



Montem Resources

ASX Announcement

Montem Resources Limited

ACN 623 236 831

Level 4, 100 Albert Road,
South Melbourne, VIC 3205

P (03) 9692 7222

E info@montem-resources.com

montem-resources.com

9 February 2021

Government of Alberta reinstates 1976 Coal Development Policy

HIGHLIGHTS

- The Government of Alberta announced today that it will reinstate A Coal Development Policy for Alberta (Coal Policy)
- Montem's Tent Mountain Mine and Chinook Project are wholly within Category 4 and are therefore unaffected by the Coal Policy rescission
- All Montem's Coal Resource Estimates (JORC 2012) are within Category 4 and are therefore unaffected by the Coal Policy rescission

Montem Resources Limited (ASX: MR1) ("Montem" or the "Company") advises the Government of Alberta announced today its decision to reinstate the Coal Policy, originally established in 1976, after it had been rescinded effective 1 June 2020. The Government of Alberta Department of Energy Ministerial Order associated with this reinstatement is appended.

The Tent Mountain Mine and the Chinook Project are located on Category 4 lands (see attached map). Category 4 are areas where surface mining is contemplated. Accordingly, they are not impacted by today's announcement by the Government of Alberta's decision to reinstate the Coal Policy.

The Government of Alberta also indicated that it has issued a directive to the Alberta Energy Regulator (the "AER") that "no mountaintop removal will be permitted". A review of Ministerial Order 054/2021 indicates that when the AER is considering any proposed exploration for, or development of, coal on Category 2 lands, the AER must confirm that it does not involve mountain top removal. The restriction does not apply to Category 4 lands. Montem does not currently have active exploration programs within Category 2 land. The Company does intend to explore those properties in the future and will make applications that comply with AER regulations at the time.

We note that the government officials also indicated that the Grassy Mountains Project will not be impacted by the policy reversal. Accordingly, we are confident that these policy changes are not intended to impact the Tent Mountain Mine and the Chinook Project.

Going forward, Montem will continue to stay involved in Alberta's consultation on the new, modern coal policy.

This ASX release was authorised on behalf of the Board of Directors by Peter Doyle, Managing Director and CEO.

For further information, contact:

Peter Doyle
Managing Director and CEO
+1 778 888 7604
pdoyle@montem-resources.com

Melanie Leydin
Company Secretary
+61 3 9692 7222
secretary@montem-resources.com

Nathan Ryan
IR & Media
+61 420 582 887



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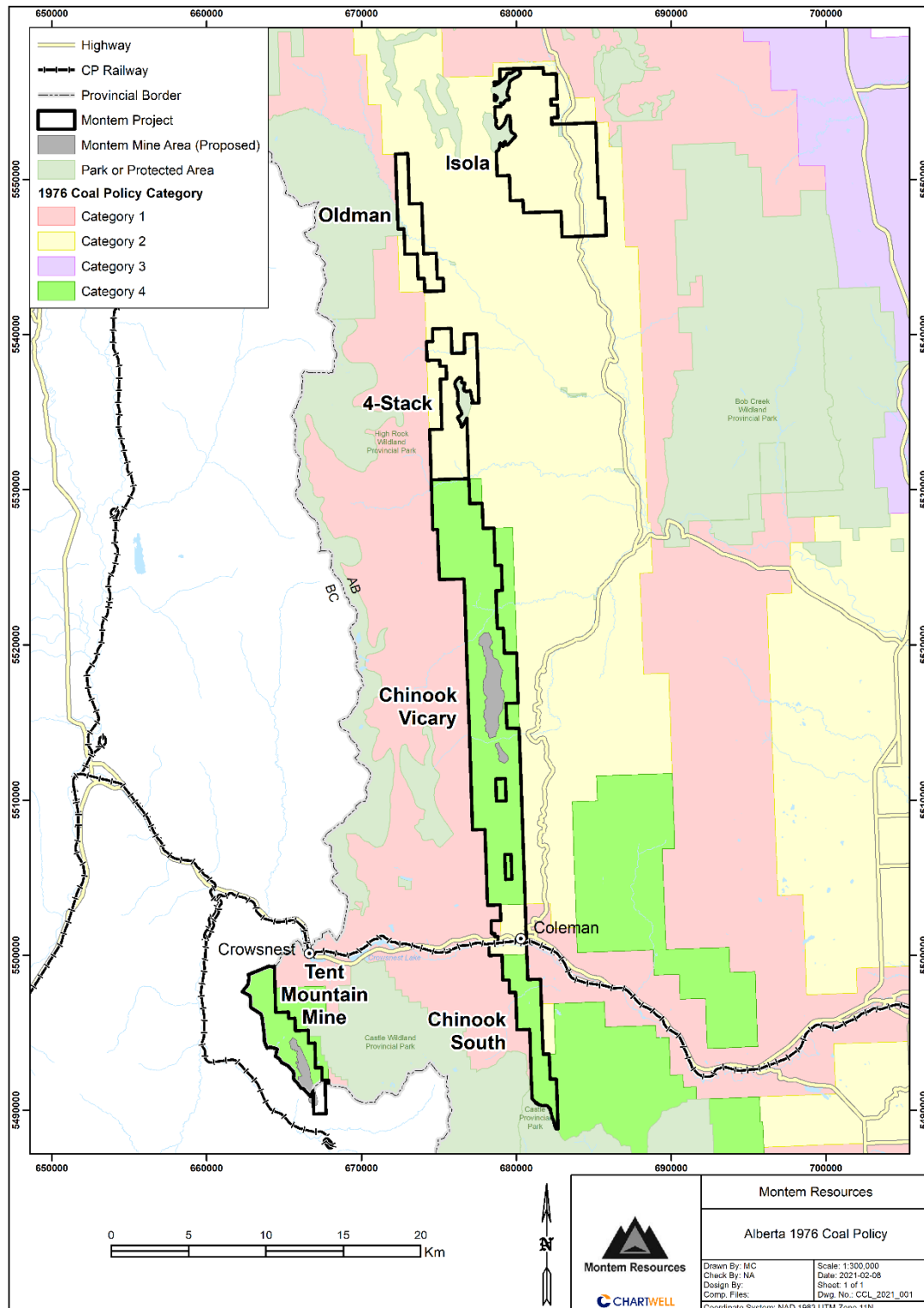
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About Montem Resources

