Montem Resources Limited

ABN 87 623 236 831

Annual Report - 31 December 2021

Directors	Mark Lochtenberg, Chairman and Non-executive Director Peter Doyle, Managing Director and CEO Robert Tindall, Non-executive Director Susie Henderson, Non-executive Director William Souter, Non-executive Director
Company Secretary	Melanie Leydin
Registered office and principal place of business	Level 4, 100 Albert Road South Melbourne VIC 3205
Auditor	William Buck Level 20, 181 William Street Melbourne VIC 3000
Solicitors	Dentons Australia Pty Ltd 567 Collins Street Melbourne VIC 3000 McLennan Ross 600 McLennan Ross Building 12220 Stony Plain Road Edmonton, AB, Canada T5N 3Y4
Bankers	National Australia Bank 800 Bourke Street Docklands VIC 3008 Royal Bank of Canada 1025 West Georgia Street Vancouver BC Canada V6E 3N9
Stock exchange listing	Montem Resources Limited shares are listed on the Australian Securities Exchange (ASX code: MR1)
Website	www.montem-resources.com

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Montem Resources Limited (referred to hereafter as the 'Company', 'Montem' or 'Parent Entity') and the entities it controlled at the end of, or during, year ended 31 December 2021.

Directors

The following persons were Directors of Montem Resources Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mark Lochtenberg, Chairman and Non-executive Director
Peter Doyle, Managing Director and CEO
Robert Tindall, Non-executive Director
Susie Henderson, Non-executive Director
William Souter, Non-executive Director

Company overview and principal activities

Montem is a steelmaking coal and renewable energy development company that owns and leases coal tenements and freehold land in the Canadian provinces of Alberta and British Columbia.

The Company's objective is to become the operator of steelmaking coal mines and renewable energy developments in Canada by developing its projects in the Crowsnest Pass. The first component of this objective is the ongoing process of re-establishing mining at the Tent Mountain Mine, while in parallel evaluating the transition of the Tent Mountain Mine to become a Renewable Energy Complex. The second component of this objective is to continue exploring and evaluating the development potential of the Chinook Project.

During the year ending 31 December 2021 the principal continuing activities of the Company were the exploration and development of its two primary steelmaking coal projects, the Tent Mountain Mine Redevelopment Project and the Chinook Project, while in parallel evaluating the Tent Mountain Renewable Energy Complex (TM-REX). In addition, the Company has been engaging with the Government of Alberta and its appointed Coal Policy Review Committee regarding the review of the Alberta 1976 Coal Development Policy.

Montem's projects are located in the Crowsnest Pass, of southwest Alberta, Canada, which is a historical coal mining region. The Tent Mountain Mine Redevelopment Project and the Chinook Project are estimated to contain 232 million tonnes (Mt) of in-place coal resources (JORC 2012). Both projects have been explored extensively and have hosted historical open-cut and underground coal mining operations.

In an effort to re-establish mining at Tent Mountain, over the past three years the Company has completed extensive exploration and engineering studies, including a Definitive Feasibility Study. In 2021, the project was designated for Federal review by the Impact Assessment Agency of Canada, and the Company continues to seek approval to restart the mine.

In light of delays to the mine re-start and following separate independent expert studies in 2019 and 2021, Montem identified alternate opportunities for Tent Mountain, including transitioning the project to become a renewable energy complex made up of a 320MW Pump Hydro Energy Storage (PHES), a 100 MW green hydrogen electrolyser, and a 100 MW wind farm. The Company is progressing studies to support development of the TM-REX, including a feasibility study.

The TM-REX will aim to repurpose existing assets at Tent Mountain which include a 300m drop (or average "head") between two large water reservoirs that were formed during previous mining operations. The site is near Alberta's high voltage electricity transmission grid, has great existing infrastructure to support development, and is adjacent to rail, gas pipelines and the interprovincial Highway 3.

The Company has also identified the potential for a large mining complex to be established at the Chinook Project. A Scoping Study, being a preliminary technical and economic study of the potential viability of open cut mining at the Chinook Project, was announced in February 2021 (please refer to the cautionary statement included in the 9 February 2021 announcement "Montem completes positive Scoping Study at the Chinook Project"). The study identifies an open cut mine opportunity at the Chinook Project. Results from the Scoping Study indicate an economically and technically viable project with upside justifying progressing to a Pre-Feasibility Study.

On 4 March 2022, the Alberta Government announced results of its year long coal policy review, The Alberta Minister of Energy released the Coal Policy Committee reports (one outlining the public consultation and one setting out their recommendations) and indicated that all its recommendations are being adopted. The report made eight principal recommendations, with the result being a further pause on coal development while the Coal Policy is modernised.

The impact of that statement is the new Coal Policy is unlikely to be settled for a number of years while subregional plans are developed. In addition, the South Saskatchewan Regional Plan which cover all of Montem's assets expires in 2024 and must then be reviewed.

Finally, under a new Ministerial Order, no exploration or development activities can be carried out on any coal lands, regardless of land category, with the exception designated "advanced projects". Fortunately for Montem, the Tent Mountain restart project has been identified as an advanced project, along with three other projects in Alberta.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the Consolidated Entity after providing for income tax amounted to $14,055,639 (31 December 2020: $3,411,080).

- The Consolidated Entity recognised an impairment loss of $10,416,991 in relation to Tent Mountain project costs. Management, conservatively, recognised impairment losses on Tent Mountain due to the Federal Impact Review, which was commissioned during the financial year.
- The Consolidated Entity incurred operating cash outflow of $3,283,362 (2020: $1,723,788). This includes $305,904 on initial set-up and consulting work related to feasibility studies for the TM-REX project.
- The Consolidated Entity incurred evaluation and exploration costs of $3,357,428 (2020: $6,004,568) during the year.
- The Consolidated Entity raised capital of $7,745,179 (2020: $9,229,132), net of cash costs during the year.

As at 31 December 2021, the cash balance was $3,803,727 (2020: $3,434,480) and net working capital surplus was $3,197,879 (2020: Surplus of $2,451,918).

The loss for the current period is consistent with the principal activities of the Consolidated Entity with no revenue-generating activities.

Exploration, mine and renewable energy complex development

Tent Mountain Mine
In 2021 the Company concentrated their efforts on planning the re-start of the Tent Mountain Mine and undertaking the necessary steps to work through the regulatory process to re-start the mine.

The Company has been undertaking environmental testing and monitoring since early-2018 to facilitate the Alberta Energy Regulator (AER) environmental permit amendment applications required to restart the mine. This environmental analysis includes surface water quality and groundwater monitoring, flora and fauna surveys, fisheries and aquatics surveys as well as cultural and archaeology studies. These surveys and studies have enabled impact assessment reports to be completed, which are being used to underpin the permit amendment applications.

In January 2021, the AER recommended the Company undertake an Environmental Impact Assessment (EIA) for the mine re-start. The Company worked with the AER, Indigenous Peoples, the local community, and stakeholders to determine the appropriate Terms of Reference (TOR) for the EIA. In May 2021, the AER published the final TOR, which is an important project milestone as it allows the Company to complete the remaining reports in support of the EIA.

In June 2021, the Canadian Federal Minister of Environment and Climate Change designated the Tent Mountain Mine Redevelopment Project as a project requiring review under the Federal Impact Assessment Act. Hence the Tent Mountain Mine, requires both Provincial and Federal approval to re-start. On 25 November 2021, the Impact Assessment Agency of Canada ("IAAC") began a review of the Tent Mountain Mine Redevelopment Project, by accepting Montem's Initial Project Description ("IPD") submission. This was the first step in the IAAC Federal review process, which was followed by a 20-day public review period. On 29 December 2021, IAAC provided the Company with a high-level summary of the issues submitted during the IPD 20-day public review period. The next step is for Montem to address the issues raised in a Detailed Project Description ("DPD"), something the Company is working toward completing in 2022.

On 4 March 2022 the Alberta Government announced a new Ministerial Order pausing coal development for all coal projects in Alberta except for advanced projects. Tent Mountain qualifies as an advanced project, enabling Montem to continue the permitting process.

Tent Mountain Renewable Energy Complex

O*n* 18 October 2021 the Company made an announcement of plans to transition the Tent Mountain Mine to become a renewable energy complex. The TM-REX will consists of three primary elements:

- 320 MW Pumped Hydro Energy Storage
- 100 MW Green Hydrogen Electrolyser
- 100 MW Wind Farm (offsite)

In October 2021, the Company established a Steering Committee, chaired by experienced Canadian power industry executive Will Bridge, to drive the development of the TM-REX. Over the course of 2022, the Steering Committee will move the TM-REX through the front-end engineering and design (FEED) project phase. The FEED project phase is being driven by appointed experts in engineering, project management, environment, permitting, indigenous consultation and engagement and green Hydrogen.

The Company is working with the Piikani Nation to progress development plans for the TM-REX. The Piikani Nation and Montem have agreed to explore the mutual benefits of the Project, and to investigate the development of a wind farm to supply electricity to the Tent Mountain PHES. In October 2021, the Company applied to Canada's Clean Fuels Program for C$5 million to help fund the next phase of work, which will include a Feasibility Study.

Chinook Project

In February 2021, the Company released summary results of a Scoping Study that focused on the Chinook Vicary area of the Chinook Project. The Scoping Study identifies an open cut mine opportunity at the Chinook Project, centred around the historical Vicary underground mine. Results from the Scoping Study indicate an economically and technically viable project with upside justifying progressing to a Pre-Feasibility Study.

The Scoping Study considered Montem's JORC (2012) Indicated and Inferred in-place resource of 149.1Mt (Indicated 103.8Mt; Inferred 45.3Mt), and leverages existing rail, power, and road infrastructure adjacent to the project. As the proportion of Indicated Resources underpinning the engineering study is less than 70%, the resulting financial analysis of the Study are not able to be released to the market (in accordance with regulatory requirements).

The Chinook Project has the potential to be a major open-cut steelmaking coal project adjacent to rail, power, and highway infrastructure. The Company focused on the Chinook Vicary area of the project as it is within Category 4 lands, has the advantage of brownfield development, and sits adjacent to a historical mine that previously exported high quality hard coking coal to Japanese steel makers.

Following the release of the Scoping study, the Company announced the results of coal quality test work performed on drill samples collected at Chinook Vicary in Q4 2020.

