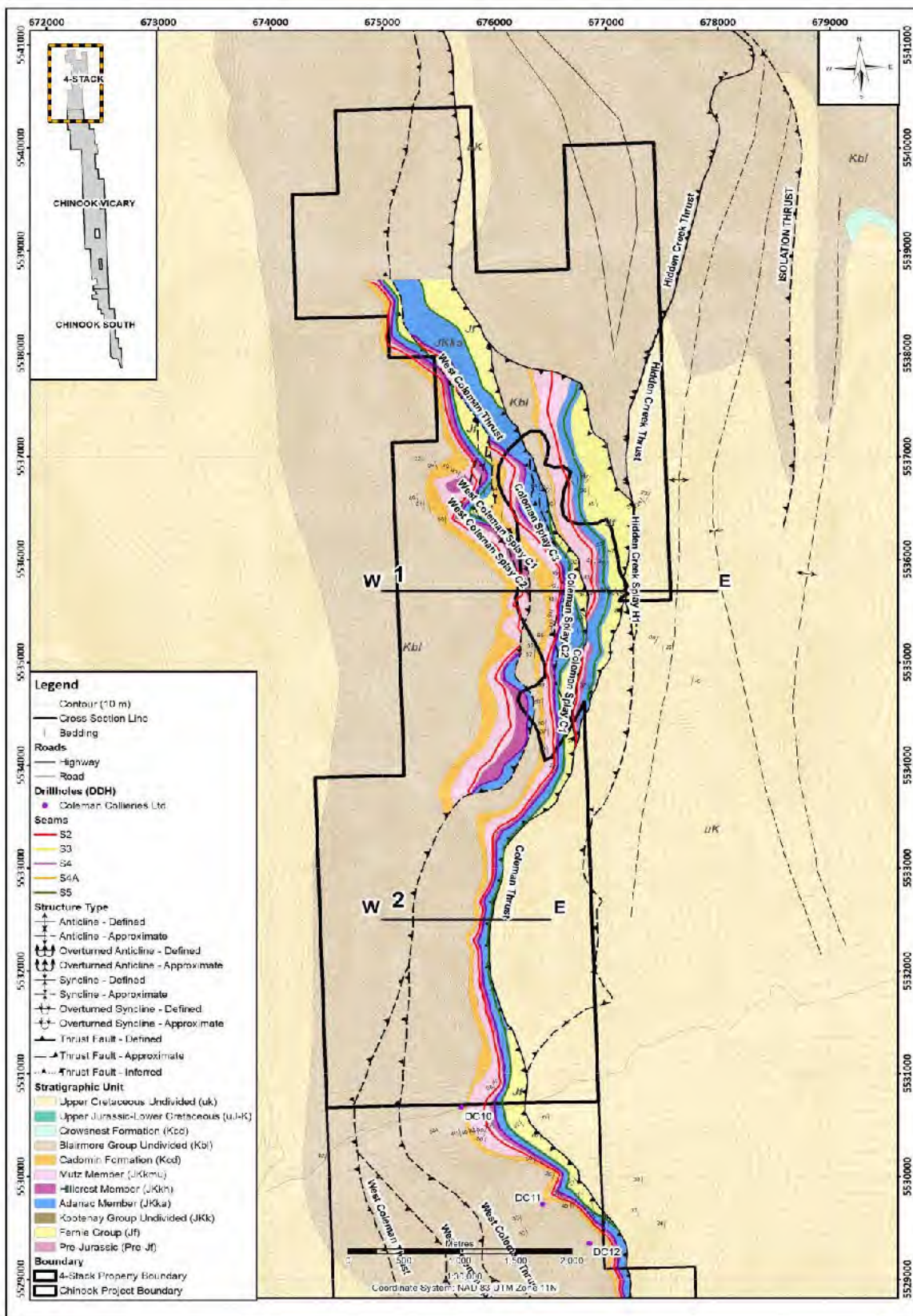


Figure 3: Geology of the 4-Stack Property

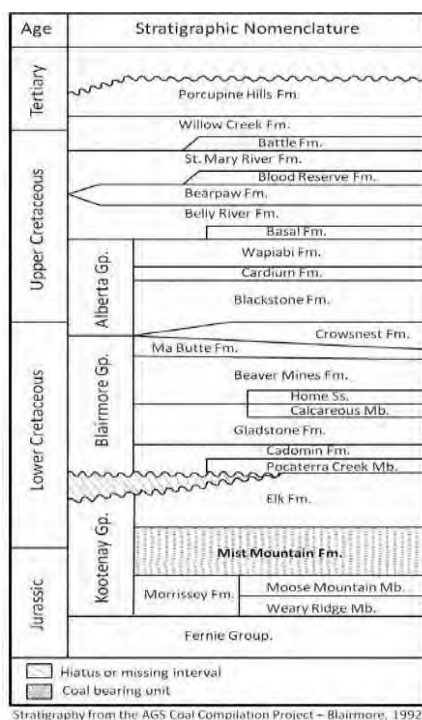


Figure 4: Stratigraphic Column (Modified from Richardson et al., 1992)

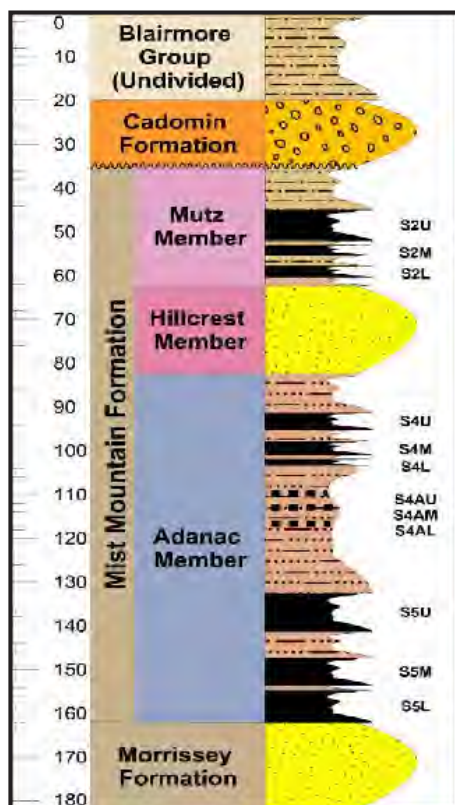


Figure 5: Stratigraphic Column for Chinook Vicary and 4-Stack

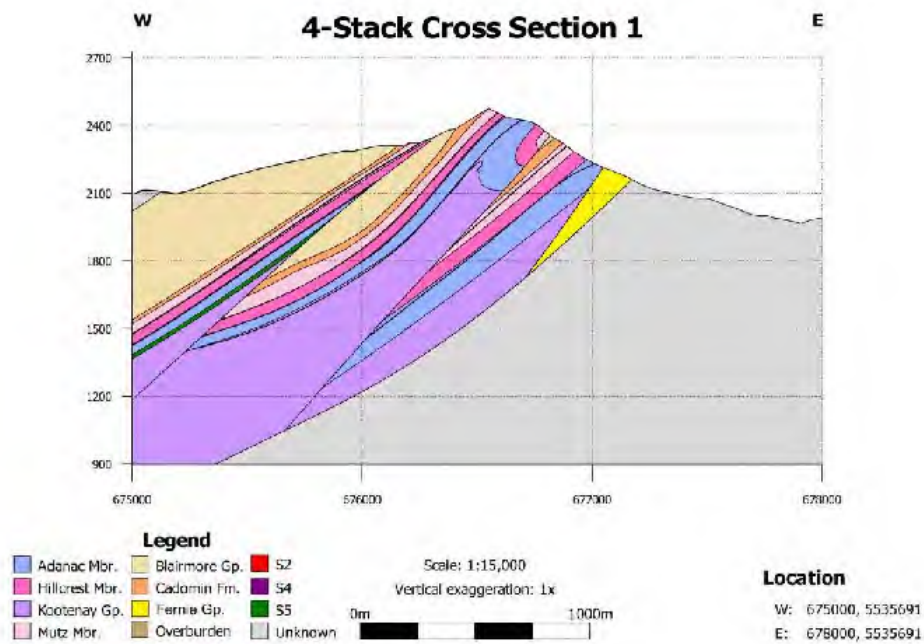


Figure 6: Cross Section 1 (see Figure 3 for trace)

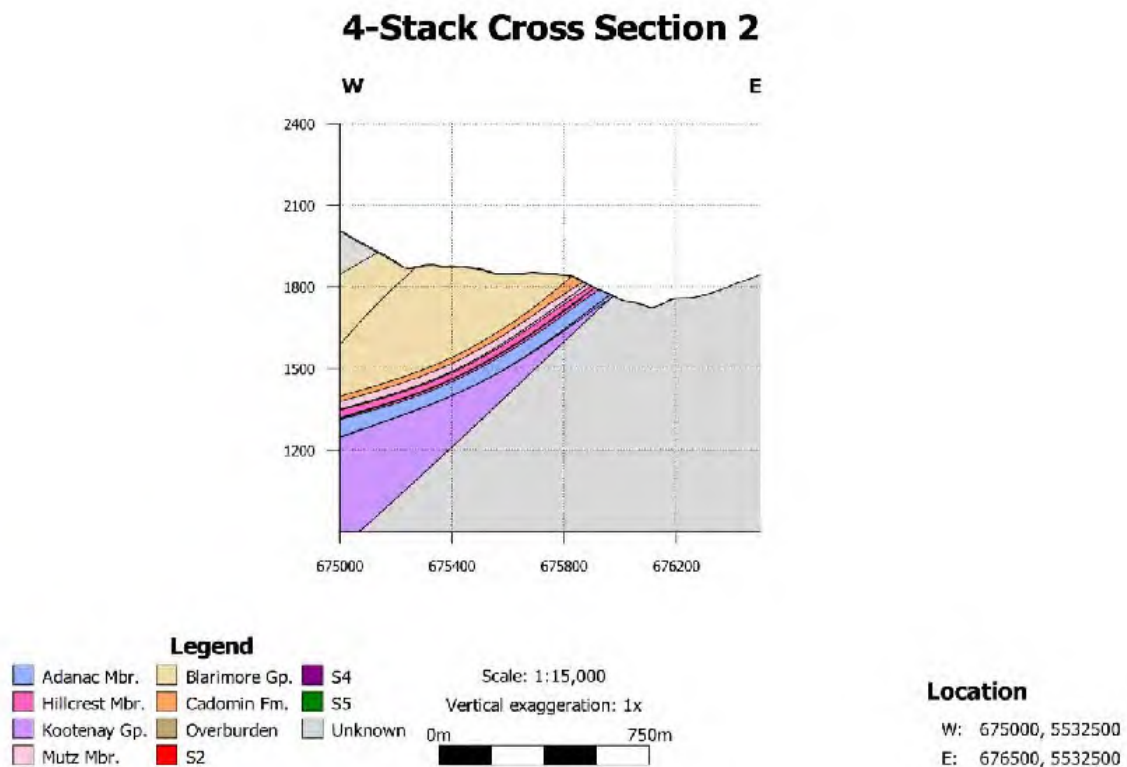


Figure 7: Cross Section 2 (see Figure 3 for trace)

Exploration Target Development

The Exploration Target reported herein (Table 1, 3, and Figure 8) was created from a geologic model developed for the Chinook Vicary Property immediately to the south of the 4-Stack Property (Gorham et al., 2020). As mentioned, the Exploration Target for the 4-Stack Property was separated from that of the Chinook Project due to the different Coal Category designation at the time. The Exploration Targets were defined for the Chinook Project and 4-Stack Property in areas where there has been insufficient exploration to estimate a Mineral Resource. It must be noted that the potential quantity and grade of the Exploration Target presented herein is conceptual in nature and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Target was controlled by:

- Surficial geology maps; primarily using the Cadomin Formation as a marker unit
- Down-dip and along strike extensions of the Chinook Exploration Target
- Historically mapped coal outcrops

The 4-Stack Exploration Target (Figure 8) covers an area of approximately 852 ha and is bound to the east by the truncating Coleman Thrust and to the north, west and south by geology, down-dip depth restrictions and the Property boundary.

The Exploration Target displayed in Table 3 and Table 1 is presented as an upper and lower range and round to the closest 5 million tonnes. Conceptual Exploration Targets are presented as a range to represent the uncertainty in seam thickness, quality and location. The upper (larger tonnage) range was generated using a 20:1 stripping ratio cut-off and the lower (smaller tonnage) range was generated by restricting the upper range to a 300 m depth cut off. The Exploration Targets were generated using the same methods and restrictions described for the estimated resources of the Chinook Project (Gorham et al. 2020), but the entire Exploration Target falls outside areas with sufficient data density and valid points of observation that define seam thickness.