Montem Resources (ASX: MR1) is a steelmaking coal development company that owns and leases coal tenements in the Canadian provinces of Alberta and British Columbia. 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.

Montem completed a Definitive Feasibility Study (DFS) on the Tent Mountain Mine in 2020. The DFS is providing guidance for the re-start project, with the aim to be exporting coal in 2022. Details of the DFS are available on Montem's website.

Montem is also progressing the Chinook Project which covers historical mines that previously exported hard coking coal to Japanese steel mills. The Chinook Project has the potential to produce multiple open-cut hard coking coal mines, and the Company plans to explore, define and develop these mines.

Forward looking statements

This ASX Announcement 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 ASX Announcement, 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. 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 ASX Announcement 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. 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 ASX Announcement, except where required by law.

GOVERNMENT OF ALBERTA

DEPARTMENT OF ENERGY

RESPONSIBLE ENERGY DEVELOPMENT ACT
S.A. 2012, c. R.17.3

MINISTERIAL ORDER 054/2021

I, **SONYA SAVAGE**, Minister of Energy, pursuant to section 67 of the *Responsible Energy Development Act*, make the Coal Policy Direction, in the attached Appendix.

DATED at **Calgary**, in the Province of Alberta, this **8th** day of **February, 2021**.

Sonya Savage

Honourable Sonya Savage
Minister of Energy

APPENDIX

COAL POLICY DIRECTION

PURPOSE

The Minister of Energy is authorized by section 67 of the *Responsible Energy Development Act* (REDA) to give directions to the Alberta Energy Regulator (the “AER”) for the purpose of

- (a) Providing priorities and guidelines for the AER to follow in the carrying out of its powers, duties and functions, and
- (b) Ensuring the work of the AER is consistent with the programs, policies and work of the Government of Alberta in respect of energy resource development, public land management, environmental management and water management.

Albertans expect a fulsome regulatory review and assessment of the impacts of any exploration for and development of coal on the environment.

Albertans desire confirmation that the exploration for and development of coal within restrictions applicable to categories of lands will continue, and to that end the Government of Alberta has reinstated *A Coal Development Policy for Alberta, 1976* (Coal Policy).

More particularly, Albertans expect assurance that surface mining of coal on Category 2 lands “would not normally be considered” within the meaning of the Coal Policy, and that no mountain-top removal in the exploration for or development of coal will be permitted on Category 2 lands.

DIRECTION TO THE AER

- 1) When considering an application for an approval (as defined in REDA) in respect of exploration for, or development of, coal under energy resource enactments or specified enactments, the Regulator shall:
 - a) Consider the coal categories and the associated requirements set out in the Coal Policy;
 - b) Consider the input received during any required engagement completed by the applicant in respect of the application;
 - c) Continue to confirm that the applicant for exploration for, or development of, coal has met the requirements under all applicable energy resource enactments and specified enactments and related policies under those enactments, and that the proposed exploration or development accords with all applicable land use policies;
 - d) Confirm that any proposed exploration for, or development of, coal on Category 2 lands does not involve mountain top removal.
 - e) For applications for approvals for exploration for coal on Category 2 lands, confirm that the applicant has given broad public notice of the proposed exploration for coal to which the application relates.
 - f) Consider whether, in the opinion of the Regulator, broader public notice of the application is required under applicable enactments.
- 2) From the date of the order making this direction, the AER shall not issue any new approvals for exploration for coal on Category 2 lands.