Large diameter core samples, obtained from Montem's exploration drilling at Chinook Vicary in late 2020, were analysed, with coal quality and carbonization results confirming the occurrence of high quality low volatile Hard Coking Coal (HCC) at Chinook Vicary. Chinook Vicary coal attributes fit precisely in the specification range to be marketed as a "Premium Low Vol Hard Coking Coal". Working section clean coal composite produced high simulated plant yields with low ash: 9.1%; low volatile matter: 21.4%; low total sulphur: 0.48%; favourable rank (RoMax): 1.31%; and outstanding CSR: 70 The drilling at Chinook Vicary was within the conceptual open-cut pit shell areas designed during the Chinook Project Scoping Study. These drilling and coal quality results formed the basis of an update to the JORC Resource Estimate for Chinook Vicary, completed in Q3 2021.

Operations
In the period from January to December 2021 Montem encountered significant interruption to our business plan. A series of decisions by regulators in Alberta and Federally in Canada have impacted our business and put downward pressure on our share price. Nonetheless, the Directors believe our Canadian coal assets remain viable, and we have a viable business plan to prudently advance our projects while protecting the Company's value. Montem is working with both provincial and federal regulators to ascertain the correct pathway for re-starting the Tent Mountain Mine, and in November 2021 began the IAAC Federal review process for Tent Mountain. The Company also actively participated in in the provincial review of the Coal Policy undertaken by the Alberta Government. The Company hosted multiple site visits by regulators and the Alberta Coal Policy Review Committee.

Business planning
The Company has undertaken a review of our business strategy in response to the regulatory decisions in 2021, and early 2022.

The outcome of this is an updated business plan focusing on these areas:

- Continuing development of the Tent Mountain Mine;
- Alternate methods to protect and maximize value from Chinook Project and other development assets;
- Evaluating the transition of Tent Mountain to become a renewable energy complex; and
- Investigating potential acquisitions of active coking coal mines.

Alberta Legislation
In Alberta, coal projects are regulated by the Alberta Energy Regulator (AER) under the Environmental Protection and Enhancement Act (EPEA) and the Coal Conservation Act (CCA). The following Albertan environmental legislation apply to Montem Resources properties excluding the Tent Mountain Mine which retains an EPEA permit:

- Environmental Protection and Enhancement Act (EPEA)
- Coal Conservation Act
- Water Act
- Public Lands Act

On 2 August 2021, Montem announced it has completed a JORC Resource Estimate update for the Chinook Project. The coal Resource Estimate for the Chinook Project has increased by 23Mt to 172Mt (108Mt Indicated and 64Mt Inferred). The Chinook Project is made up of two areas, Chinook Vicary and Chinook South. Along with the 172Mt coal Resource Estimate, the Project also contains a coal Exploration Target Estimate of an additional 125Mt to 450Mt at Chinook Vicary.

On 4 March 2022, the Alberta Government announced a new Ministerial Order pausing coal development for all coal projects in Alberta except for advanced projects. The Tent Mountain Mine re-start project qualifies as an advanced project and is able to continue with the regulatory process for mine permitting. The Chinook Project does not qualify as an advanced project, and all work on the project is suspended pending new information on the Coal Policy from the Alberta Government.

The Government of Alberta has indicated that, in the coming months, additional clarity regarding land use and coal activities will be made apparent by an update to Alberta's Eastern Slopes policy, that will incorporate the Alberta 1976 Coal Development Policy land categories, and through the development of new regional, sub-regional or issue-specific plans. Pending that update, the moratorium on exploration and development activities that previously affected only Category 2 lands has been extended to include all land categories with the exception of advanced coal projects (e.g. the Tent Mountain Mine). For that reason, Montem must wait for the release of the Government's updated policies and plans before conducting further exploration and development activities at its other Alberta coal projects, including the Chinook Project.

The Chinook Project lies within the South Saskatchewan Regional Plan ("**SSRP**") which was established in 2014. This is one of two Land-Use Framework Regional Plans ("**LUFRP**") Alberta has completed to date. The LUFRP set out the approach to managing Alberta's land and natural resources to achieve Alberta's long-term economic, environmental and social goals.

The SSRP addressed coal development, particularly the opportunity for responsible development:

“The Government of Alberta is continuing to explore development opportunities for our abundant coal deposits. Given the current and anticipated future global demand for coal, particularly from Asian markets, maintaining opportunities for responsible development of coal resources is important to the region and the province.”

“Ensuring opportunities for coal exploration and development in the region will create economic diversification opportunities and export markets for Alberta coal and mineral resources and will result in increased employment in the region.”

(p.14 South Saskatchewan Regional Plan)

A clear objective of the SSRP implementation plan was to establish and protect opportunities for responsible exploration, development and extraction of energy resources. Of particular note, within the SSRP is the identification of special status for freehold mineral rights. Within Montem’s estimated coal resources, there are over 100Mt (Indicated and Inferred JORC resource) which lie within freehold tenements.

The SSRP identifies the need to maintain the ability for freehold mineral right holders to access their resource.

(Energy) Strategies:

1.7. Ensure rules regarding access to energy and processing and transportation of energy resources are clear and ensure economic development opportunities are appropriately considered against other land uses and values.

1.8. Maintain physical access to freehold (that is, privately owned) petroleum and natural gas, coal and minerals.

(p.47 South Saskatchewan Regional Plan)

In addition, the plan also states that freehold coal rights are exempt from the restrictions associated with any part of the plan *(p.204 South Saskatchewan Regional Plan)*.

The current SSRP is to be reviewed before it expires in 2024, and Montem is eager to work with regulators to ensure that existing goals of the SSRP regarding responsible resource development are maintained, and that freehold coal rights continue to be explicitly recognised as exempt from the plan.

As Montem owns substantial steelmaking coal resources in Alberta held as “fee simple” through our Freehold Mineral Rights, we are now investigating ways to access this coal.

Canadian Federal Legislation
Coal mining is typically an activity that requires the preparation and submission of an Impact Assessment report as per the Canadian Federal Impact Assessment Act of 2019 (Act) and as established on a project by project basis by the Physical Activities Regulation of that Act. Greenfield coal mine projects, including the Chinook Project, are generally subject to an Impact Assessment according to the Physical Activities Regulations.

In June 2021, the Federal Minister of Environment and Climate Change, the Honourable Jonathan Wilkinson, designated the Tent Mountain Redevelopment Project for Federal review under the Act. He took into account that the Project may cause adverse effects to the transboundary environments, indigenous peoples and fish and fish habitat, given the uncertainty related to the effectiveness of proposed measures to avoid deposition of selenium and other deleterious substances. Minister Wilkinson also took into consideration public concerns related to these potential effects and the context that the entire Project is not captured in a single provincial assessment. Subsequently, the Company is working their way through the Federal review process.

Significant changes in the state of affairs
On 26 February 2021, the Company issued 30,394,021 ordinary shares at $0.17 per share, raising $5,166,984 (before transaction costs) by way of share placement to sophisticated and professional investors.

On 29 March 2021, the Company issued 1,176,475 ordinary shares at $0.17 per share, raising $200,000 (before transaction costs) by way of share placement to sophisticated and professional investors.

On 28 May 2021, the Company issued 1,692,606 Options over ordinary shares to the directors of the Company, following shareholder approval at the Annual General Meeting held on 30 April 2021, with following terms:

- 564,203 Options with exercise price of $0.31, which were vested on issue and expire on 28 May 2026
- 564,203 Options with exercise price of $0.37, which will vest on 28 May 2022 and expire on 28 May 2026
- 564,203 Options with exercise price of $0.50, which will vest on 28 May 2023 and expire on 28 May 2026

On 30 June 2021, 150,000 Performance Rights over ordinary shares and 750,000 Options over ordinary shares were forfeited as the conditions attached with these securities have not been, or have become incapable of being, satisfied.

During July and August 2021, 1,181,810 Performance Rights over ordinary shares were forfeited as the conditions attached with these securities have not been, or have become incapable of being, satisfied.

On 18 October 2021, the Consolidated Entity announced that it is transitioning the Tent Mountain Project in Alberta, Canada to Renewable Energy Complex aiming to produce Green Hydrogen. The Tent Mountain Renewable Energy Complex will integrate wind and hydropower to produce green hydrogen at Tent Mountain. Further detail is included under the Review of Operations.

On 24 December 2021, the Company issued 55,608,150 ordinary shares at $0.051 (0.51 cents) per share, raising $2,836,016 (before transaction costs) by way of share placement to sophisticated and professional investors to advance the TM-REX feasibility studies and working capital. In addition, the Company will issue a further 2,941,176 shares for $150,000 to Chairman Mark Lochtenberg following shareholder approval at the General Meeting held on 17 March 2022.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

Matters subsequent to the end of the financial year
On 7 March 2022, the Company announced that it has reviewed the Coal Policy Committee (“Committee”) reports and recommendations, and the accompanying Ministerial Order, following the Committee’s review of the Alberta 1976 Coal Development Policy, as released by the government of Alberta on 4 March 2022. As a result of the Committee’s recommendations, the Alberta Government has designated Montem’s Tent Mountain Mine an advanced coal project. Alberta’s advanced coal projects are unaffected by the Ministerial Order’s additional exploration and development restrictions implemented as a result of the Committee’s recommendations. The Company confirmed that it will continue to advance Tent Mountain through the Federal and Provincial permitting processes.

The Chinook Project, and other development assets in Alberta do not qualify as advanced assets, and hence all activities on the Chinook Project and other Alberta coal assets is suspended pending additional information from the Alberta Government.

As the Company owns significant steelmaking coal resources as Freehold Mineral Rights in Alberta the Company continues to investigate alternate means of accessing these assets.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Likely developments and expected results of operations
The Company continues to advance two parallel strategies for developing Tent Mountain:
1. restart of the existing coal mine;
2. transition of the existing coal mine to a renewable energy complex (“TM-REX”).

The Company intends to continue with permitting activities for the re-start of the Tent Mountain Mine.

Work on TM-REX will continue for the remainder of the first half of 2022 until the economic analysis of TM-REX is available, at which point the investment potential of both development pathways can be compared.

Competent persons statement

Scoping Study

The information contained in this report relates to information compiled or reviewed by Mr Gregory Eisenmenger who is a Member of the Australasian Institute of Mining and Metallurgy (304702). Gregory is Executive Consultant at RPMGlobal. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Results, Mineral Resources and Ore Reserves. Mr Eisenmenger consents to the inclusion of the information disclosed by the Company in the form in which it appears. Neither Mr Eisenmenger nor RPMGlobal have a direct or indirect financial interest in, or association with Montem Resources Limited, the properties and tenements reviewed in this statement, apart from standard contractual arrangements for the preparation of this report and other previous independent consulting work. In preparing this Scoping Study RPMGlobal has been paid a fee for time expended on this report. The present and past arrangements for services rendered to Montem Resources do not in any way compromise the independence of RPMGlobal.