Table 3: Modelled Conceptual Exploration Targets for 4-Stack Property (March, 2020)

Area	Exploration Target (Mt)	
	Exploration Target (Mt) - 20:1 SR, 300m Depth Cutoff	Exploration Target (Mt) - 20:1 SR, No Depth Cutoff
4-Stack	65	125

Recommendations:

The Exploration Target should be assessed by drilling during future 4-Stack exploration campaigns once the appropriate permits are received. Recommended exploration would include:

- 5,000 m of rotary air blast or reverse circulation drilling to evaluate the presence/absence of the conceptual coal seams identified within the Exploration Target
- Downhole geophysics on all completed drillholes to accurately identify coal seam intersections
- Large diameter coring of confirmed coal intersections to evaluate coal quality of each identified coal seam, evenly distributed across the Exploration Target

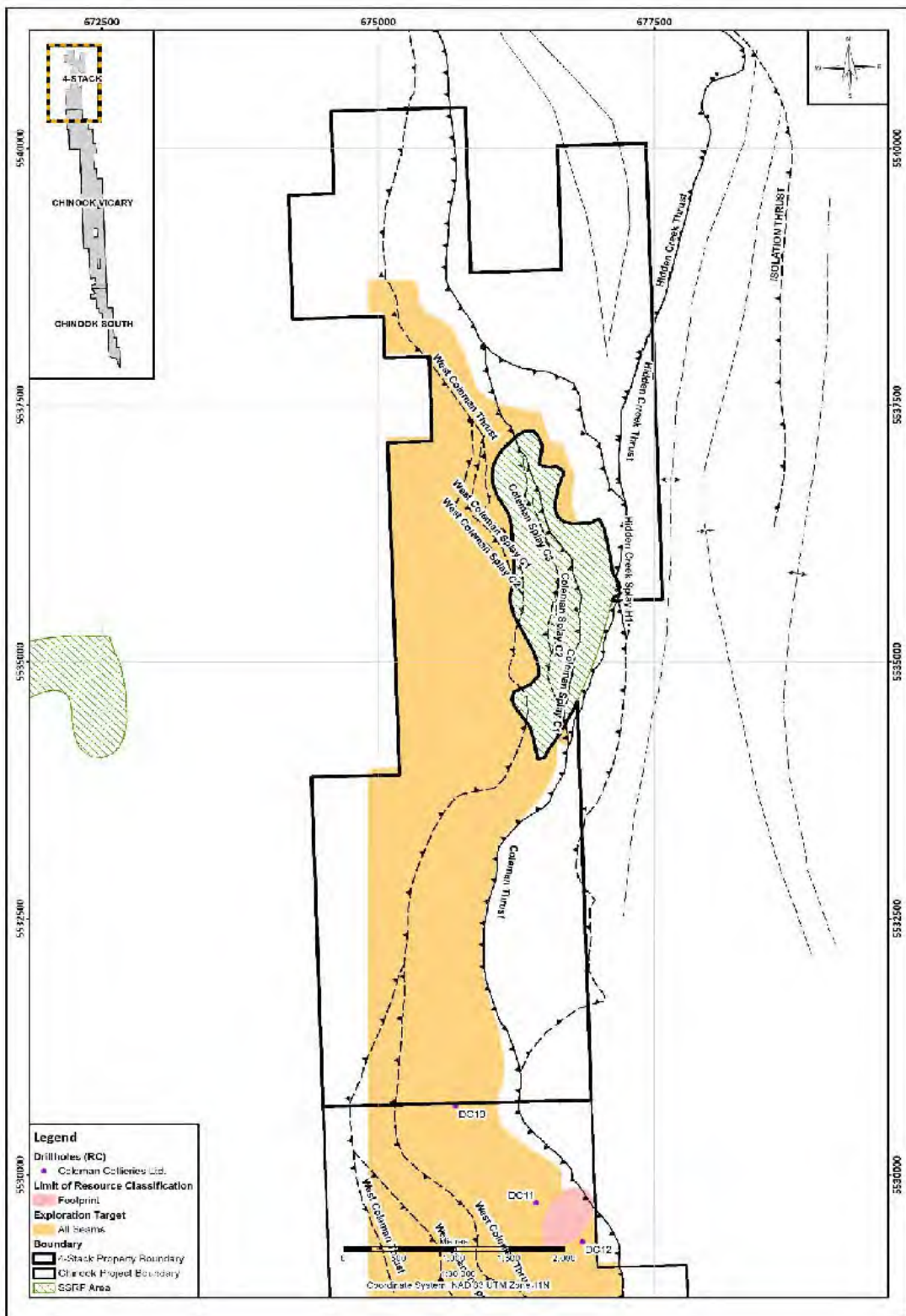


Figure 8: 4-Stack Exploration Target

*The displayed exploration target is conceptual in nature and it is uncertain if further exploration will result in the estimation of a Mineral Resource

Adjacent Properties

There is an extensive history of coking coal exploration and production from the Mist Mountain Formation south and west of the Chinook and 4-Stack Properties, both in southwestern Alberta and southeastern BC. Several coal exploration projects are currently under exploration and development near the 4-Stack Property that closely reflect the geologic conditions on the Property. These include Benga Mining Ltd.'s (Riversdale Resources Ltd.) Grassy Mountain Coal Project and Atrium Coal Ltd.'s Elan Coal Project (Figure 9).

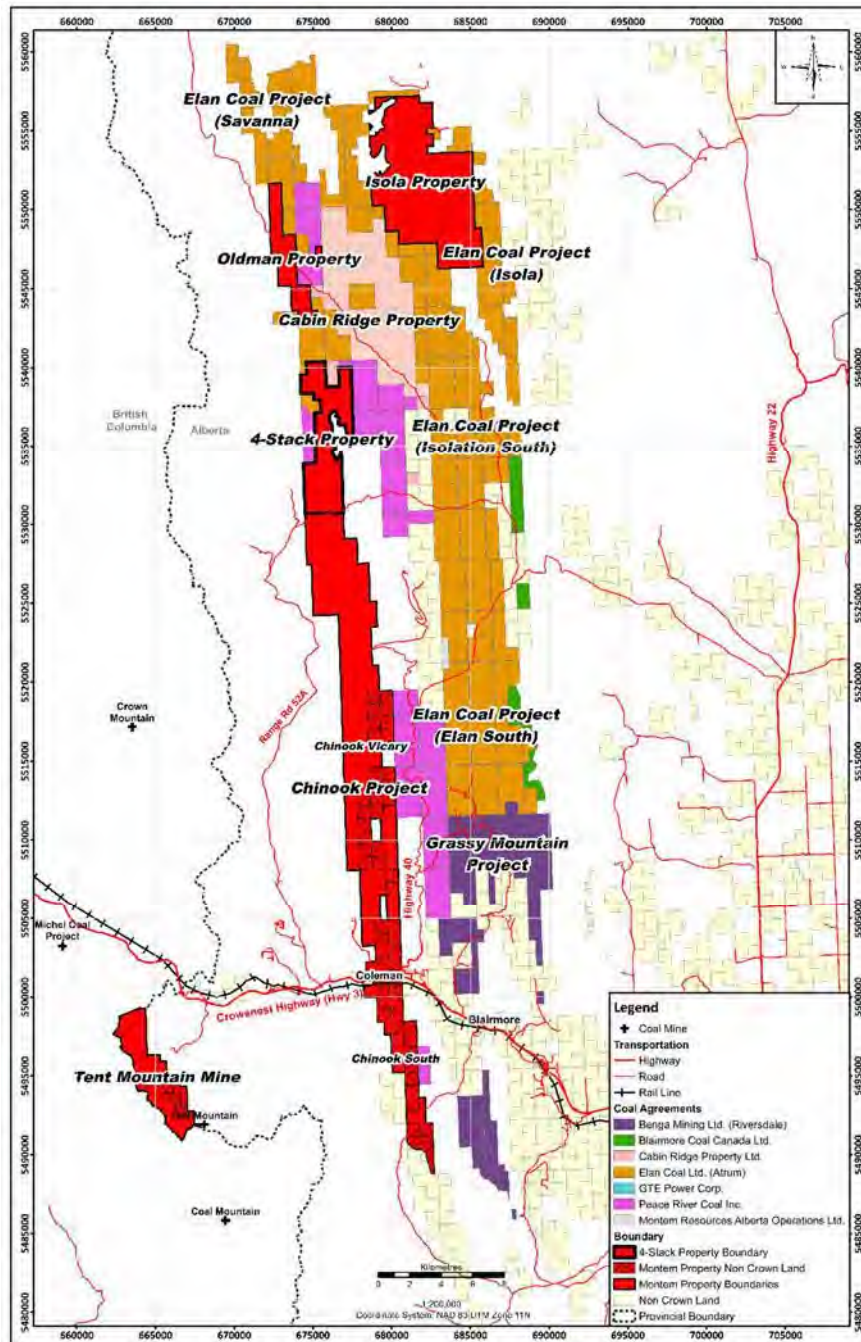


Figure 9: Adjacent Properties

Competent Persons Statement

The information in this report that relates to an Exploration target is based on information compiled by Mr. Bradley Ulry, Mr. Matthew Carter, and Mr. John Gorham, Competent Persons and members of the Association of Professional Engineers and Geoscientists of Alberta (APEGA) and Mr. Nathan Schmidt, Competent Person and a member of Engineers and Geoscientists of British Columbia (EGBC); both Recognized Professional Organizations (RPO) where they hold the accreditation of Professional Geologist.

Mr. Ulry, P. Geo., Mr. Gorham, P. Geol., Mr. Carter, P. Geo. and Mr. Schmidt, P. Geo., of Dahrouge are the Qualified Persons responsible for preparing this JORC Compliant Competent Persons Report on the Property.

Mr. Ulry, Mr. Gorham, Mr. Carter and Mr. Schmidt are employees of Dahrouge and are independent of Montem Resources Alberta Operations Ltd., and its parent company Montem Resources Ltd.

Mr. Ulry, Mr. Gorham, Mr. Carter and Mr. Schmidt have sufficient experience that is relevant to the style of mineralization and type of deposit under consideration, and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr. Ulry, Mr. Gorham, Mr. Carter and Mr. Schmidt consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Mr. Ulry visited the Property on October 31 and November 1, 2019. Mr. Gorham, Mr. Carter and Mr. Schmidt have not visited the Property.

'Signed and Sealed'



Bradley Ulry, P. Geo

Dated: June 5, 2020

'Signed and Sealed'



John Gorham, P. Geol.

Dated: June 5, 2020

'Signed and Sealed'



Matthew Carter, P. Geo

Dated: June 5, 2020

'Signed and Sealed'



Nathan Schmidt, P. Geo

Dated: June 5, 2020

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	- The historical database used for geological and resource modelling for Chinook Vicary and 4-Stack Properties was compiled from drilling and mapping by Coleman Collieries, Norcen Energy Resources Ltd. and Manalta Coal Ltd. between 1964 and 1989. - No drilling is known to have been carried out on the 4-Stack Property - No historical coal core samples were collected for the 4-Stack Property. Three core holes drilled in 1978 on the Chinook Property just south of the 4-Stack Property boundary (DC-10 to DC-12) sampled seams S2, S4, S4A, and S5 for proximate analysis, FSI, grindability, size fraction, washability and fluidity. - No trench or surface coal samples are recorded on the Property
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	No cored or reverse circulation holes have been drilled on the Property
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	- Recovery in historical holes DC-10 – DC-12 ranged from 39% to 100% - No information is available to assess sample bias. The HQ diameter core may have lost clean coal sections due to shearing of the seams
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	- Cores were logged in the field and corrected to downhole geophysics. - Holes were wireline logged in pipe for density, and gamma neutron. Coal and rock lithologies from core descriptions were entered into a lithology database. Coal seams were identified and correlated between holes. - No photographs exist of samples of core holes.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sample wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	- The Authors have no direct knowledge of the sampling methods undertaken during each drill campaign but have no reason to believe the operators and the laboratories did not follow industry standard practices. - For these samples, preparation, subsampling and quality control procedures were ensured by the use of certified commercial labs in Canada and the US, employing recognized QA procedures and following international standards for coal testing (ASTM). - The sample preparation methods utilized for the historical samples were industry standard at the time. Details of the sample preparation are not known other than the descriptions provided by the laboratories (Coleman Collieries, 1982). The laboratories that performed the historical exploration are all independent commercial laboratories and are not connected in any corporate way to Coleman Collieries. The quality control procedures employed by the laboratories were in the past and remain standard for the coal testing industry in Canada. All Canadian coal laboratories are subject to periodic testing and certification by an agency of the Canadian Federal Government.
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	- Coal analysis was based on the accepted International standards at the time of analysis (ASTM). - Birtley Coal and Minerals Testing and Loring Laboratories Ltd. in Calgary, the analytical work was done for DC-10 – CD-12, are still in operation. As part of their current certification by the Coal Association of Canada (CAC) there is an obligation to complete relevant round robin checks and other routine checking procedures to ensure they meet the required accuracy for each test since their inception. Both labs have advised that they are unsure if this quality control check applied in the 1970's. This system was apparently not yet developed when the earlier programs were conducted.
Verification of sampling and assaying	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data.	- Historical coal intersections used in the geological model for Chinook and 4-Stack were verified against geophysical measurements. Montem's consultant, Dahrrouge Geological Consulting Ltd. (Dahrrouge) completed a 100% validation of historical drillhole locations: and an approximate 75% spot check of coal seam intersections, creating an independent database for resource modelling. - Not all data addressed in the historical summary reports and technical

Criteria	JORC Code explanation	Commentary
		reports could be located by Dahrhrouge, and therefore, could not be used in this report. Twinned holes were not used. • Drillhole collar, lithology and basic raw coal quality data is stored in a Vulcan and Excel database. All available source field records, lab reports, survey data etc., are stored in electronic form.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• The topographic surface utilized for the geological model was derived from LiDAR15 DEM. • Data is stored in UTM NAD 83 Zone 11N projection format. • Historical drill collars, historical surface mapping points were georeferenced and validated against topography. • Data points were generally well constrained for X-Y coordinates, but less reliable for Z coordinates. Downhole directional information was available for the drillholes DC10 – DC-12 • The generally close alignment collars and LiDAR data support the notion that the validation process undertaken by previous studies is generally reliable.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• The geologic model for the 4-Stack Property was constrained by surface mapping. Very few observation points were recorded on the southern third of the property, and north of Hidden Creek. The rest of the Property had fairly evenly spaced observation points, constraining stratigraphy and structure well • No samples are known from the Property • The data spacing and distribution are considered by the Competent Persons to be collectively sufficient to define an Exploration Target.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• The Exploration Target on the 4-Stack Project is bounded by the Coleman thrust and splays which strike north-south, resulting in a marked anisotropy to the deposit. This east-west anisotropy to the deposit is geostatistically significant but reasonably consistent and well understood. • No drilling has been conducted on the Property. Mapping traverses along creeks cutting across regional structure constrain geological interpretation.
Sample security	• The measures taken to ensure sample security.	• No known samples have been taken on the Property
Audits or	• The results of any audits or reviews of sampling techniques and data.	• The historical geological dataset and model was validated by Dahrhrouge, using reports, tables, contour plans and cross-sections.