Exploration Results

The information in this release that relates to 2021 Mineral Resource Estimates for the Vicary Domain of the Chinook Project is based on, and fairly represents, information and supporting documentation prepared by Mr. Shaun Tamplin, an employee of Tamplin Resources Pty Ltd (Tamplin Resources) and a member of the Australasian Institute of Mining and Metallurgy (No. 228544). Mr. Tamplin has sufficient experience (20+ years) of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Tamplin consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

The information in this release that relates to the 2020 Coal Quality, Mineral Resource Estimates and Exploration Target Estimates at the Chinook Project are extracted from the report; “Coal Resources for the Chinook Project Alberta, Canada, April 9, 2020”. This document was prepared by Dahrouge Geological Consulting Ltd. and lodged with the ASX on 31 July 2020 and is available to view on the Company’s website www.montem-resources.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Forward looking statements

This annual report includes certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the Company or not currently considered material by the Company.

Environment, Health and Safety

The Company’s Board believes that all workplace injuries are avoidable. To that end, Montem has adopted an overall environmental, health and safety policy. The detailed policies and procedures were written with the assistance of third-party expertise in the development of such policies for coal mining in Alberta and British Columbia.

The Company conducts its operations in compliance with the relevant Albertan regulations for occupational health and safety for coal mining. The Company has recorded no Loss Time Injuries and continues to operate without a Loss Time Injury since inception.

Directors address Health, Safety and Environment issues at each Board meeting and are satisfied that there were no reported Lost Time Injuries or environmental incidents during the period.

Exploration and development activities require a variety of regulatory approvals as detailed in the applicable regulatory regime, including environment plans, safety procedures and the preparation of plans to manage the undertaking of the activities and the contractors engaged in undertaking such activities.

Information on Directors

Name:	Mark Lochtenberg
Title:	Chairman and Non-executive Director
Qualifications:	LLB (Hons)
Experience and expertise:	Mr Lochtenberg graduated with a Bachelor of Law (Hons) degree from Liverpool University, U.K. and has been actively involved in the coal industry for more than 30 years. Mr Lochtenberg is the former Executive Chairman and founding Managing Director of ASX-listed Baralaba Coal Company Limited (formerly Cockatoo Coal Limited). He was a principal architect of Cockatoo's inception and growth from an early-stage grassroots explorer through to an emerging mainstream coal producer. Mr Lochtenberg was also formerly 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. Prior to this Mr Lochtenberg established a coal "swaps" market for Bain Refco, (Deutsche Bank) after having served as a senior coal trader for Hansen Neuerburg AG and as coal marketing manager for Peko Wallsend Limited. Mr Lochtenberg has previously been a Director of ASX-listed Pacific American Coal Limited and Cumnock Coal Limited and of privately held United Collieries Pty Limited and is currently a Director of Australian Transport and Energy Corridor Pty Limited, (ATEC), ASX-listed Nickel Mines Limited Equus Mining Limited and Terracom Resources Limited.
Other current directorships:	Director, Equus Mining Limited, Nickel Mines Limited and Terracom Resources Limited.
Former directorships (last 3 years):	Nil
Special responsibilities:	Member of Audit and Risk Committee
Interests in shares:	8,782,154 ordinary shares
Interests in options:	350,194
Interests in rights:	525,097
Contractual rights to shares:	Nil

Name:	Peter Doyle
Title:	Managing Director and Chief Executive Officer
Qualifications:	BSc (Geol), MBA
Experience and expertise:	Mr Doyle is a geologist with 25 years coal industry experience. Mr Doyle has worked in roles in exploration, planning, development, production, and management. Previous positions include VP Marketing and Business Development at Atrum Coal Ltd, Chief Operating Officer at Cockatoo Coal Ltd, VP Coal at Wood Mackenzie and Project Manager at Glencore (Xstrata Coal). 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 was previously a Director at Wiggins Island Coal Terminal, and at ATEC Rail Group. 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 MBA from Newcastle University.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	3,569,728 ordinary shares
Interests in options:	2,088,278
Interests in rights:	3,200,389
Contractual rights to shares:	Nil

Name:	Mr Robert Tindall
Title:	Non-executive Director
Qualifications:	BA, M.Tax
Experience and expertise:	Mr Tindall has over 25 years of resources and finance experience and is the founder of Montem Resources. Mr Tindall has been the founder of several resource companies including being the Co-Founder and Chairman of Origins, a bulk soft commodities business. Mr Tindall was previously the CEO of Transatlantic Mining Corporation. He is the principal of GTG Corporate and has extensive experience in funding a number of resource projects globally including coal projects in Australia. Mr Tindall holds a Bachelor of Arts and a Master of Taxation Degree and is a Fellow of the Australian Institute of Company Directors.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Member of Remuneration and Nomination Committee
Interests in shares:	13,936,864 ordinary shares
Interests in options:	933,852
Interests in rights:	716,926
Contractual rights to shares:	Nil

Name:	Ms Susie Henderson
Title:	Non-executive Director
Qualifications:	BBus (Acct), CPA, GAICD.
Experience and expertise:	Ms Henderson is a management consultant with focus on infrastructure and mining. Ms Henderson is currently President North America for GHD Advisory, a global consulting firm. Ms Henderson has over 20 years global experience in the field and is highly respected for her strong strategic positioning skills and has a background in operational and financial audit. Ms Henderson is also currently a committee member on the Global GHD Board finance committee Previous roles include GM – Strategic Infrastructure and Government Relations at Macarthur Coal Ltd, Executive Management with Aurizon (Coal) and Project Development Manager with London Underground. Ms Henderson has worked across a wide range of industries and across a variety of jurisdictions in Canada, the United States, Latin America, Southeast Asia, England and Australia. Ms Henderson's areas of focus include government, mining/ resources, infrastructure/ logistics and energy. 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.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Chair of Audit and Risk Committee and Member of Remuneration and Nomination Committee
Interests in shares:	368,431 fully paid ordinary shares
Interests in options:	350,194
Interests in rights:	425,097
Contractual rights to shares:	Nil

Name:	Mr William Souter
Title:	Non-executive Director
Qualifications:	BCom, LLB (Adel), IPAA, Admitted to the Supreme Court of NSW, GAICD
Experience and expertise:	Mr Souter is a lawyer and investment banker with extensive global transaction and fundraising experience, particularly in the resource sector. Mr Souter was previously Executive Director at RFC Ambrian and currently CFO at Atomo Diagnostics. Prior roles of Mr Souter include as a Director at PricewaterhouseCoopers, and at Minter Ellison Lawyers.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Chair of Remuneration and Nomination Committee and Member of Audit and Risk Committee
Interests in shares:	341,763 ordinary shares
Interests in options:	350,194
Interests in rights:	425,097
Contractual rights to shares:	Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company Secretary

Melanie Leydin – BBus (Acc. Corp Law) CA FGIA
Ms Leydin holds a Bachelor of Business majoring in Accounting and Corporate Law. Ms Leydin is a member of the Institute of Chartered Accountants, Fellow of the Governance Institute of Australia and is a Registered Company Auditor. Ms Leydin graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and from February 2000 to October 2021 was the principal of Leydin Freyer. In November 2021 Vistra acquired Leydin Freyer and, Melanie is now Vistra Australia's Managing Director. Vistra is a prominent provider of specialised consulting and administrative services to clients in the Fund, Corporate, Capital Markets, and Private Wealth sectors.

Ms Leydin has over 25 years' experience in the accounting profession and over 15 years' experience holding Board positions including Company Secretary of ASX listed entities. She has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of companies, initial public offerings, secondary raisings and shareholder relations.

Meetings of Directors
The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2021, and the number of meetings attended by each Director were:

	Full Board		Audit and Risk		Remuneration and Nomination	
	Attended	Held	Attended	Held	Attended	Held
Robert Tindall	15	16	-	-	1	1
Peter Doyle	16	16	-	-	-	-
William Souter	15	16	7	7	1	1
Susie Henderson	15	16	7	7	1	1
Mark Lochtenberg	16	16	6	7	-	-

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Shares under option
Unissued ordinary shares of Montem Resources Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
12/01/2018	12/01/2023	$0.6300	1,086,667
12/01/2018	12/01/2023	$0.6300	649,805
12/01/2018	31/12/2023	$0.7500	649,806
12/01/2018	31/12/2024	$1.0000	649,806
31/01/2018	12/01/2023	$0.6300	233,463
31/01/2018	12/01/2023	$0.7500	233,463
31/01/2018	12/01/2023	$1.0000	161,832
06/04/2018	12/01/2023	$0.6300	116,732
06/04/2018	31/12/2023	$0.7500	116,732
06/04/2018	31/12/2024	$1.0000	116,730
08/07/2019	12/01/2023	$0.6300	58,366
08/07/2019	31/12/2023	$0.7500	58,366
08/07/2019	31/12/2024	$1.0000	58,365
24/09/2019	23/09/2022	$0.2500	1,000,000
24/09/2019	23/09/2022	$0.2500	375,000
28/05/2021	28/05/2026	$0.3100	564,203
28/05/2021	28/05/2026	$0.3700	564,203
28/05/2021	28/05/2026	$0.5000	564,200
			7,257,739

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares under performance rights
Unissued ordinary shares of Montem Resources Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
01/06/2018	01/06/2023	$0.0000	2,287,803
08/07/2019	01/06/2023	$0.0000	175,097
24/09/2019	30/06/2023	$0.0000	2,475,000
30/06/2020	01/06/2023	$0.0000	1,225,000
30/06/2020	30/06/2023	$0.0000	1,225,000
			7,387,900

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of Montem Resources Limited issued on the exercise of options during the year ended 31 December 2021 and up to the date of this report.

Shares issued on the exercise of performance rights
There were no ordinary shares of Montem Resources Limited issued on the exercise of performance rights during the year ended 31 December 2021 and up to the date of this report.

Indemnity and insurance of officers
The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor
William Buck continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors

Mark Lochtenberg
Chairman

29 March 2022

Remuneration report (audited)
The remuneration report details the Key Management Personnel remuneration arrangements for the Consolidated Entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to Key Management Personnel

Principles used to determine the nature and amount of remuneration
The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board'), through Remuneration and Nomination committee, ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board, through Remuneration and Nomination committee, is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Consolidated Entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

In consultation with external remuneration consultants (where appropriate), the Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Consolidated Entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- achieving project milestones, funding requirements and operational excellence as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of growth in share price (and potential future dividends), and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of Non-executive Director and Executive Director remuneration is separate.

Non-executive Director's remuneration
Fees and payments to Non-executive Directors reflect the demands and responsibilities of their role. Non-executive Directors' fees and payments are reviewed periodically by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure Non-executive Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of other Non-executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate Non-executive Directors' remuneration be determined periodically by a general meeting. The Non-executive Directors annual aggregate remuneration is $500,000 per annum as stipulated in the Constitution.

Executive remuneration
The Consolidated Entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the Executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the Consolidated Entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Consolidated Entity and provides additional value to the executive.

The short-term incentives ('STI') are payable to Executives based upon the attainment of agreed corporate and individual milestones and are reviewed and approved by the Board of Directors.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders' value relative to the entire market and the increase compared to the Consolidated Entity's direct competitors. The Board reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 2020.

Consolidated Entity's performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the Consolidated Entity. A portion of cash bonus and incentive payments are dependent on achieving defined project related milestones, funding targets and other targets deemed appropriate by the Board. The remaining portion of the cash bonus and incentive payments may be at the discretion of the Board.

The Board is of the opinion that the continued success of the Consolidated Entity over the last few years can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

Use of remuneration consultants
The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure Non-executive Directors' fees and payments are appropriate and in line with the market. An agreed set of protocols were put in place to ensure that the remuneration recommendations would be free from undue influence from key management personnel. The Remuneration and Nomination Committee did not use the services of a remuneration consultant during the year.

Details of remuneration

Amounts of remuneration

Details of the remuneration of Key Management Personnel of the Consolidated Entity are set out in the following tables.

The Key Management Personnel of the Consolidated Entity consisted of the following Directors of Montem Resources Limited:

- Mark Lochtenberg, Chairman and Non-executive Director
- Peter Doyle, Managing Director and CEO
- Robert Tindall, Non-executive Director
- Susie Henderson, Non-executive Director
- William Souter, Non-executive Director

And the following persons:

- Robert Bell, Chief Commercial Officer
- Melanie Leydin, Chief Financial Officer and Company Secretary

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
31 December 2021	**Cash salary and fees $**	**Annual leave (i) $**	**Bonus $**	**Super-annuation $**	**Long service leave $**	**Equity-settled (v) $**	**Total $**
Non-Executive Directors:							
Mark Lochtenberg	91,117	-	-	8,883	-	(11,936)	88,064
Robert Tindall	60,000	-	-	-	-	12,733	72,733
Susie Henderson	45,000	-	-	-	-	4,775	49,775
William Souter	45,000	-	-	-	-	4,775	49,775
Executive Directors:							
Peter Doyle (ii)	507,019	11,669	-	68,256	-	(141,110)	445,834
Other Key Management Personnel:							
Robert Bell (iii)	299,717	(6,887)	-	10,262	-	(81,209)	221,883
Melanie Leydin (iv)	129,890	-	-	-	-	-	129,890
	1,177,743	4,782	-	87,401	-	(211,972)	1,057,954

(i) *Annual leave amounts represent the movements in the carried forward accrued annual leave balances for executives compared to the previous financial year.*

(ii) *Mr Peter Doyle's remuneration includes salaries amounting to CAD 476,342 and Company's contribution towards employment insurance amounting to CAD 1,245. Post-employment benefits includes both current and prior year contributions towards Registered Retirement Savings Plan (RRSP).*

(iii) *Mr Robert Bell's remuneration includes salaries amounting to CAD 281,073 and Company's contribution towards employment insurance amounting to CAD 1,245. Mr Robert Bell became a part time employee during the year 2020. Post-employment benefits includes both current and prior year contributions towards Registered Retirement Savings Plan (RRSP).*

(iv) *The Company paid $129,890 for accounting and corporate secretarial services from an entity controlled by Ms Melanie Leydin, during her term as Chief Financial Officer. All transactions were made on normal commercial terms and conditions and at market rates.*

(v) *Equity settled share based payment represent the fair value of Share Options and Performance Rights (equity instruments) issued to Key Management Personnel during the current and previous financial periods. These equity instruments are recognised in the financial statements as per the requirements of AASB 2 Share-based Payment (AASB2). Equity instruments which were lapsed, forfeiture or assessed not to be satisfying the conditions are reversed according to AASB 2. Negative amounts represent amounts reversed in the financial statements in relation to equity instruments lapsed, forfeiture or assessed not to be satisfying the conditions during the period.*

31 December 2020	Short-term benefits Cash salary and fees $	Annual leave $	Bonus $	Post-employment benefits Super-annuation $	Long-term benefits Long service leave $	Share-based payments Equity-settled(v) $	Total $
Non-Executive Directors:							
Mark Lochtenberg	46,285	-	-	4,397	-	41,866	92,548
Robert Tindall	60,000	-	-	-	-	90,761	150,761
Susie Henderson	34,375	-	-	-	-	44,130	78,505
William Souter	34,375	-	-	-	-	44,130	78,505
Robert Yeates (i)	14,743	-	-	-	-	(125,215)	(110,472)
Executive Directors:							
Peter Doyle	501,430	27,481	48,297	3,043	-	337,027	917,278
Other Key Management Personnel:							
Robert Bell (ii)	282,559	22,973	-	3,043	-	164,128	472,703
Alan Ahlgren (iii)	106,968	-	-	-	-	-	106,968
Melanie Leydin (iv)	13,350	-	-	-	-	-	13,350
	1,094,085	50,454	48,297	10,483	-	596,827	1,800,146

(i) *Mr Robert Yeates, was a former director, who ceased employment with the Company in February 2020.*
(ii) *Mr Robert Bell became a part time employee during the year 2020.*
(iii) *Mr Alan Ahlgren resigned on 2 November 2020.*
(iv) *The Consolidated Entity paid $13,350 for accounting and corporate secretarial services from an entity controlled by Ms Melanie Leydin, during her term as Chief Financial Officer. All transactions were made on normal commercial terms and conditions and at market rates.*
(v) *Equity settled share based payment represent the fair value of Share Options and Performance Rights (equity instruments) issued to Key Management Personnel during the current and previous financial periods. These equity instruments are recognised in the financial statements as per the requirements of AASB 2 Share-based Payment (AASB2). Equity instruments which were lapsed, forfeiture or assessed not to be satisfying the conditions are reversed according to AASB 2. Negative amounts represent amounts reversed in the financial statements in relation to equity instruments lapsed, forfeiture or assessed not to be satisfying the conditions during the period.*

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		**At risk - STI**		**At risk - LTI**	
Name	**31 December 2021**	**31 December 2020**	**31 December 2021**	**31 December 2020**	**31 December 2021**	**31 December 2020**
Non-Executive Directors:						
Mark Lochtenberg	114%	77%	-	-	(14%)	23%
Robert Tindall	82%	49%	-	-	18%	51%
Susie Henderson	90%	58%	-	-	10%	42%
William Souter	90%	50%	-	-	10%	50%
Robert Yeates	-	13%	-	-	-	(113%)
Executive Directors:						
Peter Doyle	137%	63%	-	6%	(37%)	31%
Other Key Management Personnel:						
Robert Bell	138%	67%	-	-	(38%)	33%
Alan Ahlgren	-	100%	-	-	-	-
Melanie Leydin	100%	100%	-	-	-	-

Service agreements

Remuneration and other terms of employment for key Management Personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Peter Doyle
Title:	Managing Director and CEO
Agreement commenced:	1 June 2018
Term of agreement:	Ongoing
Details:	Annual salary of CAD 475,000 excluding statutory and other required deductions. Mr Peter Doyle's employment agreement is for an indefinite term, continuing until terminated by either the Company or Mr Peter Doyle. Mr Peter 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 Peter Doyle with payment of 12 months of total fixed remuneration.

Name:	Robert Bell
Title:	Chief Commercial Officer
Agreement commenced:	17 May 2018
Term of agreement:	Ongoing
Details:	Annual salary of CAD 350,000 less statutory and other required deductions. Mr Robert Bell 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 by providing Mr Robert Bell with payment of 12 months of total fixed remuneration. Mr Robert Bell became a part time employee during the year 2020.

Name:	Melanie Leydin
Title:	Company Secretary and Chief Financial Officer
Agreement commenced:	2 November 2020
Term of agreement:	Ms Melanie Leydin's services as the Chief Financial Officer for the Company are provided under a consulting services agreement between the Company and Vistra Australia (Melbourne) Pty Ltd (formerly Leydin Freyer Corp Pty Ltd). In consideration for performing the services, the Company pays an hourly rate of $300 per hour.

Key Management Personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no shares issued to Directors and other Key Management Personnel as part of compensation during the year ended 31 December 2021.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other Key Management Personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Peter Doyle	233,463	12-Jan-18	12-Jan-18	12-Jan-23	$0.6300	$0.361
Peter Doyle	233,463	12-Jan-18	01-Jan-19	31-Dec-23	$0.7500	$0.374
Peter Doyle	233,463	12-Jan-18	01-Jan-20	31-Dec-24	$1.0000	$0.381
Robert Tindall	155,642	12-Jan-18	12-Jan-18	12-Jan-23	$0.6300	$0.361
Robert Tindall	155,642	12-Jan-18	01-Jan-19	31-Dec-23	$0.7500	$0.374
Robert Tindall	155,642	12-Jan-18	01-Jan-20	31-Dec-24	$1.0000	$0.381
Robert Bell	175,097	12-Jan-18	12-Jan-18	12-Jan-23	$0.6300	$0.361
Robert Bell	175,097	12-Jan-18	01-Jan-19	31-Dec-23	$0.7500	$0.374
Robert Bell	175,097	12-Jan-18	01-Jan-20	31-Dec-24	$1.0000	$0.381
William Souter	58,366	06-Apr-18	06-Apr-18	12-Jan-23	$0.6300	$0.355
William Souter	58,366	06-Apr-18	01-Jan-19	31-Dec-23	$0.7500	$0.368
William Souter	58,365	06-Apr-18	01-Jan-20	31-Dec-24	$1.0000	$0.374
Susie Henderson	58,366	06-Apr-18	06-Apr-18	12-Jan-23	$0.6300	$0.355
Susie Henderson	58,366	06-Apr-18	01-Jan-19	31-Dec-23	$0.7500	$0.368
Susie Henderson	58,365	06-Apr-18	01-Jan-20	31-Dec-24	$1.0000	$0.374
Mark Lochtenberg	58,366	08-Jul-19	08-Jul-19	12-Jan-23	$0.6300	$0.099
Mark Lochtenberg	58,366	08-Jul-19	01-Jan-20	31-Dec-23	$0.7500	$0.106
Mark Lochtenberg	58,365	08-Jul-19	01-Jan-21	31-Dec-24	$1.0000	$0.111
Peter Doyle	375,000	24-Sep-19	01-Apr-20	23-Sep-22	$0.2500	$0.129
Peter Doyle	125,000	24-Sep-19	01-Apr-20	23-Sep-22	$0.2500	$0.129
Peter Doyle	187,500	24-Sep-19	30-Jun-20	23-Sep-22	$0.2500	$0.133
Robert Bell	150,000	24-Sep-19	01-Apr-20	23-Sep-22	$0.2500	$0.129
Robert Bell	75,000	24-Sep-19	01-Apr-20	23-Sep-22	$0.2500	$0.129
Robert Bell	87,500	24-Sep-19	30-Jun-20	23-Sep-22	$0.2500	$0.133
Mark Lochtenberg	58,366	28-May-21	28-May-21	28-May-26	$0.3100	$0.045
Mark Lochtenberg	58,366	28-May-21	28-May-22	28-May-26	$0.3700	$0.042
Mark Lochtenberg	58,365	28-May-21	28-May-23	28-May-26	$0.5000	$0.038
Peter Doyle	233,463	28-May-21	28-May-21	28-May-26	$0.3100	$0.045
Peter Doyle	233,463	28-May-21	28-May-22	28-May-26	$0.3700	$0.042
Peter Doyle	233,463	28-May-21	28-May-23	28-May-26	$0.5000	$0.038
Robert Tindall	155,642	28-May-21	28-May-21	28-May-26	$0.3100	$0.045
Robert Tindall	155,642	28-May-21	28-May-22	28-May-26	$0.3700	$0.042
Robert Tindall	155,642	28-May-21	28-May-23	28-May-26	$0.5000	$0.038
Susie Henderson	58,366	28-May-21	28-May-21	28-May-26	$0.3100	$0.045
Susie Henderson	58,366	28-May-21	28-May-22	28-May-26	$0.3700	$0.042
Susie Henderson	58,365	28-May-21	28-May-23	28-May-26	$0.5000	$0.038
William Souter	58,366	28-May-21	28-May-21	28-May-26	$0.3100	$0.045
William Souter	58,366	28-May-21	28-May-22	28-May-26	$0.3700	$0.042
William Souter	58,365	28-May-21	28-May-23	28-May-26	$0.5000	$0.038