Criteria	JORC Code explanation	Commentary
reviews		The Exploration Target reported was based on the projected drill intersections, and mapping data. Dahrouge completed a 100% validation of the historical drillhole locations; and an approximate 75% spot check of coal seam intersections, creating an independent database.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	- The 4-Stack Property, like the contiguous Chinook Project, is a narrow north-south trending parcel from 2 to 3 km wide and about 10 km long. It consists of 12 Alberta Coal Leases held by Montem Coal leases are valid to between May 2021 and Sept. 2032 and can be renewed (Table 2). - Two of the Alberta Coal Leases (1306050828 and 306050830) that make up the southern portion of the Project are located partially within the Chinook Project abutting to the south. - A coal exploration permit (CEP) application to undertake a drilling and exploration program, as well as a Deep Drilling Permit (for holes deeper than 150 m vertically), a water Withdrawal Licence, a road Use Agreement and an Historical Resources Review will also be required. No impediments to obtaining these are anticipated. - The Coal Development Policy for Alberta (1976 has been repealed as of June 1, 2020, removing Category 2 restrictions from the Property. - Several Indigenous groups are located within 100 km of the project area. - The targeted coal-bearing Mist Mountain Formation naturally contains selenium. In alkaline, aerobic conditions, elemental selenium and selenide minerals are oxidized releasing soluble selenate ions which can be transported in surface runoff. Large scale surface mining in the Elk Valley, British Columbia has enriched the Elk River in selenium. Any future mine development on the Project will require the development of a selenium management plan. Montem has no ongoing liability on the property. - The Project is adjacent to the Mountain Goat and Bighorn Sheep Range - Part of the Property is located in the Key Wildlife and Biodiversity Zone. New permanent access is to be avoided, temporary access should minimize disturbance to wildlife habitat and limited industrial

Criteria	JORC Code explanation	Commentary
		work is to be carried out between December 15th and April 30th. Part of the Project is adjacent to the South Saskatchewan Regional Plan ("SSRP"); (Figure 2). The strategies developed within the SSRP are designed to minimize the amount of land used for new development, including the usage of historical roads and trails for future exploration program access, and progressive reclamation of areas no longer being used.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	- Early mapping by government agencies included parts of the Property. - Coleman Collieries developed a photogrammetric map in 1977 at a scale of 1:5000; the map as a base for a regional exploration program including mapping and the 1978 diamond drilling on the Chinook Property. - Several mapping programs were carried out on the Property by V.H. Johnson in 1965, R.L. Dyson in 1973, and L.A. Smith Consulting and Development Ltd. ("Smith") in 1980.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	- The 4-Stack Property is located in the Front Ranges of the Rocky Mountains in the Crowsnest Coalfield of Southern Alberta, Canada - The Jurassic-Cretaceous Mist Mountain Formation of the Kootenay Group hosts the economic coal seams on the Property. It is up to 1000m thick and consists of interbedded sandstone, siltstone, mudstone and coal and is interpreted as a deltaic and/or fluvial-alluvial-plain deposit. Economically important coal seams occur throughout the succession. Regionally, the seams are up to 18 m thick and vary in rank from south to north, from high volatile bituminous to semi anthracite. - On the Property, the formation is between 100 to 150 m thick. Principal coal seams are found in the Adanac and Mutz members: - The principal seams on the Property, in descending order are S2, S4, S4A and S5 (Figure 5). These extend north from the contiguous Chinook Project. - The 4-Stack Property is located within the Front Ranges of the Rocky Mountain Foreland Thrust and Fold Belt, on the Coleman thrust fault within the Lewis Thrust Sheet. The thrusting is evident as a succession of generally west-dipping thrust faults and associated folds with predominantly west-dipping axial surfaces. The strata have been strongly folded and faulted, resulting in sediments and coal zones repeated in parallel north south striking bands. Coal deposits of

Criteria	JORC Code explanation	Commentary
		this type are generally characterized by linear strikes along thrusts and associated tight folds, some with steeply inclined or overturned limbs.
Drill hole Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Detailed drillhole information and coal intersections compiled for the Chinook Project to develop the geologic model used to create the current Exploration Target are presented in the report titled 'Coal Resources for the Chinook Project, Alberta, Canada' (Gorham et al., 2020) available on the Montem website
Data aggregation methods	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	- No drill intercepts exist on the Property. No samples have been taken on the Property to the knowledge of the authors. - For modelling the Exploration Target, a minimum seam thickness of 0.3 m; maximum internal ply interburden of 0.45 m and maximum stripping ratio of 20:1 were used. Depth cut-off was 300 m.
Relationship between mineralisation widths and intercept lengths	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	Structural thickening of seams is known to occur on the Project. Many of the drillholes on the Chinook Property used to develop the geologic model were inclined in an attempt to intersect strata perpendicular to the strata dip. The geological modelling software combines drillhole orientation and intercepts from downhole logs with known and extrapolated structural information from surface mapping to project geometry of coal seams. Resource modelling takes these geometries and, with constraints, calculates in-place volumes for the seams, with calculated interburden volumes removed.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	See Figures 1 through 9 and Tables 1 through 3.
Balanced	Where comprehensive reporting of all Exploration Results is not	Not applicable

Criteria	JORC Code explanation	Commentary
reporting	<i>practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	- Montem has not yet conducted any exploration on the Property. - Historical mapping on the Property has been used to project and constrain the Resource Model on the Chinook Project (Gorham et al., 2020)
Further work	- The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	- Recommended: ~5000m of RAB or RC drilling to constrain seams and thickness, and to better define structure. - Downhole geophysical logging and ATV/OTV surveys of all holes to consistently identify coal seams and geologic structures. - Recommend a high resolution LiDAR survey is flown for the 4-Stack Property. - Large diameter coring of confirmed coal intersections to evaluate coal quality of each identified coal seam, evenly distributed across the Exploration Target

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	- Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. - Data validation procedures used.	- The Competent Persons have relied on the professional quality of the historical data compilation work, including reviews of this historical work. The Exploration target reported here is based on historical drilling projections, and mapping data. Dahrourge completed a 100% validation of historic drillhole locations; and an approximate 75% spot check of coal seam intersections, creating an independent database for the Chinook and 4-Stack Properties. The data sets, including analytical data, are incomplete in some instances, and analytical certificates and details of QA/QC programs were not necessarily included in the historic summary reports. - All drillhole, geological and structural data is contained in an Excel® and Vulcan® database.
Site visits	- Comment on any site visits undertaken by the Competent Person and the outcome of those visits. - If no site visits have been undertaken indicate why this is the case.	- Competent person Mr. Bradley Ulry visited the Property on October 31-November 1, 2019. Mr. Nathan Schmidt, Mr. Matthew Carter and Mr. John Gorham have not visited the Property. - Mr. Ulry's visits were conducted to evaluate existing access and for planning future exploration and permitting.

Criteria	JORC Code explanation	Commentary
Geological interpretation	- Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. - Nature of the data used and of any assumptions made. - The effect, if any, of alternative interpretations on Mineral Resource estimation. - The use of geology in guiding and controlling Mineral Resource estimation. - The factors affecting continuity both of grade and geology.	Details of the geological interpretation and its use in resource estimation are presented Gorham et al. (2020). The geological model was constructed using an implicit 3-D modelling software, Seequent - Leapfrog Geo™. A vetted database was imported into Leapfrog™, where it was validated, and any erroneous or conflicting data was amended. The geological model incorporated historical surface maps, cross-sections and mine plans; surface mapping datapoints; drilling and trenching datapoints. The historical surface maps, cross-sections and mine plans were used to evaluate the geological structures and stratigraphic orientations.
Dimensions	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	- The 4-Stack Property covers a narrow north-south trending belt of the Kootenay Group from 1 to 2 km wide and about 10 km in length. The strike trend on the Property is more or less north-south. - The maximum plan length and width of the estimated Exploration target are about 8.0 km and 1.7 km respectively. - The Target is limited to Property boundaries; subcrop clipped against estimated base of weathering (8 m); a minimum coal thickness of 0.3 m, a maximum depth of 300 m from topography, and a cumulative strip ratio of 20:1 bcm/t. This approach approximately reflects existing practical recovery limits for thin seam open cut mining.
Estimation and modelling techniques	- The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. - The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. - The assumptions made regarding recovery of by-products. - Estimation of deleterious elements or other non-grade variables of economic significance (eg. sulphur for acid mine drainage characterisation). - In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. - Any assumptions behind modelling of selective mining units. - Any assumptions about correlation between variables. - Description of how the geological interpretation was used to control the resource estimates.	- For the purpose of this Resource Estimate, the 4-Stack Exploration Target was assigned as a complex geology type, due to the presence of regional and local faulting, folding and deformation seam thickening. - An estimated bulk density of 1.45 g/cm³ was used. - Maptek Vulcan™ 12 was utilized to generate the block model for the Chinook Project and 4-Stack Property. The modelling database, topography, seam and structural models from a Leapfrog Geo™ geologic model were imported into Vulcan™. - The details of modelling methodology used are presented in Gorham et al. (2020). - A cumulative stripping ratio of less than 20:1 (cubic metres of waste to a tonne of coal), an aggregate seam thickness greater than 0.3 m, and a maximum vertical depth from topography less than 300 m were used. - The Exploration Target was defined for the 4-Stack Property as there was insufficient data to estimate a Mineral Resource (Figure 8). It is important to note that the potential quantity and grade of the Exploration Target is conceptual in nature and that it is uncertain if

Criteria	JORC Code explanation	Commentary
	• Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	• further exploration will result in the estimation of a Mineral Resource. • The conceptual Exploration Target was rounded to the nearest 5 Mt.
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	• The conceptual Exploration target utilized an assumed constant bulk density across the Property of 1.45 g/cm³ at an assumed in-situ moisture of 8%, as there was no analytical data for the Property from which to determine moisture content and density.
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• The Exploration Target is limited to coal tenement boundaries; subcrop against base of weathering; a minimum coal thickness of 0.3 m, a maximum internal ply interburden < 0.45 m, a maximum depth of 300 m and a cumulative strip ratio of 20:1bcm/t. This approach approximately reflects existing practical recovery limits for thin seam open-cut mining.
Mining factors or assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	• For the purpose of this Exploration Target, an open cut minable scenario was assumed. A cumulative stripping ratio of less than 20:1 (cubic metres of waste to a tonne of coal), an aggregate seam thickness greater than 0.3 m, and a vertical depth from topography less than 300 m, and a minimum seam thickness cut-off of 0.3 m was used. • Consideration of reasonable prospects for production include favourable geology (other nearby producers of coking coal from the same formation, nearby infrastructure (road, rail and power) abundant available water, a nearby labour pool (4 operating surface coking coal mines), favourable land-use categories, and a favourable government and social attitude to resource extraction. • Mining losses and dilution have not been factored into the Target estimation.
Metallurgical factors or assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• Montem has not conducted any coal quality analysis on the Property. • Coal quality from historical data compiled by for the adjacent Chinook Project was independently evaluated by Kobie Koornhof Associates Inc. They concluded that Seams S2 and S5 could be classified as Hard Coking Coal, and Seams S4/S4A as Semi Soft to Semi-hard Coking Coal (Koornhof, 2020). • It must be noted that there is no coal quality information for the Property itself and no certainty the conceptual Exploration Target will be converted into a Resource.
Environment-	• Assumptions made regarding possible waste and process residue	• No study of environmental concerns or possible waste disposal has

Criteria	JORC Code explanation	Commentary
tal factors or assumptions	disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	been conducted on the Property. - The targeted coal-bearing Mist Mountain Formation naturally contains selenium. In alkaline, aerobic conditions, elemental selenium and selenide minerals are oxidized releasing soluble selenate ions which can be transported in surface runoff. Large scale surface mining in the Elk Valley, British Columbia has enriched the Elk River in selenium. Any future mine development on the Property will require the development of a selenium management plan. Montem has no ongoing liability on the property. - The Property is adjacent to Mountain Goat and Bighorn Sheep Range. In this area, any disturbances that may have direct or indirect adverse effects, such as permanent alteration of habitat must be avoided or mitigated. Additionally, most of the Property is located within a grizzly bear protection zone; regulations require that Montem provide and preserve either core or secondary grizzly bear habitat. - Part of the Property is located in the Key Wildlife and Biodiversity Zones. The Alberta government outlines guidelines for these areas in order to protect the long-term integrity and productivity of the ungulate winter ranges and populated areas. New permanent access is to be avoided, temporary access should minimize disturbance to wildlife habitat and limited industrial work is to be carried out between December 15th and April 30th. - The Property includes an area to the South Saskatchewan Regional Plan ("SSRP") (Figure 2). The SSRP was established to manage and monitor the environment and support responsible development of Alberta's resources. The strategies developed within the SSRP are designed to minimize the amount of land used for new development, including the usage of historical roads and trails for future exploration program access, and progressive reclamation of areas no longer being used.
Bulk density	- Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. - The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. - Discuss assumptions for bulk density estimates used in the	- The current 2020 Exploration Target utilized an assumed constant bulk density across the Project of 1.45 g/cm³. This value was determined from the coal rank and average ash contents as defined in GSC 88-21. This produced a conservative bulk density estimate of 1.45 g/cm³. - In-situ moisture was estimated at 8%.

Criteria	JORC Code explanation	Commentary
Classification	<i>evaluation process of the different materials.</i> <i>The basis for the classification of the Mineral Resources into varying confidence categories.</i> <i>Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i> <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i>	- For the purpose of this Exploration target, the 4-Stack Property, like the abutting Chinook Project was been assigned a complex geology type, due to the presence of regional and local faulting, folding and deformation seam thickening. - The classified geological complexity, structural trend, and seam thickness variograms were used to support the search ellipsoid for classification. Geostatistical analysis was conducted in tandem with resource modelling and supports the classification.
Audits or reviews	<i>The results of any audits or reviews of Mineral Resource estimates.</i>	No independent review of this Exploration target has been made
Discussion of relative accuracy/confidence	<i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i> <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>	- Due to the lack of drill information on the Property, no Resource Estimates can be made at this point. - Structurally, the 4-Stack Property has been mapped in reasonable detail and is moderately well understood, and the Competent Persons regard the geologic interpretation as valid. The main factors affecting coal seam continuity are the interplay of faulting, folding, seam dip, depth of weathering and surface topography. Seams show a highly variable thickness which reflects depositional and structural variations as well as the localized thickening of coal seams which occur in the apex of folds and adjacent to reverse faults. These might provide substantial tonnage benefits in future resource estimation.



EXPLORATION TARGET SUMMARY FOR THE ISOLA PROPERTY

Prepared for Montem Resources Alberta Operations Ltd.

Alberta Coal Leases: 1319090188, 1319090191, 1319090192, 1319090193, 1319090194,
1319090195, 1307070578, 1307070579, 1307070580

JULY 5, 2020



Prepared By:

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Prepared and Signed By:

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Matthew Carter, P.Geo., Dahrouge Geological Consulting Ltd.

Montem Resources – Summary of Exploration Target on the Isola Property

Montem Resources Alberta Operations Ltd. (“Montem”) is a wholly owned subsidiary of Montem Resources Ltd. Montem is a coal exploration and mine development company which currently holds the coal rights to the Isola Property (“Isola” or “Property”) which is located in the Crowsnest Pass region of southwest Alberta. This summary of the Isola Exploration Target is intended to be compliant with the JORC Code (2012) and meet the 2014 Australian guidelines for estimation and classification of coal resources. It summarizes historical coal exploration at Isola and presents an Exploration Target based on the historical mapping on the Property and drilling on and adjacent to the Property. It must be noted that the potential quantity and grade of the Exploration Target presented herein is conceptual in nature and that it is uncertain whether further exploration will result in the estimation of a Mineral Resource.

Isola Exploration Target

The Isola Property lies on both sides of Highway 40 (Forestry Trunk Road), about 50km north of Coleman in the Crowsnest Pass of Alberta, Canada. It consists of 9 Alberta Coal Leases wholly owned by Montem totaling 4832 ha (Table 2; Figures 1 and 2). Dahrouge Geological Consulting Ltd. (“Dahrouge”) has prepared an estimation of an Exploration Target for the Isola Property on behalf of Montem (Table 1). There has been limited coal exploration drilling on the Property.

Table 1: Isola Exploration Target (June, 2020)

Area	Exploration Target (Mt)	
	Lower Range (20:1 SR, 250 m Depth Cut-Off)	Upper Range (600 m Depth Cut-Off)
Isola	275	900

Discussion of Land Category Changes

On May 15, 2020, the Alberta Government announced that the 1976 Coal Policy will be rescinded effective June 1, 2020 (<https://inform.energy.gov.ab.ca/Documents/Published/IL-2020-23.pdf>). All restrictions on issued coal leases within the former Coal Categories 2 and 3 have been removed, therefore the development status of Isola allows for both exploration and mining. Alberta will continue to restrict coal leasing, exploration and development within public lands formerly designated as Coal Category 1.

Property Description

The Isola Property is located between 45 and 55 km directly to the north of the town of Coleman, in the Crowsnest Pass region of Alberta, Canada. It abuts Atrum Coal Ltd.’s (Atrum) Isolation South Project to the south, Atrum’s Isolation Property to the west, and Atrum’s Isola Property to the east (Figure 9). The city of Calgary is located approximately 240 road kilometres to the northeast of the Project. The Property consists of 9 Alberta Coal Leases wholly owned by Montem totaling 4832 ha (Table 2; Figure 2). These leases straddle Alberta Hwy 40 (Forestry Trunk Road) and are bounded approximately by Savanna Creek to the north and Deep Creek to the south.

The Project is partially located within the Mountain Goat and Bighorn Sheep range (Figure 2). In this area, any disturbances that may have direct or indirect adverse effects, such as permanent alteration of habitat must be avoided or mitigated. Additionally, the entire Project is located within a Grizzly Bear Protection Zone; regulations require that Montem provide and preserve either core or secondary grizzly bear habitat. A

portion of the Property along the Livingstone River is located in the Key Wildlife and Biodiversity Zone (Figure 2). The Alberta government outlines guidelines for these areas in order to protect the long-term integrity and productivity of the ungulate winter ranges and populated areas. New permanent access is to be avoided, temporary access should minimize disturbance to wildlife habitat, and industrial work should be limited between December 15th and April 30th. Two alpine areas of the Property were included in the South Saskatchewan Regional Plan ("SSRP") and have been withdrawn from disposition and added to the Don Getty Wildland Provincial Park.

Table 2: Isola Property Alberta Coal Leases

Lease Type	Agreement Number	Status	Term Date	Expiry	NTS Map Sheet	Project Area	Area (ha)
13	1319090188	Active	26-Sep-19	26-Sep-34	082J01	Isola	656
13	1319090191	Active	26-Sep-19	26-Sep-34	082J01	Isola	608
13	1319090192	Active	26-Sep-19	26-Sep-34	082J01	Isola	1024
13	1319090193	Active	26-Sep-19	26-Sep-34	082J01	Isola	894
13	1319090194	Active	26-Sep-19	26-Sep-34	082J01	Isola	797
13	1319090195	Active	26-Sep-19	26-Sep-34	082J01	Isola	358
13	1307070578	Active	12-Jul-07	12-Jul-22	082J01	Isola	128
13	1307070579	Active	12-Jul-07	12-Jul-22	082J01	Isola	240
13	1307070580	Active	12-Jul-07	12-Jul-22	082J01	Isola	128

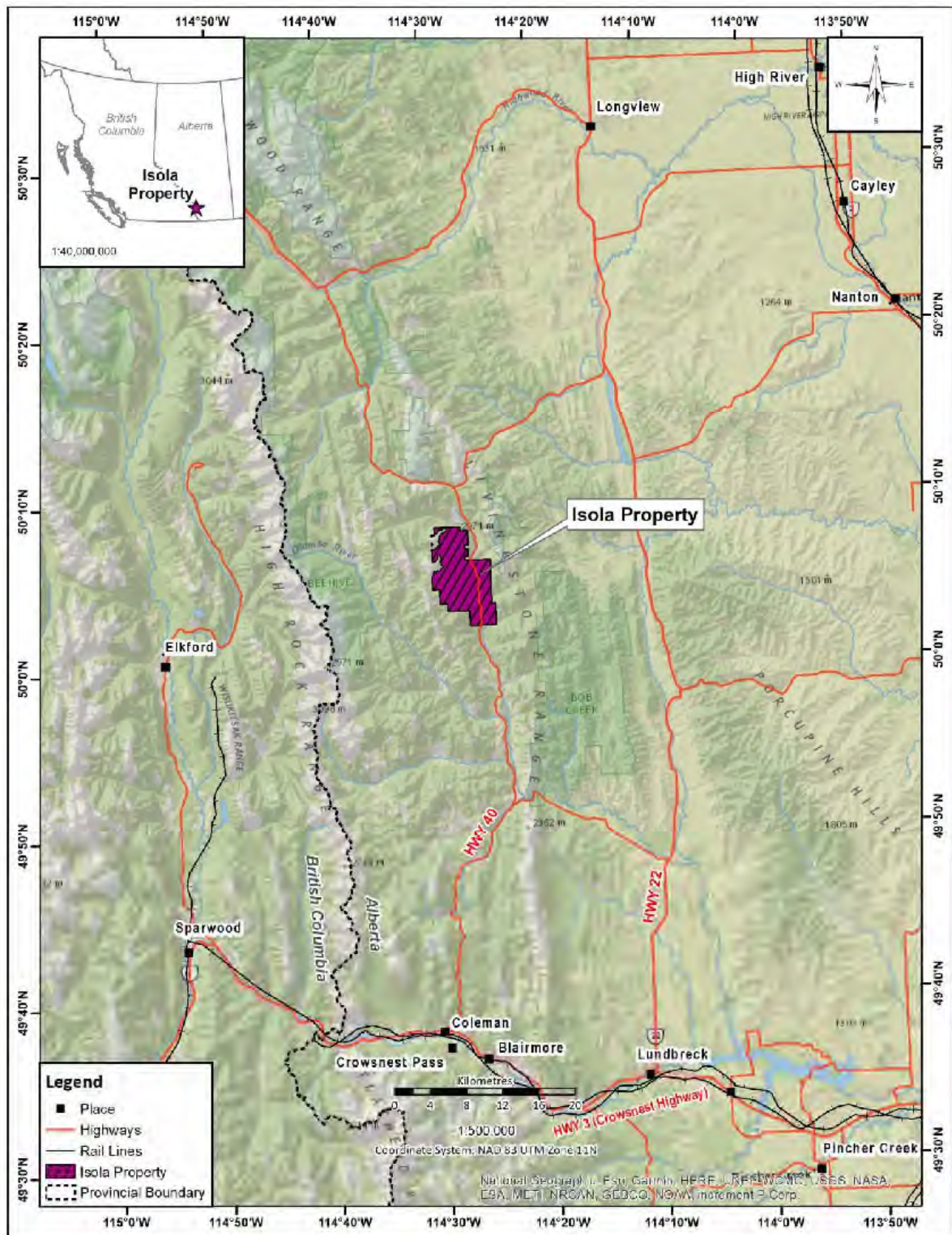


Figure 1: Location Map

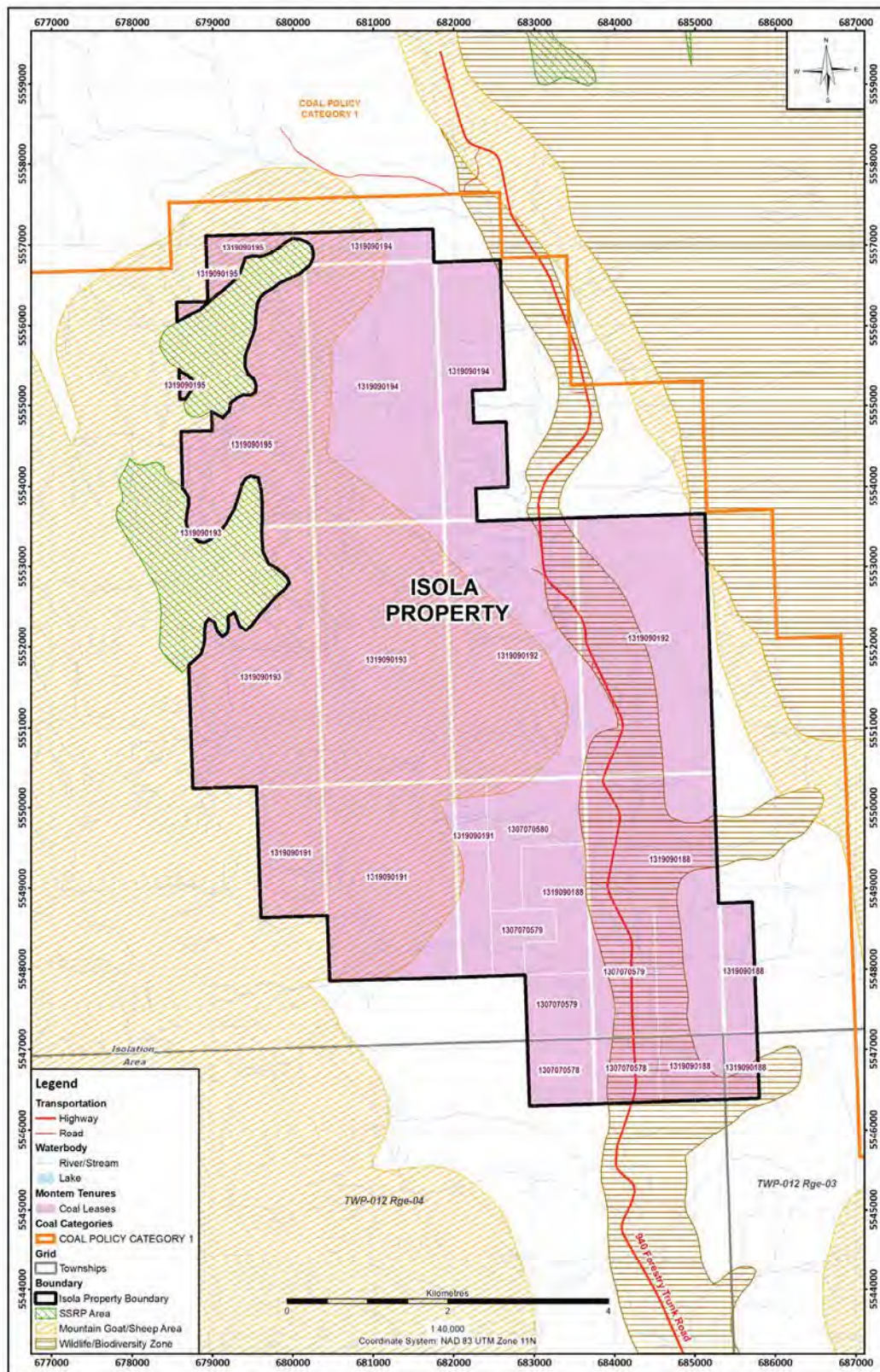


Figure 2: Isola Property Map Historical Exploration

In 1947, D.J. MacNeil conducted geological mapping in the area that now makes up part of Montem's Isola, Chinook Vicary and 4-Stack Properties. Mapping of the Blairmore area by the GSC was summarized by D.K. Norris (1955). Geological mapping programs were carried out in the area, by V.H. Johnson in 1965 through 1967 for Coleman Collieries Ltd. Three core holes were drilled and sampled in 1971 by Coleman Collieries, and a further program of mapping and surface trenches, three of which were located on the Property, was carried out by Granby Mining Corp. ("Granby") in 1975. Two coalbed methane wells were drilled on the Property as part of a regional program by Northstar Energy Corporation in 2001 and 2002.