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by Directors and other Key Management Personnel as part of compensation during the year ended 31 December 2021 are set out below:

Name	Number of options granted during the year 31 December 2021	Number of options granted during the year 31 December 2020	Number of options vested during the year 31 December 2021	Number of options vested during the year 31 December 2020
Mark Lochtenberg	175,097	-	116,731	58,365
Peter Doyle	700,389	-	233,463	920,963
Robert Bell	-	-	-	487,597
Robert Tindall	466,926	-	155,642	155,642
Susie Henderson	175,097	-	58,366	58,365
William Souter	175,097	-	58,366	58,365
Robert Yeates*	-	-	-	233,463

* *Mr Robert Yeates, was a former director, who ceased employment with the Company in February 2020.*

Values of options over ordinary shares granted, exercised and lapsed for Directors and other Key Management Personnel as part of compensation during the year ended 31 December 2021 are set out below:

Name	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $
Peter Doyle	19,100	-	(33,119)
Robert Tindall	12,733	-	-
Robert Bell	-	-	(17,663)
Susie Henderson	4,775	-	-
William Souter	4,775	-	-
Mark Lochtenberg	4,775	-	-

Performance rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of Directors and other Key Management Personnel in this financial year or future reporting years are as follows:

Name	Number of rights granted	Grant date	Vesting date and exercisable date	Expiry date	Fair value per right at grant date
Mark Lochtenberg	175,097	08-Jul-19	01-Jun-23	01-Jun-23	$0.250
Mark Lochtenberg	175,000	30-Jun-20	30-Jun-23	30-Jun-23	$0.150
Mark Lochtenberg	175,000	30-Jun-20	01-Jun-23	01-Jun-23	$0.150
Peter Doyle	700,389	01-Jun-18	30-Sep-20	01-Jun-23	$0.500
Peter Doyle	1,500,000	24-Sep-19	30-Jun-23	30-Jun-23	$0.250
Peter Doyle	500,000	30-Jun-20	30-Jun-23	30-Jun-23	$0.150
Peter Doyle	500,000	30-Jun-20	01-Jun-23	01-Jun-23	$0.150
Robert Bell	525,292	01-Jun-18	30-Sep-20	01-Jun-23	$0.500
Robert Bell	750,000	24-Sep-19	30-Jun-23	30-Jun-23	$0.250
Robert Bell	100,000	30-Jun-20	30-Jun-23	30-Jun-23	$0.150
Robert Bell	100,000	30-Jun-20	01-Jun-23	01-Jun-23	$0.150
Robert Tindall	466,926	01-Jun-18	30-Sep-20	01-Jun-23	$0.500
Robert Tindall	125,000	30-Jun-20	30-Jun-23	30-Jun-23	$0.150
Robert Tindall	125,000	30-Jun-20	01-Jun-23	01-Jun-23	$0.150
Susie Henderson	175,097	01-Jun-18	30-Sep-20	01-Jun-23	$0.500
Susie Henderson	125,000	30-Jun-20	30-Jun-23	30-Jun-23	$0.150
Susie Henderson	125,000	30-Jun-20	01-Jun-23	01-Jun-23	$0.150
William Souter	175,097	01-Jun-18	30-Sep-20	01-Jun-23	$0.500
William Souter	125,000	30-Jun-20	30-Jun-23	30-Jun-23	$0.150
William Souter	125,000	30-Jun-20	01-Jun-23	01-Jun-23	$0.150

Performance rights granted carry no dividend or voting rights.

The number of performance rights over ordinary shares granted to and vested by Directors and other Key Management Personnel as part of compensation during the year ended 31 December 2020 are set out below:

Name	Number of rights granted during the year 31 December 2021	Number of rights granted during the year 31 December 2020	Number of rights vested during the year 31 December 2021	Number of rights vested during the year 31 December 2020
Mark Lochtenberg	-	350,000	-	-
Peter Doyle	-	1,000,000	-	700,389
Robert Bell	-	200,000	-	525,292
Robert Tindall	-	250,000	-	466,926
Susie Henderson	-	250,000	-	175,097
William Souter	-	250,000	-	175,097
Robert Yeates*	-	-	-	245,002

Additional disclosures relating to Key Management Personnel

Shareholding
The number of shares in the Company held during the financial year by each Director and other members of Key Management Personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Disposals	Other	Balance at the end of the year
Ordinary shares					
Mark Lochtenberg	8,782,154	-	-	-	8,782,154
Peter Doyle	3,569,728	-	-	-	3,569,728
Robert Tindall	13,936,864	-	-	-	13,936,864
Susie Henderson	368,431	-	-	-	368,431
William Souter	341,763	-	-	-	341,763
	26,998,940	-	-	-	26,998,940

Option holding
The number of options over ordinary shares in the Company held during the financial year by each Director and other members of Key Management Personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Forfeited	Balance at the end of the year
Options over ordinary shares					
Peter Doyle	1,762,889	700,389	-	(375,000)	2,088,278
Robert Tindall	466,926	466,926	-	-	933,852
Robert Bell	1,037,791	-	-	(200,000)	837,791
Susie Henderson	175,097	175,097	-	-	350,194
William Souter	175,097	175,097	-	-	350,194
Mark Lochtenberg	175,097	175,097	-	-	350,194
	3,792,897	1,692,606	-	(575,000)	4,910,503

Performance rights holding
The number of performance rights over ordinary shares in the Company held during the financial year by each Director and other members of Key Management Personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Forfeited	Balance at the end of the year
Performance rights over ordinary shares					
Peter Doyle	3,200,389	-	-	-	3,200,389
Robert Tindall	716,926	-	-	-	716,926
Robert Bell	1,475,292	-	-	-	1,475,292
William Souter	425,097	-	-	-	425,097
Susie Henderson	425,097	-	-	-	425,097
Mark Lochtenberg	525,097	-	-	-	525,097
	6,767,898	-	-	-	6,767,898

This concludes the remuneration report, which has been audited.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 19 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in Note 19 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of William Buck

There are no officers of the Company who are former partners of William Buck.

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE MEMBERS OF MONTEM RESOURCES LIMITED

I declare that, to the best of my knowledge and belief during the year ended 31 December 2021 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

N. S. Benbow
Director

Dated this 29th March 2022

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Montem Resources Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2021

	Note	Consolidated 31 December 2021 $	31 December 2020 $
Other income			
Other income		159,191	-
Expenses			
Employee benefits expense	5	(727,453)	(1,633,181)
Professional fees		(476,447)	(203,598)
Marketing and business development		(420,612)	(114,493)
Corporate expenses	5	(2,122,475)	(1,044,682)
Impairment of exploration and evaluation assets	5	(10,416,991)	-
Depreciation charges	5	(42,719)	(37,796)
Financing costs	5	(8,133)	(377,330)
Loss before income tax expense		(14,055,639)	(3,411,080)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of Montem Resources Limited		(14,055,639)	(3,411,080)
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss net of tax			
Foreign currency translation		1,503,808	(1,294,358)
Other comprehensive income / (loss) for the year, net of tax		1,503,808	(1,294,358)
Total comprehensive loss for the year attributable to the owners of Montem Resources Limited		(12,551,831)	(4,705,438)
		Cents	**Cents**
Basic earnings per share	24	(6.10)	(2.24)
Diluted earnings per share	24	(6.10)	(2.24)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 31 December 2021 $	31 December 2020 $
Assets			
Current assets			
Cash and cash equivalents	6	3,803,727	3,434,480
Trade and other receivables		65,559	104,946
Deposits and advances	7	8,567	33,117
Prepayments		-	32,059
Total current assets		3,877,853	3,604,602
Non-current assets			
Receivables		-	5,103
Plant and equipment	8	720,371	707,730
Right-of-use assets	9	134,774	208,576
Exploration and evaluation	10	13,680,104	19,561,890
Non-current deposits		191,246	350,831
Total non-current assets		14,726,495	20,834,130
Total assets		18,604,348	24,438,732
Liabilities			
Current liabilities			
Trade and other payables	11	412,783	845,348
Borrowings		43,455	-
Lease liability	12	70,772	116,144
Employee benefits		152,964	191,192
Total current liabilities		679,974	1,152,684
Non-current liabilities			
Borrowings		-	40,671
Lease liabilities	12	72,001	109,017
Total non-current liabilities		72,001	149,688
Total liabilities		751,975	1,302,372
Net assets		17,852,373	23,136,360
Equity			
Issued capital	13	45,054,400	37,313,701
Reserves		3,779,729	2,748,777
Accumulated losses		(30,981,756)	(16,926,118)
Total equity		17,852,373	23,136,360