Geology of the Isola Property

The Isola Property lies within the Front Ranges of the Canadian Rocky Mountains, in southwestern Alberta, and spans the north-trending, west-dipping Coleman thrust sheet. It is underlain by Jurassic and Cretaceous rocks of the Fernie Group, Kootenay Group, Blairmore Group, and Crowsnest Formation, and undivided Upper Cretaceous formations (Figure 3 and Figure 4). The Mist Mountain Formation of the Kootenay Group contains coal seams with economic potential, extending onto the Property from Atrum's Isolation South Property and Isola properties to the south and east respectively. Although the sandstones of the Morrissey Formation provide a clear base to the Mist Mountain Formation on the Property, the separation of members within the Mist Mountain Formation, as seen further south in the Crowsnest Pass area, is not distinct.

Structure on the Property is, moderate to complex, dominated by broad synclines dipping at 10° to 20° on either side of the Station Creek Thrust which bisects the Property. The Blairmore and Kootenay Group rocks are variably truncated on the eastern side of the Property by the Livingston Thrust. The McConnell Thrust along the west side of the Property brings Kootenay Group rocks over the shallow-dipping Blairmore Group sequence exposed on the Property (Figures 6 and 7). Dips are generally less than 25°. Fault repetition has been noted on the limbs of the syncline, particularly on the west side of the Property. For purposes of this report and because of the lack of detailed information on historic seam correlation, the nomenclature adopted from the adjoining Atrum Isolation South Property is used. Seams are labeled 1, 2, 3 and 4 with splits (A, B, C and D, where they occur), from top to bottom (Figure 5) for regional consistency.

Drilling and Trenching

Coleman Collieries Ltd. drilled three vertical drillholes (CC-DDH-I-1, CC-DDH-I-2 and CC-DDH-I-3) on the Property in 1971, totalling 990.7m (Figure 4, Table 3). All three holes intersected coal and proximate analysis of washed coal was completed (Table 4). Cumulative true thickness of coal in the drillholes ranged from 11.6 to 17.3m. The interpreted S3 seam was intersected at thicknesses of 9.0m, 8.9m and 7.4m (S3A-C plies) in holes CC-DDH-I-1, CC-DDH-I-2 and CC-DDH-I-3 respectively.

In 1975, Granby Mining Corp. excavated 16 trenches in the Isola area, three of which were located on, or immediately adjacent to the Property (Figure 4, Table 3). Trench GB-01 is located in a roadcut and exposed 3.7m and 1.5m of coal separated by 3m of shale and mudstone. Trench GB-02 exposed 4.9m of coal in the bank of Isolation Creek. Trench GB-16, near GB-01, exposed at least 3.7m of oxidized coal overlain by overburden, also in the bank of Isolation Creek (Granby Mining Corp., 1975).

In 2001, Northstar Energy Corporation ("Northstar") drilled two holes on the Property, totalling 1,277.6m (Figure 4, Table 3), as part of a regional coalbed methane drilling program (Figure 4, Table 3). CBM100-13-13 was located near the centre of the Property between CC-DDH-I-1 and CC-DDH-I-2. It intersected 8 seams for an 18.2m cumulative coal thickness. The thickest S3 was 8.2m. CBM100-06-01 near the south end of the Property intersected 8 seams for a 21.4m cumulative coal thickness. Seam S3 was 8.75m thick. This seam appears to correlate with the 7.4 to 9.0m seam encountered in the Coleman Collieries drillholes. Holes were geophysically logged and apparently sampled, but that sample information is not available to the authors.

Table 3: Drilling and Trenching on the Isola Property

Area	Campaign	# DDH	# Trench	Meterage	Company
Isola	1971	CC-DDH-I-1		219.8	Coleman Collieries
Isola	1971	CC-DDH-I-2		569.1	Coleman Collieries
Isola	1971	CC-DDH-I-3		201.8	Coleman Collieries
Isola	1975		GB-01	20	Granby Mining Corp.
Isola	1975		GB 02	22	Granby Mining Corp.
Isola	1975		GB-16	24	Granby Mining Corp.
Isola	2001	CBM100-06-01		883.4	Northstar Energy Corp.
Isola	2001	CBM100-13-13		394.2	Northstar Energy Corp.

Coal Quality

Limited historical coal quality data is available for the Isola Property. The three core holes drilled in 1971 were sampled by seam in 2 ft increments and submitted to Warnock Hersey International Limited labs in Vancouver, B.C for washing, air drying, weighing and float/sink analysis at SG=1.58, with sink fraction re-run at SG=1.60. Ash was determined for 1.58 float and 1.60 sink fractions, and proximate analysis performed. A summary of results is presented in Table 4. The range of volatile matter between 20.6% and 22.1% indicates a rank on the threshold between low-and medium-volatile bituminous coal. Well logs from the two CBM holes drilled by Northstar indicate that sampling was carried out on seams intersected in those holes. R_oMax values of 1.35% for seam S4, 1.38% for seam S4, 1.33% for seam S3 and 1.25% for seam S2 are shown on logs for 13-13-013-04W5 indicating a rank of medium-volatile bituminous coal. Based upon these results, the Isola coal seams appear to be low-volatile to medium-volatile bituminous coal with a reasonable possibility of producing a coking coal product after beneficiation in a wash plant. A significant amount of drilling and coal quality analysis is required to properly characterize a resource on the Isola Property.

Table 4: Coal Quality Results from Coreholes

# DDH	From (m)	To (m)	Thickness (m)	% Recovery	Seam	S.G.	Ash %	F.S.I	% Volatiles	% S
I-1	146.3	150.6	4.3	87.2	S3	1.58	5.2	7.4	22.1	0.31
I-2	555.2	563.9	8.7	76.0	S3	1.60	10.3	5	21.1	-
I-3	89.5	92.1	2.7	53.0	S2	1.58	10.8	7.5	20.6	0.96
I-3	124.1	128.6	4.6	80.6	S3	1.58	9.8	3.9	20.1	0.37
I-3	130.8	136.1	5.3	70.2	S3	1.58	10.8	5.3	20.1	0.53
I-3	163.4	167.6	4.3	-	S4	-	-	-	-	-

Historical Resource Estimates

An in-house estimate of potentially recoverable 'reserves' (what would now be termed historical resources) was made by Coleman Collieries Ltd. and reported in an office memo dated March 16, 1971 which predates drilling. No technical report is available to the authors; therefore, methods of estimation and assumptions used are unknown. Five areas on the Property with recoverable coal at less than 600 m depth were estimated to contain more than 190 million tonnes. The authors caution that these estimates are historical and must be

corroborated by a program of drilling and coal quality assessment before they could be deemed current and compliant.

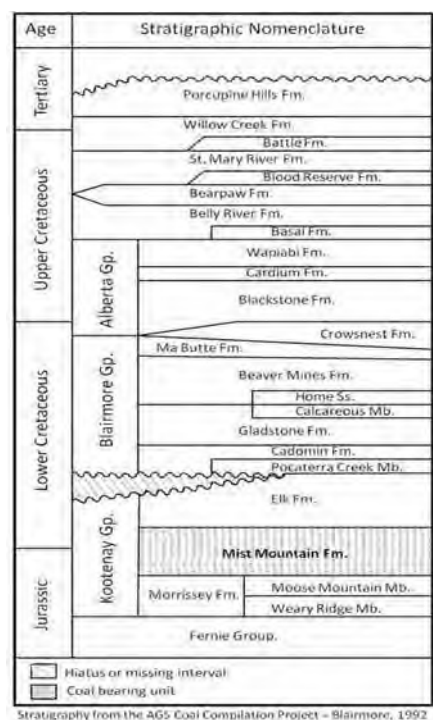


Figure 3: Stratigraphic Column (Modified from Richardson et al., 1992)