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

Consolidated	Issued capital $	Foreign currency translation reserve $	Share based payments reserve $	Accumulated losses $	Total equity $
Balance at 1 January 2020	22,430,473	472,385	3,213,449	(13,952,061)	12,164,246
Loss after income tax expense for the year	-	-	-	(3,411,080)	(3,411,080)
Other comprehensive loss for the year, net of tax	-	(1,294,358)	-	-	(1,294,358)
Total comprehensive loss for the year	-	(1,294,358)	-	(3,411,080)	(4,705,438)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 13)	14,883,228	-	-	-	14,883,228
Share-based payments (note 25)	-	-	794,324	-	794,324
Share options and rights lapsed	-	-	(437,023)	437,023	-
Balance at 31 December 2020	37,313,701	(821,973)	3,570,750	(16,926,118)	23,136,360

Consolidated	Issued capital $	Foreign currency translation reserve $	Share based payments reserve $	Accumulated losses $	Total equity $
Balance at 1 January 2021	37,313,701	(821,973)	3,570,750	(16,926,118)	23,136,360
Loss after income tax expense for the year	-	-	-	(14,055,639)	(14,055,639)
Other comprehensive income for the year, net of tax	-	1,503,808	-	-	1,503,808
Total comprehensive income / (loss) for the year	-	1,503,808	-	(14,055,639)	(12,551,831)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 13)	7,740,699	-	-	-	7,740,699
Share-based payments (note 25)	-	-	47,704	-	47,704
Share options and rights lapsed (note 25)	-	-	(520,559)	-	(520,559)
Balance at 31 December 2021	45,054,400	681,835	3,097,895	(30,981,757)	17,852,373

The above statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 31 December 2021 $	31 December 2020 $
Cash flows from operating activities			
Payments to suppliers and employees		(2,969,325)	(1,709,927)
Payment for initial set-up and consulting work TM-REX		(305,904)	-
		(3,275,229)	(1,709,927)
Interest and other finance costs paid		(8,133)	(13,861)
Net cash used in operating activities	23	(3,283,362)	(1,723,788)
Cash flows from investing activities			
Payments for property, plant and equipment		(16,033)	(41,701)
Payments for exploration and evaluation		(3,357,428)	(6,004,568)
Payments for security deposits		(302,967)	30,757
Payment for promissory note facility agreement	7	(409,724)	-
Proceeds from disposal of property, plant and equipment		132,225	-
Net cash used in investing activities		(3,953,927)	(6,015,512)
Cash flows from financing activities			
Proceeds from issue of shares	13	8,203,000	9,918,713
Share issue transaction costs		(457,821)	(689,581)
Proceeds from borrowings		-	901,907
Repayment of lease liabilities		(137,198)	(101,300)
Net cash from financing activities		7,607,981	10,029,739
Net increase in cash and cash equivalents		370,692	2,290,439
Cash and cash equivalents at the beginning of the financial year		3,434,480	1,430,751
Effects of exchange rate changes on cash and cash equivalents		(1,445)	(286,710)
Cash and cash equivalents at the end of the financial year	6	3,803,727	3,434,480

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

1. General information

The financial statements cover Montem Resources Limited as a Consolidated Entity consisting of Montem Resources Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Montem Resources Limited's functional and presentation currency.

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 23 March 2022. The Directors have the power to amend and reissue the financial statements.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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 $14,055,639 during the year ended 31 December 2021 and had net operating cash outflows of $3,283,362. As at 31 December 2021, the cash balance was $3,803,727 and net working capital surplus was $3,197,879.

On 26 February 2021, the Company issued 30,394,021 ordinary shares at $0.17 per share, raising $5,166,984 (before transaction costs) by way of share placement to sophisticated and professional investors.
On 29 March 2021, the Company issued 1,176,475 ordinary shares at $0.17 per share, raising $200,00 (before transaction costs) by way of share placement to sophisticated and professional investors.
On 24 December 2021, the Company issued 55,608,150 ordinary shares at $0.051 per share, raising $2,836,016 (before transaction costs) by way of share placement to sophisticated and professional investors.

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

- The Consolidated Entity has the ability to raise additional working capital through the issue of equity, as needed;
- The Consolidated Entity has a successful history in raising funds and is well supported by its major shareholders;
- If required, the Consolidated Entity has the ability to undertake either the full or partial sale of its existing tenement portfolio, enter into joint venture 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 Consolidated Entity. As a consequence of the above, the directors believe that, notwithstanding the Consolidated Entity's operating results for the year, the Consolidated Entity 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 Consolidated Entity not continue as a going concern.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

2. Significant accounting policies (continued)

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in Note 20.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Montem Resources Limited ('Company' or 'parent entity') as at 31 December 2021 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Montem Resources Limited's presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

2. Significant accounting policies (continued)

Interest
Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets
The Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Consolidated Entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

2. Significant accounting policies (continued)

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

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 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.

Operating segments
The sole segment of the Consolidated Entity is coal mining in Canada.

Earnings per share
Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of the consolidated entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share
Issued options and performance rights have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted earnings per share as they do not meet the requirements for inclusion in AASB 133 “Earnings per Share”. The options and performance rights are non-dilutive as the Consolidated Entity has generated a loss for the year.

3. 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 (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Consolidated Entity based on known information. This consideration extends to the nature of the services received, supply chain, staffing and geographic regions in which the Consolidated Entity operates. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Consolidated Entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

3. Critical accounting judgements, estimates and assumptions (continued)

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.

Any service or non-market performance condition is not reflected in the grant-date fair value of the share based payment. Among others, non-market performance conditions includes factors such as project milestones, production and quality targets. An estimate is made of the number of equity instruments for which the service and non-market performance conditions are expected to be satisfied. Subsequent to initial recognition and measurement, the estimate of the number of equity instruments for which the service and non-market performance conditions are expected to be satisfied is revised during the vesting period.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the expected credit loss, timing of cash flows and enforceability of the agreement terms.

Impairment of non-financial assets
The Consolidated Entity 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 Consolidated Entity 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. Consolidated Entity's exploration assets are integral part of the business and fair value less costs of disposal for these assets may determined based on the market capitalisation of the Consolidated Entity. Please refer to note 10 for further information on impairment assessment of exploration assets.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences and carry forward losses, only if the Consolidated Entity considers it is probable that future taxable amounts will be available to utilise those temporary differences.

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the Consolidated Entity 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.

4. Operating segments

Identification of reportable operating segments
AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about the components of the Consolidated Entity that are regularly reviewed by the chief decision maker in order to allocate resources to the segment and to assess its performance.

The Consolidated Entity is a steelmaking coal and renewable energy development company that owns and leases coal tenements and freehold land in the Canadian provinces of Alberta and British Columbia. During the year ending 31 December 2021 the principal continuing activities of the Company were the exploration and development of its two primary steelmaking coal projects, the Tent Mountain Mine Redevelopment Project and the Chinook Project, while in parallel evaluating the Tent Mountain Renewable Energy Complex (TM-REX).

Therefore, currently the Consolidated Entity's activities are classified as one operating segment.

4. Operating segments (continued)

Accounting policy for operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

5. Expenses

	Consolidated	
	31 December 2021 $	31 December 2020 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	7,532	2,994
Office lease right-of-use assets	35,187	34,803
Total depreciation	42,719	37,797
Impairment		
Exploration and evaluation (Note 10)	10,416,991	-
Finance costs		
Interest and finance charges paid/payable on borrowings	-	367,456
Interest and finance charges paid on lease liabilities	8,133	9,874
Finance costs expensed	8,133	377,330
Leases		
Short-term lease payments	-	15,070
Superannuation expense		
Defined contribution superannuation expense	13,511	2,169
Share-based payments expense		
Share-based payments expense net of amounts reversed during period (Note 25)	(263,937)	621,897
Write-off of assets and allowances for credit losses		
Allowance for promissory note facility agreement (Note 7)	409,724	-
Write-off of deposits on rail loadout property purchase option agreement (Note 18)	534,028	-

6. Current assets - cash and cash equivalents

	Consolidated	
	31 December 2021 $	31 December 2020 $
Cash at bank	3,803,727	3,434,480

Accounting policy for 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.

7. Current assets - deposits and advances

	Consolidated	
	31 December 2021 $	31 December 2020 $
Deposits and advances	8,567	33,117
Promissory note facility agreement	409,724	-
Allowance for promissory note facility agreement	(409,724)	-
	8,567	33,117

The Consolidated Entity entered into a promissory note facility agreement with a non-related third party during the year. This transaction is in dispute and the Consolidated Entity commencing legal proceedings to recover the amount. Conservatively, a full allowance for expected credit loss is recognised at 31 December 2021.

Accounting policy for deposits and advances
Deposits and advances are recognised at amortised cost, less any allowance for expected credit losses.

8. Non-current assets - plant and equipment

	Consolidated	
	31 December 2021 $	31 December 2020 $
Buildings - at cost	519,094	485,842
Less: Accumulated depreciation	(25,764)	(11,967)
	493,330	473,875
Motor vehicles	22,569	21,124
Less: Accumulated depreciation	(19,435)	(11,149)
	3,134	9,975
Computer equipment	46,225	27,660
Less: Accumulated depreciation	(13,003)	(4,956)
	33,222	22,704
Roads and bridges	162,425	152,021
Less: Accumulated depreciation	(20,303)	(3,801)
	142,122	148,220
Furniture and fixtures	64,144	60,035
Less: Accumulated depreciation	(15,581)	(7,079)
	48,563	52,956
	720,371	707,730

8. Non-current assets - plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Building $	Motor vehicles $	Computer equipment $	Roads and bridges $	Furniture and fixtures $	Total $
Balance at 1 January 2020	492,428	17,714	14,891	163,903	-	688,936
Additions	29,114	-	11,791	-	63,869	104,774
Exchange differences	(35,701)	(1,284)	(1,350)	(11,882)	(3,834)	(54,051)
Depreciation expense	(11,967)	(6,454)	(2,628)	(3,801)	(7,079)	(31,929)
Balance at 31 December 2020	473,874	9,976	22,704	148,220	52,956	707,730
Additions	-	-	16,292	-	-	16,292
Exchange differences	32,137	511	1,758	9,775	3,442	47,623
Depreciation expense	(12,682)	(7,352)	(7,532)	(15,873)	(7,835)	(51,274)
Balance at 31 December 2021	493,329	3,135	33,222	142,122	48,563	720,371

Accounting policy for property, plant and equipment
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 or declining balance 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 (Straight line basis)
Office furniture and fixtures	20% (Declining balance basis)
Buildings	40 years (Straight line basis)
Roads and bridges	10 years (Straight line basis)

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

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

9. Non-current assets - right-of-use assets

	Consolidated 31 December 2021 $	31 December 2020 $
Buildings - right-of-use	180,035	168,503
Less: Accumulated depreciation	(147,029)	(103,910)
	33,006	64,593
Motor vehicles - right-of-use	108,952	227,892
Less: Accumulated depreciation	(21,185)	(101,780)
	87,767	126,112
Office equipment - right-of-use	23,503	21,997
Less: Accumulated depreciation	(9,502)	(4,126)
	14,001	17,871
	134,774	208,576

9. Non-current assets - right-of-use assets (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Buildings $	Motor vehicles $	Office equipment $	Total $
Balance at 1 January 2020	105,976	133,669	-	239,645
Additions	-	73,988	21,997	95,985
Exchange differences	(7,682)	(9,691)	-	(17,373)
Depreciation expense	(33,701)	(71,854)	(4,126)	(109,681)
Balance at 31 December 2020	64,593	126,112	17,871	208,576
Additions	-	106,471	-	106,471
Disposals	-	(52,361)	-	(52,361)
Exchange differences	3,600	7,563	1,107	12,270
Depreciation expense	(35,187)	(100,018)	(4,977)	(140,182)
Balance at 31 December 2021	33,006	87,767	14,001	134,774

Accounting policy for 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, less any lease incentives receivable.