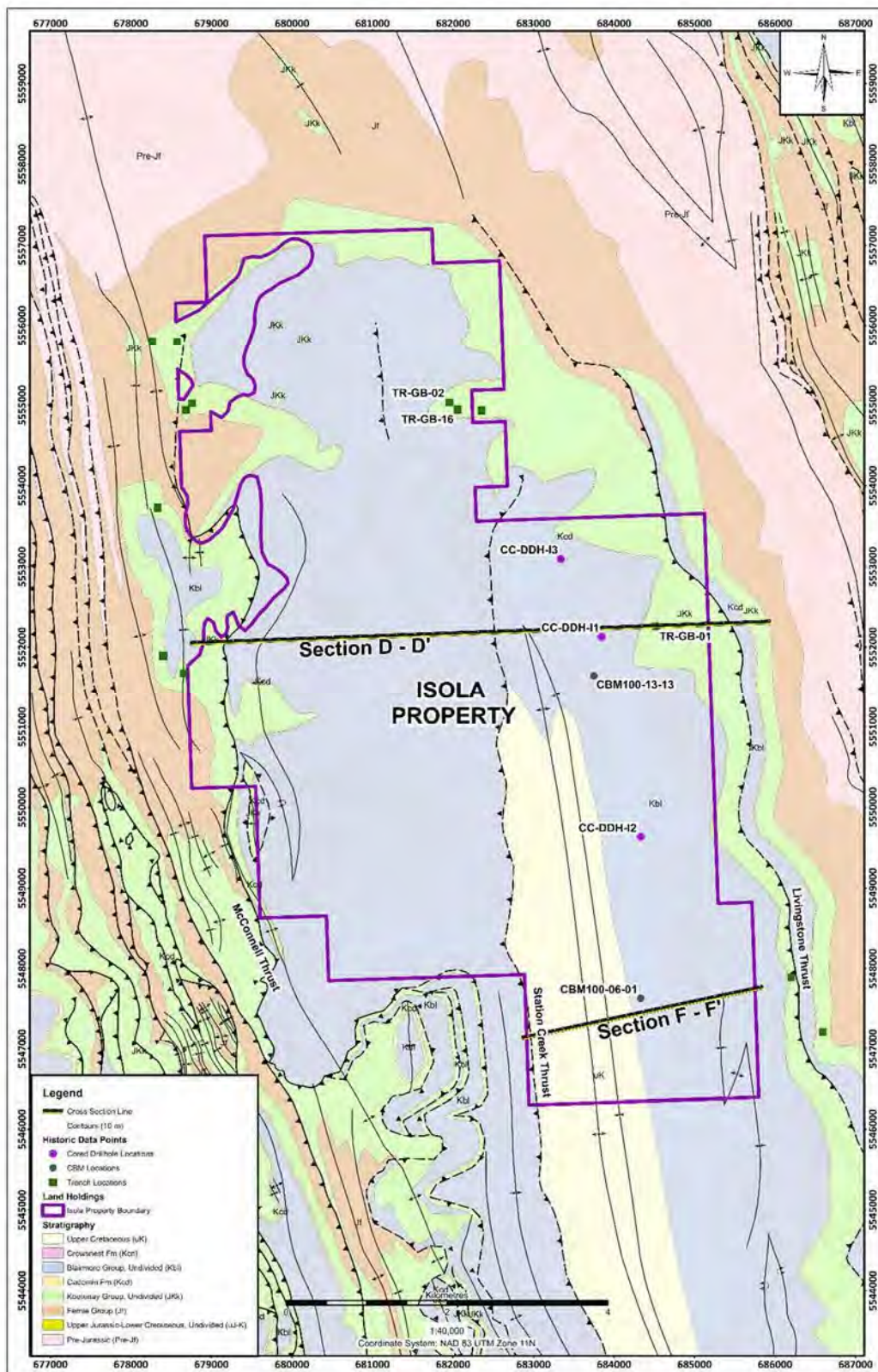


Figure 4: Geology of the Isola Property

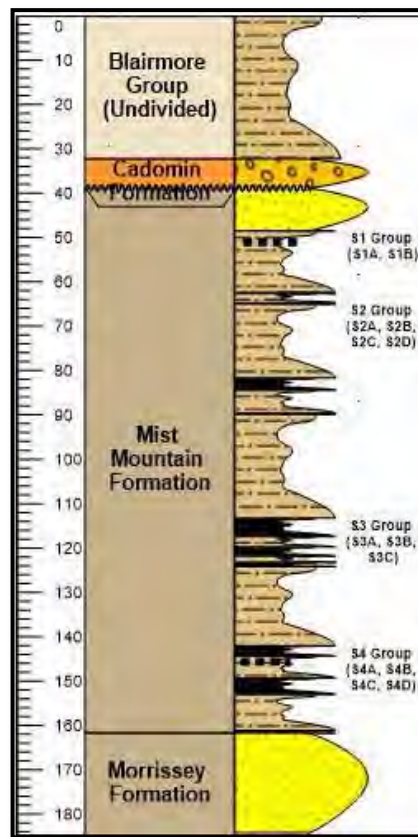


Figure 5: Stratigraphic Column for Isola

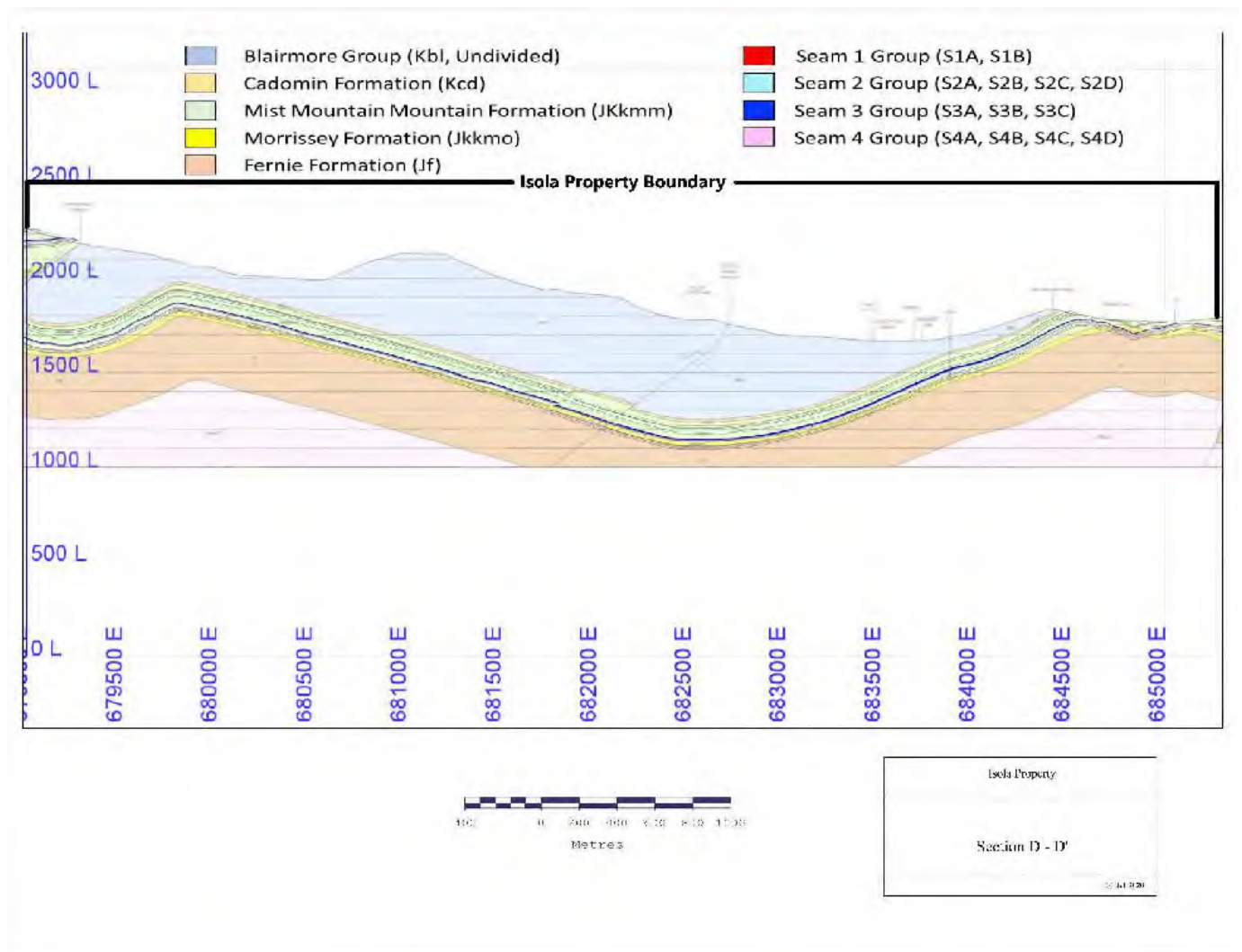


Figure 6: Cross Section D - D', modelled coal seams projected onto regional stratigraphy (modified from Lawrence, see Figure 4 for trace)

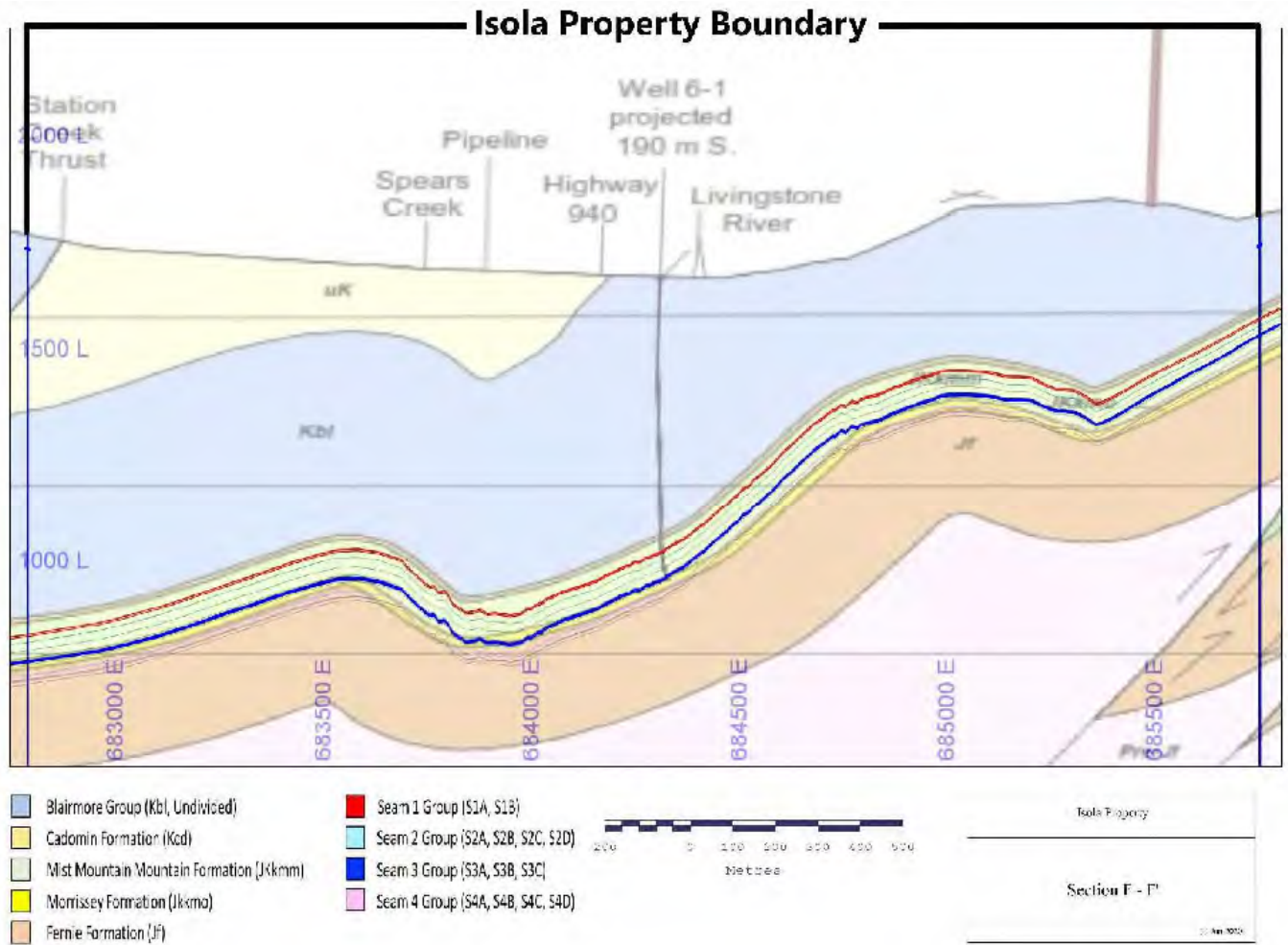


Figure 7: Cross Section F - F', modelled coal seams projected onto regional stratigraphy (modified from Lawrence, see Figure 4 for trace)

Exploration Target Development

The Exploration Target reported herein (Table 1, 5, and Figure 8) was created from a geological model of the Isola Property. Valid data points for constructing the geological model were obtained from drillhole intersections, trenches, and surface outcrops (Table 6 - Appendix 1). The topographic surface utilized for the Isola geologic model was a combination of LiDAR 15 DEM purchased from Altalis, and open-source topographic data from the Canadian Federal Geospatial Platform. A bulk density of 1.45 g/cm³ was assumed across the Isola Property and the following modelling methodology used to generate the Exploration Target:

- Import data into Maptek Vulcan 12.0.4™
- Validate database
- Create fault surface triangulations using surface and subsurface fault traces
- Correlate drill holes, trenches, and surface exposures on or directly adjacent to the Isola Property
- Generate fault blocks
- Validate fault blocks by applying a Boolean test against the fault surface triangulations
- Grid the topographic surface
- Run FixDHD to create an interpolated seam mapfile database
- Create 50 m seam grids and triangulations in Model Stratigraphy using the FixDHD mapfile database and topography grid
- Evaluate behavior of Model Stratigraphy generated coal seams against geologic and structural controls
- Validate Model Stratigraphy coal seam triangulations
- Create a HARP (Horizon Adaptive Rectangular Prism) block model for the Isola Property; blocks were 25 m x 25 m with no sub-blocking
- Determine the cumulative stripping ratio for each block of coal within the HARP model
- Constrain the Exploration Target calculation criteria by a minimum true thickness of coal greater than 0.6 m and a maximum internal parting of 0.3 m.
- Constrain the Exploration Target by the current Isola Property boundaries
- Crop the Exploration Target to the base of weathering, projected 10 m down from the topographic surface

The Exploration Target was defined for the Isola Property in areas where there has been insufficient exploration to estimate a Mineral Resource. It must be noted that the potential quantity and grade of the Exploration Target presented herein is conceptual in nature and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Target was controlled by:

- Surficial geology maps from Coleman Collieries and Granby Mining
- Use of the Cadomin Formation as a marker horizon
- Projected down-dip and along strike extensions
- Historically mapped coal outcrops and trenches (Coleman Collieries and Granby Mining)
- Limited drilling on the Property

The Isola Exploration Target (Figure 8) covers an area of approximately 4783 ha and is bound to the east by the truncating Livingstone Thrust as well as by geology, down-dip depth restrictions and the Property boundary.

The Exploration Target displayed in Table 5 and Table 1 is presented as an upper and lower range and rounded to the closest 5 million tonnes. Conceptual Exploration Targets are presented as a range to represent the uncertainty in seam thickness, quality and location. The upper (larger tonnage) range was generated using only a 600 m depth cut-off; the lower (smaller tonnage) range was generated by restricting the upper

range to a 250 m depth cut-off and applying a 20:1 stripping ratio. The Exploration Target was generated using the methods and restrictions described but the entire Exploration Target falls outside areas with sufficient data density and valid points of observation that define seam thickness.

Table 5: Modelled Conceptual Exploration Targets for Isola Property (June, 2020)

Area	Exploration Target (Mt)	
	Lower Range (20:1 SR, 250 m Depth Cut-Off)	Upper Range (600 m Depth Cut-Off)
Isola	275	900

Recommendations:

Relatively uncomplicated structure, low-volatile bituminous coal, and the presence of at least one seam in the order of 8-9m true thickness make the Isola Property an attractive exploration target. The broad synclinal structure brings coal-bearing strata to surface along the edges of the Property, indicating good potential for open-pit mining. The Kootenay Group rocks are estimated to be at a depth of 1500-1700m at the centre of the Property. The Exploration Target should be assessed by systematic drilling as part of an exploration program once the appropriate permits are received. Recommended exploration would include:

- High resolution LiDAR flown over Property to support mapping and modelling.
- Confirmation mapping, especially along creek exposures
- 5,000 m of rotary air blast or reverse circulation drilling to evaluate the presence/absence of the conceptual coal seams identified within the Exploration Target
- Downhole geophysics on all completed drillholes to accurately identify coal seam intersections
- Large diameter coring of confirmed coal intersections to evaluate coal quality of each identified coal seam, evenly distributed across the Exploration Target

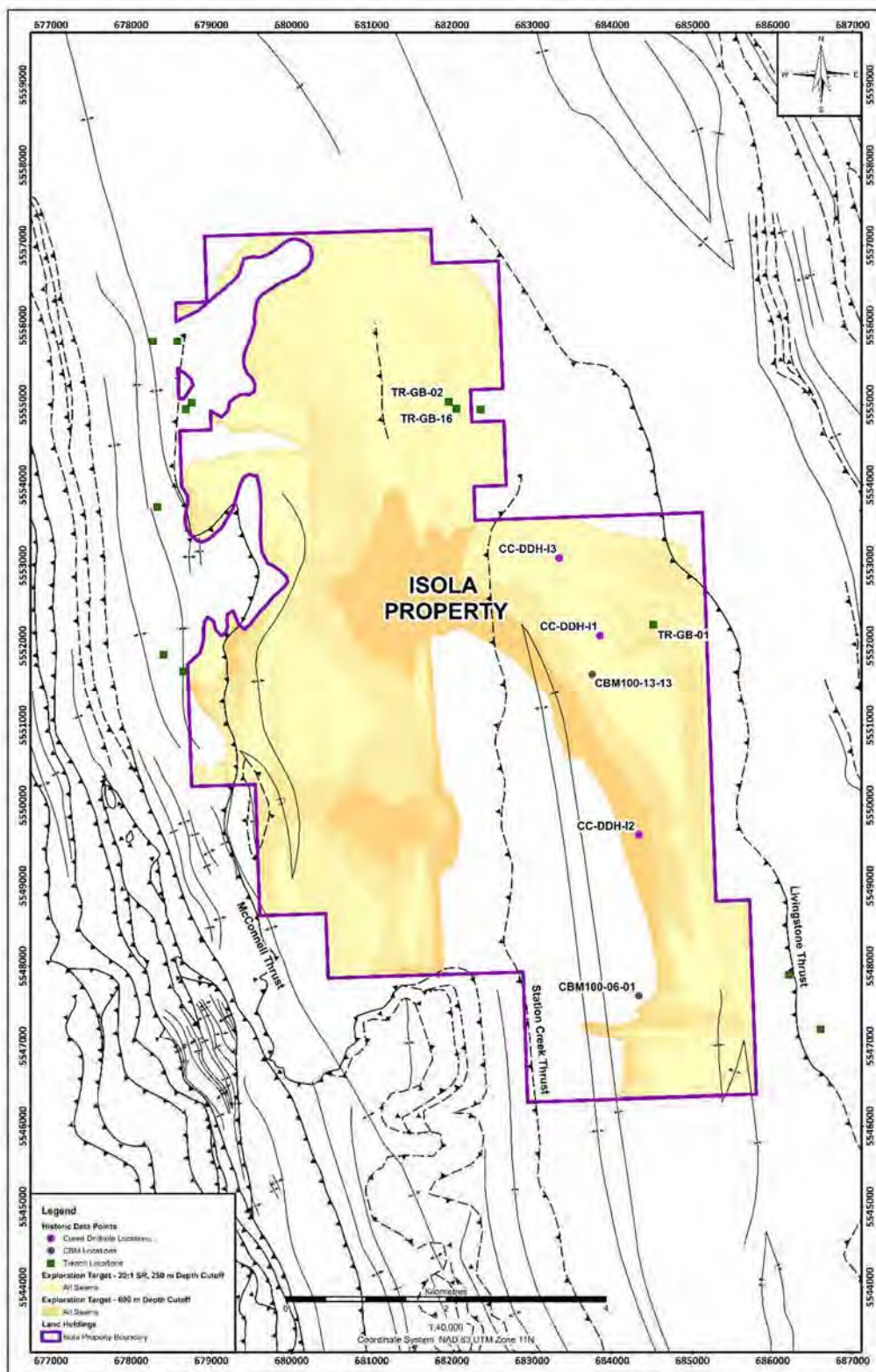


Figure 8: Isola Exploration Target

*The displayed exploration target is conceptual in nature and it is uncertain if further exploration will result in the estimation of a Mineral Resource

Adjacent Properties

There is an extensive history of coking coal exploration and production from the Mist Mountain Formation south and west of the Isola Property, both in the Crowsnest Pass area of southwestern Alberta and the Elk River Valley of southeastern BC. Several coal projects are currently undergoing exploration and development near the Isola Property that closely reflect the geologic conditions on the Property. These include Benga Mining Ltd.'s (Riversdale Resources Ltd.) Grassy Mountain Coal Project and Atrium Coal Ltd.'s Elan Coal Project (Figure 9).

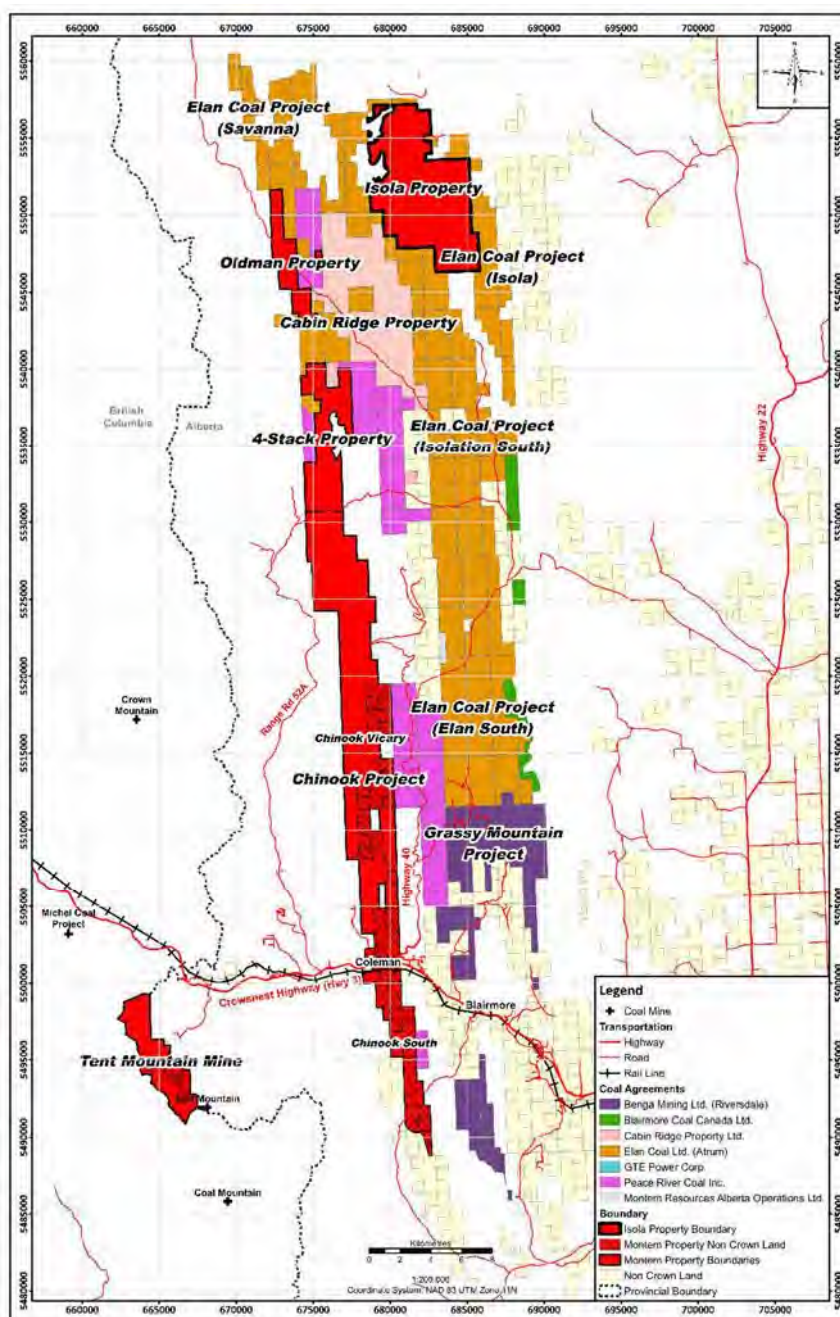


Figure 9: Adjacent Properties

Competent Persons Statement

The information in this report that relates to an Exploration Target is based on information compiled by Mr. Matthew Carter, and Mr. John Gorham, Competent Persons and members of the Association of Professional Engineers and Geoscientists of Alberta (APEGA) a Recognized Professional Organization (RPO) where they hold the accreditation of Professional Geologist.

Mr. Carter, P. Geo. and Mr. Gorham, P. Geol. of Dahrouge are the Qualified Persons responsible for preparing this JORC Compliant Competent Persons Report on the Property.

Mr. Carter and Mr. Gorham are employees of Dahrouge and are independent of Montem Resources Alberta Operations Ltd., and its parent company Montem Resources Ltd.

Mr. Carter and Mr. Gorham have sufficient experience that is relevant to the style of mineralization and type of deposit under consideration, and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr. Carter and Mr. Gorham consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Mr. Gorham visited the Property on June 10 and June 19, 2020. Mr. Carter did not visit the Property.

‘Signed and Sealed’

‘Signed and Sealed’



Matthew Carter, P. Geo

Dated: July 5, 2020



John Gorham, P. Geol.

Dated: July 5, 2020

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Appendix 1

Table 6: Drillholes and trenches used in estimation of Exploration Target

Note: Highlighted ID's are on Property, others are adjacent and used in modelling

Hole ID	Easting NAD83	Northing NAD83	Elev. m	Depth m	Company	Year	Hole Type	Azi- muth	Dip	Collar Survey
CC-DDH-11	684022	5552007	1736	219.8	Coleman Collieries	1971	DDH	0	-90	Map
CC-DDH-12	684682	5549831	1652	569.1	Coleman Collieries	1971	DDH	0	-90	Map
CC-DDH-13	683440	5553146	1780	201.8	Coleman Collieries	1971	DDH	0	-90	Map
CBM100-06-01	684333	5547633	1613	883.4	Canadian Natural Resources Ltd.	2001	CBM	0	-90	Map
CBM100-13-13	683749	5551645	1674	394.2	Canadian Natural Resources Ltd.	2001	CBM	0	-90	Map
TR-GB-01	684515	5552263		20	Granby Mining Corporation Ltd.	1975	Trench	64	0	Map
TR-GB-02	681956	5555033		22	Granby Mining Corporation Ltd.	1975	Trench	74	0	Map
TR-GB-03	682356	5554936		11.5	Granby Mining Corporation Ltd.	1975	Trench	170	0	Map
TR-GB-06	678329	5553728		18	Granby Mining Corporation Ltd.	1975	Trench	70	0	Map
TR-GB-07	678574	5555796		70	Granby Mining Corporation Ltd.	1975	Trench	110	0	Map
TR-GB-08	678266	5555801		33	Granby Mining Corporation Ltd.	1975	Trench	100	0	Map
TR-GB-10	678759	5555026		43	Granby Mining Corporation Ltd.	1975	Trench	220	0	Map
TR-GB-09	678681	5554945		26	Granby Mining Corporation Ltd.	1975	Trench	165	0	Map
TR-GB-12	678400	5551894		18	Granby Mining Corporation Ltd.	1975	Trench	245	0	Map
TR-GB-13	678655	5551677		27	Granby Mining Corporation Ltd.	1975	Trench	310	0	Map
TR-GB-14	686593	5547216		25	Granby Mining Corporation Ltd.	1975	Trench	260	0	Map
TR-GB-15	686200	5547895		27.5	Granby Mining Corporation Ltd.	1975	Trench	75	0	Map
TR-GB-16	682057	5554946		24	Granby Mining Corporation Ltd.	1975	Trench	30	0	Map

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	- The historical database used for geological and Exploration Target modelling for the Isola Property was compiled from drilling, trenching and mapping by Coleman Collieries (CC), Granby Mining Corp.(Granby), and Northstar Energy Corp.(Northstar) conducted between 1967 and 2001 both on, and adjacent to the Property. - Limited drilling is known to have been carried out on the Isola Property. - Coal core samples were collected for the Isola Property from three core holes drilled in 1971 by Coleman Collieries (CC-DDH-I1 to CC-DDH-I3) for proximate analysis and FSI. Limited information is available on sampling procedures. - Samples were taken from coal core in nominal 2ft (0.61m) sample intervals. Samples were washed, bagged, and tagged with hole no., sample no. and interval (ft) and sent to the laboratory. Samples were dried and subjected to float/sink separation at SG=1.58. The sink product was refloat at SG=1.60. Fractions were dried, crushed, and tested for F.S.I., % sulphur, % ash and % volatiles (Table 4). - No trench or surface coal samples are recorded on the Property for the Granby work. - Two coalbed methane test holes drilled in 2001 by Northstar intersected coal. Seams were apparently sampled but no information on methods or results are available. Holes were logged for, gamma ray, density, caliper and resistivity.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Three vertical core holes and two vertical coalbed methane holes were drilled on the Property. No details regarding drill type and methods are available.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	- Recovery in historical holes CC-DDH-I1 to CC-DDH-I3 ranged from 53% to 87%. - No information is available to assess sample bias. Core may have lost clean coal sections due to shearing of the seams.

Criteria	JORC Code explanation	Commentary
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	- Coleman Collieries cores were lithologically logged in the field. No downhole wireline logs are available for these holes. - Northstar holes were wireline logged for density, gamma neutron, caliper and resistivity. Coal and rock lithologies from core descriptions were entered into a lithology database. Coal seams were identified and correlated between holes and surface trenches. - No photographs exist of samples of core holes.
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	- The Authors have no direct knowledge of the sampling methods undertaken during each drill campaign but have no reason to believe the operators and the laboratories did not follow industry standard practices. - For these samples, preparation, subsampling and quality control procedures were ensured by the use of a certified commercial lab in Canada, employing recognized QA procedures and following international standards for coal testing (ASTM). - The sample preparation methods utilized for the historical samples were industry standard at the time. Details of the sample preparation are not known other than the descriptions provided by the operator (Coleman Collieries, 1971). The laboratory that performed the historical coal analysis was an independent commercial laboratory and not connected in any corporate way to Coleman Collieries. The quality control procedures employed by the laboratory is presumed to be industry standard for the coal testing industry in Canada. All Canadian coal laboratories are subject to periodic testing and certification by an agency of the Canadian Federal Government.
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	- Coal analysis was based on the accepted International standards at the time of analysis (ASTM). - Warnock Hersey (now Intertek) in Burnaby BC, who provided analytical work for CC-DDH-11 to CC-DDH-13, is still in operation. As part of their current certification by the Coal Association of Canada (CAC) there is an obligation to complete relevant round robin checks and other routine checking procedures to ensure they meet the required accuracy for each test since their inception.
Verification of sampling and assaying	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data	Historical coal intersections used in the geological model for Isola were verified against geophysical measurements where possible. Montem's consultant, Dahrouge Geological Consulting Ltd. (Dahrouge) completed a 100% validation of historical drillhole

Criteria	JORC Code explanation	Commentary
	- verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data.	- locations and coal seam intersections, creating an independent database for resource modelling. - Drillhole collar, lithology and basic raw coal quality data is stored in a Vulcan and Excel database. All available source field records, lab reports, survey data etc., are stored in electronic form.
Location of data points	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Specification of the grid system used. - Quality and adequacy of topographic control.	- The topographic surface utilized for the geological model was derived from LiDAR15 DEM obtained from Altalis and open-source topographic data from the Canadian Federal Geospatial Platform. - Data is stored in UTM NAD 83 Zone 11N projection format. - Historical drill collars, historical surface mapping points were georeferenced and validated against topography. - Data points were generally well constrained for X-Y coordinates, but less reliable for Z coordinates. Downhole directional information was unavailable for the drillholes CC-DDH-11 to CC-DDH-13 and for CBM100-06-01. They were all nominally vertical holes. - The Northstar hole locations correlated well with the LiDAR derived topographic surface; Coleman Collieries holes were pressed to topography to moderate the less reliable historic Z coordinate data.
Data spacing and distribution	- Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied.	- The geologic model for the Isola Property was constrained by surface mapping. Mapping by CC and Granby had fairly evenly spaced observation points, constraining stratigraphy and structure well. - No surface samples are known from the Property. - The data spacing and distribution are considered by the Competent Persons to be collectively sufficient to define an Exploration Target.
Orientation of data in relation to geological structure	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	- The Exploration Target on the Isola Project is bounded by the Livingstone and McConnell thrusts and splays which strike north-south, resulting in a marked anisotropy to the deposit. This east-west anisotropy to the deposit is geostatistically significant but reasonably consistent and well understood. - Five historic drillholes on the Property. Mapping traverses along creeks cutting across regional structure constrain geological interpretation.
Sample security	The measures taken to ensure sample security.	Montem has not taken any samples on the Property. The authors have no information on historical sample methods and security.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	The historical geological dataset and model was validated by Dahrage, using reports, tables, contour plans and cross-sections. The Exploration Target reported was based on the projected drill