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.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

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.

10. Non-current assets - exploration and evaluation

	Consolidated 31 December 2021 $	Consolidated 31 December 2020 $
Exploration and evaluation Chinook - at cost	2,793,074	2,411,092
Exploration and evaluation Tent Mountain - at cost	10,887,030	17,150,798
	13,680,104	19,561,890

10. Non-current assets - exploration and evaluation (continued)

The Consolidated Entity has a portfolio of hard coking coal (steelmaking coal) projects in western Canada's Crowsnest Pass region including the Tent Mountain Mine Re-start Project ("Tent Mountain"), the Chinook Project ("Chinook"), and the greenfield exploration Isola, 4-Stack and Oldman projects.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	**Chinook** $	**Tent Mountain** $	**Total** $
Balance at 1 January 2020	1,096,250	13,459,752	14,556,002
Expenditure during the year	-	6,061,132	6,061,132
Chinook expenses reclassification*	1,394,315	(1,394,315)	-
Exchange differences	(79,473)	(975,771)	(1,055,244)
Balance at 31 December 2020	2,411,092	17,150,798	19,561,890
Expenditure during the year	258,122	3,074,374	3,332,496
Exchange differences	123,860	1,287,767	1,411,627
Impairment of assets	-	(10,416,991)	(10,416,991)
Share-based payment arrangements forfeited during period (note 25)	-	(208,918)	(208,918)
Balance at 31 December 2021	2,793,074	10,887,030	13,680,104

* *During the period, the Consolidated Entity reclassified Chinook exploration expenses of $1,394,315, which was previously reported under Tent Mountain.*

The Consolidated Entity announced that the Government of Canada announced on 17 June 2021 that the Joint Review Panel (JRP), in its capacity as Alberta Energy Regulator, denied the application for the Grassy Mountain Coal Project owned by Benga Mining Limited (subsidiary of Hancock Prospecting Pty Ltd). The Grassy Mountain Coal Project is located in close proximity to the Consolidated Entity's assets in Alberta and as such its developmental process may be relevant to the Consolidated Entity's own operational considerations. The Panel concluded that "the project is likely to result in significant adverse environmental effects on surface water quality, Westslope cutthroat trout and their habitat, Whitebark pine, rough fescue grasslands and vegetation species and community biodiversity; and, significant adverse effects on physical and cultural heritage of some First Nations." On 19 July 2021, Benga Mining announced it has commenced a legal appeal process following the decision of the JRP to deny issuing a permit for its Grassy Mountain Steelmaking Coal Project.

The Consolidated Entity considers a number of factors differentiate the Tent Mountain Project from the Grassy Mountain Coal Project application and the stated reasons for its denial. Montem will continue to engage Provincial and Federal regulators, Indigenous Peoples, local communities, and other engaged stakeholders at all stages of the application, process, paying specific attention to concerns raised by the panel in relation to the Grassy Mountain Project.

On 29 June 2021, the Consolidated Entity received notification that Canada's Federal Environment and Climate Change Minister had designated the Tent Mountain Project to undergo a Federal Impact Assessment under subsection 9(1) of the Impact Assessment Act. The Federal Impact Assessment is an effective process featuring set timelines but is likely to delay permitting for the Project, which was scheduled to produce first coal in 2023. The Federal process is being initiated in Q3 2021 with submission of the Initial Project Description to the Impact Assessment Agency of Canada (IAAC). The terms of a Federal Impact Assessment will be established by the IAAC planning process that can take up to 180 days to finalise.

The Consolidated Entity is confident based on environmental monitoring and studies completed to date, its engagement activities with Indigenous Peoples and the rapidly advancing selenium treatment technologies that it can satisfy all these concerns during the Federal Impact Assessment.

10. Non-current assets - exploration and evaluation (continued)

Management have reviewed the carrying value of its Exploration and Evaluation asset portfolio at 31 December 2021 under AASB 6 Exploration for and Evaluation of Mineral Resources and has conducted an impairment assessment in relation to the Tent Mountain Project in light of Federal Impact Assessment and the subsequent capital raise completed in December 2021. Impairment is recognised if the carrying amount exceeds the recoverable amount. Recoverable amount was determined using fair value less costs to disposal. Fair value is determined using the Level 1 input - quoted prices of Montem's share price. Based on this is review, management have concluded that it is prudent to recognise impairment loss of $10,416,991, equivalent to the difference between the market capitalisation and the net asset value of the Consolidated Entity as at 31 December 2021. Impairment loss is in full recognised against the capitalised Tent Mountain Project costs at 31 December 2021. Impairment loss recognised at 31 December 2021 is sensitive to any changes to the Company's share price. A 10% change to the share price would have an +/- impact of $1,478,000 to the impairment loss recognised at 31 December 2021.

As noted in the note 22 Events after the reporting period, the Consolidated Entity has reviewed the Coal Policy Committee (“Committee”) reports and recommendations, and the accompanying Ministerial Order, following the Committee’s review of the Alberta 1976 Coal Development Policy, as released by the government of Alberta on 4 March 2022. As a result of the Committee’s recommendations, the Alberta Government has designated Montem’s Tent Mountain Mine an advanced coal project. Alberta’s advanced coal projects are unaffected by the Ministerial Order’s additional exploration and development restrictions implemented as a result of the Committee’s recommendations. The Consolidated Entity will continue to advance the existing coal mine restart through the Federal and Provincial permitting processes.

The Consolidated Entity will continue to assess the Project viability based on the permitting approvals and outcome of the Federal Impact Review.

Accounting policy for exploration and evaluation assets
Exploration and evaluation expenditures 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.

11. Current liabilities - trade and other payables

	Consolidated	
	31 December 2021 $	31 December 2020 $
Trade payables	355,421	739,962
Accrued expenses	16,450	75,758
Other payables	40,912	29,628
	412,783	845,348

Refer to note 14 for further information on financial instruments.

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the Consolidated Entity 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.

12. Current liabilities - lease liability

The Consolidated Entity entered into lease agreements for office space, motor vehicles and office equipment. Rental contracts are typically made for fixed periods of 12 to 36 months, but may have an extension option. This note provides information for leases where the Consolidated Entity is a lessee.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The statement of financial position shows the following amounts relating to leases:

	Consolidated	
	31 December 2021 $	31 December 2020 $
Lease liabilities		
Current	119,184	116,144
Non-current	101,990	109,167
	221,174	225,311

Incremental borrowing rates
Right-of-use assets and lease liabilities are determined based on an incremental borrowing rate. To determine the incremental borrowing rate, the Consolidated Entity:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for the Consolidated Group, which does not have recent third party financing, and
- makes adjustments specific to the lease example term, country, currency and security.

Accounting policy for 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 comprise 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.

13. Equity - issued capital

	Consolidated			
	31 December 2021 Shares	31 December 2020 Shares	31 December 2021 $	31 December 2020 $
Ordinary shares - fully paid	289,805,457	202,626,811	45,054,400	37,313,701

13. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 January 2020	124,903,784		22,430,473
Share issue	12 May 2020	12,791,419	$0.1500	1,918,713
Conversion share	14 September 2020	32,931,608	$0.1750	5,773,560
Share issue	14 September 2020	32,000,000	$0.2500	8,000,000
Share issue costs		-	$0.0000	(809,045)
Balance	31 December 2020	202,626,811		37,313,701
Share issue	26 February 2021	30,394,021	$0.1700	5,166,984
Share issue	29 March 2021	1,176,475	$0.1700	200,000
Share issue	24 December 2021	55,608,150	$0.0510	2,836,016
Share issue costs		-	$0.0000	(462,301)
Balance	31 December 2021	289,805,457		45,054,400

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management
The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain capital structure, the Consolidated Entity may issue new shares or sell assets to reduce debt.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide long term returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

The Consolidated Entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Consolidated Entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Accounting policy for 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.

14. Financial instruments

Financial risk management objectives
The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Consolidated Entity's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity. The Consolidated Entity uses different methods to measure different types of financial risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk.

Financial risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the financial risk exposure of the Consolidated Entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and manage financial risks within the Consolidated Entity. Finance reports to the Board on a monthly basis.

The Consolidated Entity's material financial instruments include cash and cash equivalents, its promissory note facility agreement, trade and other payables and lease liabilities.

Market risk

Foreign currency risk
The Consolidated Entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and managed through cash flow forecasting.

The average exchange rates and reporting date exchange rates applied were as follows:

	Average exchange rate		Reporting date exchange rate	
	31 December 2021	**31 December 2020**	**31 December 2021**	**31 December 2020**
Australian dollars				
Canadian dollars	0.92	0.95	0.92	0.98

The carrying amount of the Consolidated Entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
Consolidated	**31 December 2021 $**	**31 December 2020 $**	**31 December 2021 $**	**31 December 2020 $**
Canadian dollars - Cash at bank	304,534	933,586	-	-
Canadian dollars - Payable	-	-	-	84,427
Canadian dollars - trade & other payables	-	-	416,321	843,743
Canadian dollars - borrowings	-	-	43,455	40,671
	304,534	933,586	459,776	968,841

As at 31 December 2021 no reasonable movement in the value of the Canadian dollar would have materially impacted the value of financial instruments in the consolidated financial statements (2020: none).