Criteria	JORC Code explanation	Commentary
		intersections, and mapping data. Dahrhauge completed a 100% validation of the historical drillhole locations and coal seam intersections, creating an independent database.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>		• The Isola Property, north-south trending parcel from 4 to 6 km wide and about 11 km long. It consists of 9 Alberta Coal Leases held by Montem Coal. Leases are valid to between July 2022 and Sept. 2034 and can be renewed (Table 2). • A coal exploration permit (CEP) application to undertake a drilling and exploration program, as well as a Deep Drilling Permit (for holes deeper than 150 m vertically), a water Withdrawal Licence, a road Use Agreement and an Historical Resources Review will be required to undertake exploration. No impediments to obtaining these are anticipated. • The Coal Development Policy for Alberta (1976 has been repealed as of June 1, 2020, removing Category 2 restrictions from the Property. • Several Indigenous groups are located within 100 km of the project area. • The targeted coal-bearing Mist Mountain Formation naturally contains selenium. In alkaline, aerobic conditions, elemental selenium and selenide minerals are oxidized releasing soluble selenate ions which can be transported in surface runoff. Large scale surface mining in the Elk Valley, British Columbia has enriched the Elk River in selenium. Any future mine development on the Property will require the development of a selenium management plan. Montem's has no ongoing liability on the property. • The western part of the Property is covered by the Mountain Goat and Bighorn Sheep Range (Figure 2). • The entire Property is located in the Livingstone Grizzly Bear Zone. • Part of the Project is cut out by the Don Getty Wildlands Provincial Park expansion, part of the South Saskatchewan Regional Plan ("SSRP"); (Figure 2). The strategies developed within the SSRP are designed to minimize the amount of land used for new development, including the usage of historical roads and trails for future exploration program access, and progressive reclamation of areas no longer being used

Criteria	JORC Code explanation	Commentary
		A portion of the Property along the Livingstone River is located in the Key Wildlife and Biodiversity Zone (Figure 2). The Alberta government outlines guidelines for these areas in order to protect the long-term integrity and productivity of the ungulate winter ranges and populated areas. New permanent access is to be avoided, temporary access should minimize disturbance to wildlife habitat, and industrial work should be limited between December 15th and April 30th.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	- Early mapping by government agencies included parts of the Property. - Coleman Collieries conducted mapping on the Property between 1967 and 1971 under the supervision of V.H. Johnson, and drilled three core holes in 1971. - Granby Mining conducted a program of mapping at 1:20,000 scale and trenching in 1975 - Northstar Energy Corp. drilled two coalbed methane test holes between 2001 and 2002 as part of a larger program in the area. - Data from these programs form the basis of geological control for the Exploration Target reported here.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	- The Isola Property is located in the Front Ranges of the Rocky Mountains in the Crowsnest Coalfield of Southern Alberta, Canada - The Jurassic-Cretaceous Mist Mountain Formation of the Kootenay Group hosts the economic coal seams on the Property. Regionally it is up to 1000m thick and consists of interbedded sandstone, siltstone, mudstone, and coal and is interpreted as a deltaic and/or fluvial-alluvial-plain deposits. Economically important coal seams occur throughout the succession. Regionally, the seams are up to 18 m thick and vary in rank from south to north, from high volatile bituminous to semi anthracite. - On the Property, the formation is between 100 to 150 m thick. - The principal seams on the Property, in descending order are S1, S2, S3 and S4 (Figure 5). These extend north from the contiguous Isolation South Project owned by Atrium Coal. - The Isola Property is located within the Front Ranges of the Rocky Mountain Foreland Thrust and Fold Belt, on the Livingstone thrust fault within the Lewis Thrust Sheet. The thrusting is evident as a succession of generally west-dipping thrust faults and associated folds. The strata underlying most of the Property are part of a gently

Criteria	JORC Code explanation	Commentary
		dipping (10° to 20°) syncline bisected by the west-dipping Station Creek Thrust. Coal deposits of this type are generally characterized by linear strikes along thrusts and associated tight folds. The Isola Property is by contrast structurally moderate to complex.
Drill hole Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Drillhole and trench information used in estimation of the Exploration Target presented in Table 6 (Appendix 1).
Data aggregation methods	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	Weighting of composited coal intervals was used by Coleman Collieries to generate coal quality results presented in Table 4. For modelling the Exploration Target, a minimum seam thickness of 0.6 m; maximum internal ply interburden of 0.3 m. A depth cut-off of 250 m and a 20:1 stripping ratio was used to constrain the lower range for the Exploration Target; a depth cut-off of 600 m was used to constrain the upper range for the Exploration Target.
Relationship between mineralisation widths and intercept lengths	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	Structural thickening of seams may occur on the Project. All holes on the Property were vertical as strata on the east side of the Property are gently dipping. The geological modelling software combines drillhole orientation and intercepts from downhole logs with known and extrapolated structural information from surface mapping to project geometry of coal seams. Exploration Target modelling takes these geometries and, with constraints, calculates in-place volumes for the seams, with calculated interburden volumes removed.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	See Figures 1 through 9 and Tables 1 through 6.
Balanced	Where comprehensive reporting of all Exploration Results is not	Not applicable

Criteria	JORC Code explanation	Commentary
reporting	practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	- Montem has not yet conducted any exploration on the Property. - Historical mapping on the Property has been used to project and constrain the Exploration Target.
Further work	- The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	- Recommended: ~5000m of RAB or RC drilling to constrain seams and thickness, and to better define structure. - Downhole geophysical logging and ATV/OTV surveys of all holes to consistently identify coal seams and geologic structures. - Recommend a high resolution LiDAR survey is flown for the Isola Property. - Large diameter coring of confirmed coal intersections to evaluate coal quality of each identified coal seam, evenly distributed across the Exploration Target.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	- Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. - Data validation procedures used.	- The Competent Persons have relied on the professional quality of the historical data compilation work, including reviews of this historical work. The Exploration Target reported here is based on historical drilling projections, and mapping data. Dahrourge completed a 100% validation of historic drillhole locations and coal seam intersections, creating an independent database for the Isola Property. The data sets, including analytical data, are incomplete in some instances, and analytical certificates and details of QA/QC programs were not included in the historic summary reports. - All drillhole, geological and structural data is contained in an Excel® and Vulcan® database.
Site visits	- Comment on any site visits undertaken by the Competent Person and the outcome of those visits. - If no site visits have been undertaken indicate why this is the case.	- Competent person Mr. John Gorham visited the Property on June 10 and June 19, 2020. Mr. Matthew Carter did not visit the Property. - Mr. Gorham's visits were to evaluate existing access for planning future exploration and permitting.
Geological	Confidence in (or conversely, the uncertainty of) the geological	A vetted database was imported into Vulcan™, where it was

Criteria	JORC Code explanation	Commentary
<i>Interpretation</i>	<i>interpretation of the mineral deposit.</i> <i>Nature of the data used and of any assumptions made.</i> <i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i> <i>The use of geology in guiding and controlling Mineral Resource estimation.</i> <i>The factors affecting continuity both of grade and geology.</i>	validated, and any erroneous or conflicting data was amended. The geological model incorporated historical surface maps and cross-sections; surface mapping datapoints; drilling and trenching datapoints. The historical surface maps, and cross-sections were used to evaluate the geological structures and stratigraphic orientations.
<i>Dimensions</i>	<i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i>	- The Isola Property covers a north-south trending belt of the Kootenay Group overlain by the Blairmore Group in part. It is about 6 km wide and about 10 km in length, extending southward onto Atrium's Isolation South Property. The strike trend on the Property is more or less north-south. - The maximum plan length and width of the estimated Exploration Target are about 9 km and 6.5 km respectively. - The Exploration Target is limited to the Property boundary; subcrop clipped against estimated base of weathering (10 m); a minimum coal thickness of 0.6 m, a maximum depth of 250 m from topography, and a cumulative strip ratio of 20:1 bcm/t (for the lower limit of the Exploration Target range) and a 600 m depth cut-off and a minimum coal thickness of 0.6 m (for the upper limit of the Exploration Target range).
<i>Estimation and modelling techniques</i>	<i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i> <i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i> <i>The assumptions made regarding recovery of by-products.</i> <i>Estimation of deleterious elements or other non-grade variables of economic significance (eg. sulphur for acid mine drainage characterisation).</i> <i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i> <i>Any assumptions behind modelling of selective mining units.</i> <i>Any assumptions about correlation between variables.</i> <i>Description of how the geological interpretation was used to control</i>	- For the purpose of this Exploration Target, Isola was assigned a moderate to complex geology type, due to the presence of regional and local faulting, folding and deformation seam thickening. - An estimated bulk density of 1.45 g/cm³ was used. - Maptek Vulcan™ 12 was utilized to generate the modelling database, topography, seam and structural models, and the HARP block model for the Isola Property. - A cumulative stripping ratio of less than 20:1 (cubic metres of waste to a tonne of coal), a true seam thickness greater than 0.6 m, and a maximum vertical depth from topography less than 250 m were used to constrain the lower limit of the Exploration Target range. - A true seam thickness of 0.6 m and a maximum depth of 600 m were used to constrain the upper limit of the Exploration Target range. - An Exploration Target was defined for the Isola Property as there was insufficient data to estimate a Mineral Resource (Figure 8). It is important to note that the potential quantity and grade of the Exploration Target is conceptual in nature and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Criteria	JORC Code explanation	Commentary
	<i>the resource estimates.</i> <i>Discussion of basis for using or not using grade cutting or capping.</i> <i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i>	The conceptual Exploration Target was rounded to the nearest Mt.
Moisture	<i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i>	The conceptual Exploration target utilized an assumed constant bulk density across the Property of 1.45 g/cm³, there was no analytical data for the Property from which to determine moisture content and density.
Cut-off parameters	<i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i>	The Exploration Target is limited to coal tenement boundaries; subcrop against base of weathering; a minimum coal thickness of 0.6 m, a maximum internal ply interburden < 0.30 m, a maximum depth of 250 m and a cumulative strip ratio of 20:1bcm/t. This approach determined the lower limit of the Exploration Target range. A 600 m depth cut-off and a minimum coal thickness of 0.6 m were used to determine the lower limit of the Exploration Target range.
Mining factors or assumptions	<i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i>	- For the purpose of this Exploration Target, an open cut minable scenario with the potential to transition to underground operation was assumed. A cumulative stripping ratio of less than 20:1 (cubic metres of waste to a tonne of coal), a true seam thickness greater than 0.6 m, and a vertical depth from topography less than 250 m, was used for the open cut minable scenario. A vertical depth from topography of less than 600 m and a minimum true thickness of 0.6 m was used for the underground scenario. - Consideration of reasonable prospects for production include favourable geology (other nearby producers of coking coal from the same formation, nearby infrastructure (road, rail and power) abundant available water, a nearby labour pool (4 operating surface coking coal mines), favourable land-use categories, and a favourable government and social attitude to resource extraction. - Mining losses and dilution have not been factored into the Exploration Target estimation.
Metallurgical factors or assumptions	<i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of</i>	- Montem has not conducted any coal quality analysis on the Property. - Coal quality from historical data is limited. Seams analyzed were low- to medium-volatile bituminous coal with moderate to high F.S.I.'s. - It must be noted that in part because of the limited coal quality information for the Property; there is no certainty the conceptual Exploration Target will be converted into a Resource. - A program of drilling and coal quality assessment will be required

Criteria	JORC Code explanation	Commentary
Environmental factors or assumptions	the basis of the metallurgical assumptions made. Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	before a Resource Estimate can be made. - No study of environmental concerns or possible waste disposal has been conducted on the Property. - The targeted coal-bearing Mist Mountain Formation naturally contains selenium. In alkaline, aerobic conditions, elemental selenium and selenide minerals are oxidized releasing soluble selenate ions which can be transported in surface runoff. Large scale surface mining in the Elk Valley, British Columbia has enriched the Elk River in selenium. Any future mine development on the Property will require the development of a selenium management plan. Montem has no ongoing liability on the property.. - The Property is covered in part by the Mountain Goat and Bighorn Sheep Range. In this area, any disturbances that may have direct or indirect adverse effects, such as permanent alteration of habitat must be avoided or mitigated. Additionally, the Property is located within a grizzly bear protection zone; regulations require that Montem provide and preserve either core or secondary grizzly bear habitat. - Part of the Property is located in Key Wildlife and Biodiversity Zones. The Mountain Goat and Sheep Area covers part of the Property (Figure 2). The Livingstone Grizzly Bear Zone covers the entire Property. The Alberta government outlines guidelines for these areas in order to protect the long-term integrity and productivity of the ungulate winter ranges and populated areas. New permanent access is to be avoided, temporary access should minimize disturbance to wildlife habitat and limited industrial work is to be carried out between December 15th and April 30th. - The Property includes an area cut out by the South Saskatchewan Regional Plan ("SSRP") (Figure 2). These areas were Category 1 lands and have now been removed from disposition and included in the Don Getty Wildlands Provincial Park Expansion
Bulk density	- Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. - The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. - Discuss assumptions for bulk density estimates used in the	The current 2020 Exploration Target utilized an assumed constant bulk density across the Project of 1.45 g/cm³. This value was determined from the coal rank and average ash contents as defined in GSC 88-21, which yielded a conservative bulk density estimate of 1.45 g/cm³.

Criteria	JORC Code explanation	Commentary
Classification	<i>evaluation process of the different materials.</i> <i>The basis for the classification of the Mineral Resources into varying confidence categories.</i> <i>Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i> <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i>	For the purpose of this Exploration Target, the Isola Property, was assigned a moderate to complex geology type, due to the presence of regional and local faulting, folding and possible seam thickening. Increased geological definition is required for proper classification of geology type.
Audits or reviews	<i>The results of any audits or reviews of Mineral Resource estimates.</i>	No independent review of this Exploration target has been made
Discussion of relative accuracy/confidence	<i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i> <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>	- Due to the limited drill information on the Property, no Resource Estimates can be made at this point. - Structurally, the Isola Property has been mapped in reasonable detail and is moderately well understood, and the Competent Persons regard the geologic interpretation as valid. The main factors affecting coal seam continuity are the interplay of faulting, folding, seam dip, depth of weathering and surface topography. Seams may show a variable thickness which reflects depositional and structural variations as well as the localized thickening of coal seams which may occur in the apex of folds and adjacent to reverse faults. These structural conditions are mainly on the east and west edges of the Property..

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