Interest rate risk
The Consolidated Entity has limited interest rate risk and there are no significant interest-bearing assets or liabilities at the reporting date (2020:Nil).

14. Financial instruments (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Consolidated Entity does not hold any collateral. For details of the Consolidated Entity's material credit risk exposure, refer to note 7.

Liquidity risk

Vigilant liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Consolidated Entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 31 December 2021	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	355,420	-	-	-	355,420
Accrued expenses	-	16,450	-	-	-	16,450
Other payables	-	40,912	-	-	-	40,912
Other loans	-	43,455	-	-	-	43,455
Interest-bearing - variable						
Lease liabilities	5.32%	119,184	101,990	-	-	221,174
Total non-derivatives		575,421	101,990	-	-	677,411

Consolidated - 31 December 2020	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	739,962	-	-	-	739,962
Accrued expenses	-	75,758	-	-	-	75,758
Other payables	-	29,629	-	-	-	29,629
Other loans	-	40,671	-	-	-	40,671
Interest-bearing - fixed rate						
Lease liability	5.32%	125,451	91,843	14,307	-	231,601
Total non-derivatives		1,011,471	91,843	14,307	-	1,117,621

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

14. Financial instruments (continued)

Fair value of financial instruments
As at 31 December 2021 the fair values of all financial instruments approximated their carrying values.

15. Key management personnel disclosures

Directors
The following persons were Directors of Montem Resources Limited during the financial year:

Mark Lochtenberg	Chairman and Non-executive Director
Peter Doyle	Managing Director and CEO
Rob Tindall	Non-executive Director
Susie Henderson	Non-executive Director
William Souter	Non-executive Director

Other key management personnel
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Consolidated Entity, directly or indirectly, during the financial year:

Robert Bell	Chief Commercial Officer
Melanie Leydin	Company Secretary and Chief Financial Officer

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Consolidated Entity is set out below:

	Consolidated	
	31 December 2021 $	**31 December 2020 $**
Short-term employee benefits	1,182,525	1,192,836
Post-employment benefits	87,401	10,483
Share-based payments & arrangements forfeited during period	(211,972)	596,827
	1,057,954	1,800,146

The Company paid $129,890 for accounting and corporate secretarial services (which is included within the short-term benefits to KMP above) from an entity controlled by Ms Melanie Leydin, during her term as Chief Financial Officer. All transactions were made on normal commercial terms and conditions and at market rates.

16. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck, the auditor of the Company:

	Consolidated	
	31 December 2021 $	**31 December 2020 $**
Audit services - William Buck		
Audit or review of the financial statements	32,450	28,450
Other services - William Buck		
Preparation of the tax return	7,500	7,500
	39,950	35,950

17. Contingent liabilities / assets

The Consolidated Entity had no contingent liabilities / assets as at 31 December 2021 and 2020.

18. Commitments

The Consolidated Entity had no commitments at 31 December 2021 (2020: Nil).

19. Related party transactions

Parent entity
Montem Resources Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in Note 21.

Key management personnel
Disclosures relating to key management personnel are set out in Note 15 and the remuneration report included in the Directors' report.

Transactions with related parties
The Consolidated Entity paid $72,897 (2020: Nil) for consulting services to GHD Limited (GHD Advisory), an entity associated with Ms Susie Henderson, Non-executive Director. Ms Susie Henderson is employed by GHD Advisory in capacity of President GHD Advisory – Americas region. All transactions were made on normal commercial terms and conditions and at market rates.

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	31 December 2021 $	31 December 2020 $
Current payables:		
Trade payables to Key Management Personnel in relation to short-term employee benefits	102,754	89,054

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

20. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	31 December 2021 $	31 December 2020 $
Loss after income tax	(23,676,985)	(2,017,955)
Total comprehensive loss	(23,676,985)	(2,017,955)

20. Parent entity information (continued)

Statement of financial position

	Parent 31 December 2021 $	Parent 31 December 2020 $
Total current assets	3,499,222	2,524,282
Total assets	17,944,223	34,421,139
Total current liabilities	116,638	184,414
Total liabilities	116,638	184,414
Equity		
Issued capital	45,077,559	37,336,860
Share-based payments reserve	3,097,895	3,570,750
Accumulated losses	(30,347,869)	(6,670,885)
Total equity	17,827,585	34,236,725

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2021 and 2020.

Contingent liabilities
The parent entity had no contingent liabilities as at 31 December 2021 and 2020.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 31 December 2021 and 2020.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

21. Interests in subsidiaries

The Montem Resources Group includes the following entities:

Name	Principal place of business / Country of incorporation	Ownership interest 31 December 2021 %	Ownership interest 31 December 2020 %
Montem Resources Corp.	Vancouver, British Columbia, Canada	100.00%	100.00%
Montem Resources Alberta Operations Ltd	Edmonton, Alberta, Canada	100.00%	100.00%

22. Events after the reporting period

On 7 March 2022, the Company announced that it has reviewed the Coal Policy Committee ("Committee") reports and recommendations, and the accompanying Ministerial Order, following the Committee's review of the Alberta 1976 Coal Development Policy, as released by the government of Alberta on 4 March 2022. As a result of the Committee's recommendations, the Alberta Government has designated Montem's Tent Mountain Mine an advanced coal project. Alberta's advanced coal projects are unaffected by the Ministerial Order's additional exploration and development restrictions implemented as a result of the Committee's recommendations. The Company confirmed that it will continue to advance Tent Mountain through the Federal and Provincial permitting processes.

The Chinook Project, and other development assets in Alberta do not qualify as advanced assets, and hence all activities on the Chinook Project and other Alberta coal assets is suspended pending additional information from the Alberta Government.

As the Company owns significant steelmaking coal resources as Freehold Mineral Rights in Alberta the Company continues to investigate alternate means of accessing these assets.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

23. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	31 December 2021 $	**31 December 2020 $**
Loss after income tax expense for the year	(14,055,639)	(3,411,080)
Adjustments for:		
Share-based payments	(263,937)	621,897
Depreciation	42,719	37,796
Finance charges	-	510,988
Deposits written-off	943,754	245,043
Gain on disposal	(156,481)	-
Impairment of exploration and evaluation assets	10,416,991	-
Change in operating assets and liabilities:		
Decrease/(increase) in prepayments	37,160	(6,201)
Increase in accounts receivable	384	1,650
Increase in deposits and advances	26,205	(15,998)
Increase/(decrease) in trade and other payables	(224,373)	221,465
Increase/(decrease) in employee benefits	(50,145)	70,652
Net cash used in operating activities	(3,283,362)	(1,723,788)

24. Earnings per share

	Consolidated	
	31 December 2021 $	**31 December 2020 $**
Loss after income tax attributable to the owners of Montem Resources Limited	(14,055,639)	(3,411,080)

24. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	230,320,152	152,207,102
Weighted average number of ordinary shares used in calculating diluted earnings per share	230,320,152	152,207,102

	Cents	Cents
Basic earnings per share	(6.10)	(2.24)
Diluted earnings per share	(6.10)	(2.24)

For financial period ended 31 December 2021 and 31 December 2020 outstanding options and performance rights are anti-dilutive and are therefore excluded from the calculation of diluted earnings per share.

Accounting policy for earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Montem Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
The rights to options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 “Earnings per Share”. The rights to options are non-dilutive as the combined entity has generated a loss for the year.

25. Share-based payments

(a) Equity issues to settle supplier liabilities

From time to time the Company may settle liabilities payable to external suppliers by way of an issue of ordinary shares in the Company, or by the issue of options over ordinary shares in the Company.

Issues of options to settle supplier liabilities

On 12 January 2018, the Company issued 1,086,667 options over ordinary shares to suppliers as settlement of liabilities. These options, which vested immediately, have an exercise price of 62.5 cents and an expiry date of 12 January 2023.

(b) Share issues to employees

From time to time the Company may issue of ordinary shares in the Company to directors or employees of the Company as remuneration in recognition of past performance or other services provided to the Consolidated Entity.

Employee incentive plan - options and performance rights

The Company has established an Employee Incentive Plan, whereby the Company may, at the discretion of the Plan Committee, grant options over ordinary shares in the Company or performance rights over ordinary shares in the Company to eligible employees and any director of the Company.

25. Share-based payments (continued)

- On 28 May 2021, the Company has issued 1,692,606 Option over ordinary shares to the directors of the Company under the terms of the Montem Employee Incentive Plan. These options, which were issued in three tranches with varying vesting dates as follows:

  - 564,203 Options with exercise price of $0.31, which were vested on issue and expire on 28 May 2026
  - 564,203 Options with exercise price of $0.37, which will vest on 28 May 2022 and expire on 28 May 2026
  - 564,203 Options with exercise price of $0.50, which will vest on 28 May 2023 and expire on 28 May 2026
- In June 2020, the Company issued 3,000,000 performance rights under the terms of the Company's Employee Incentive Plan to the Managing Director and senior executives for no consideration with fair values $0.15 each, all with an expiry date of 23 September 2022.The vesting condition is when the Company successfully mines and sells 100,000 tonnes of coal from the Tent Mountain mine or any other Company project. The performance rights will expire on 1 June 2023.
- In September 2019, the Company issued 3,000,000 performance rights under the terms of the Company's Employee Incentive Plan to the Managing Director and senior executives for no consideration with fair values from $0.11 to $0.13 each, all with an expiry date of 23 September 2022. The vesting condition is when the Company successfully mines and sells 100,000 tonnes of coal from the Tent Mountain mine or any other Company project. The performance rights will expire on 1 June 2023.
- In September 2019, the Company issued 5,000,000 options to Directors and employees as remuneration under the terms of the Company's Employee Incentive Plan. These options were issued with key milestones to align shareholder's interests with varying vesting dates. Exercise prices for these options range from $0.25 to $0.50, all with an expiry date of 23 September 2022.
- In July 2019, the Company issued 175,097 options to a Director for no consideration with fair values of $0.10 to $0.11, and each with expiry dates from 12 January 2023 to 31 December 2024. In addition, the Company also issued 175,097 performance rights with fair value of $0.25.
- During the year ended 31 December 2018, the Company issued 3,000,000 options to Directors and employees under the terms of the Montem Employee Incentive Plan. These options, which were issued in three tranches on 12 January 2018 (1,949,417 options), 31 January 2018 (700,389 options) and 6 April 2018 (350,194 options). These options were issued with various service-based vesting dates and various expiry dates. Exercise prices for these options range from 63 cents to $1.00. The vesting condition is when the Company successfully mines and sells 100,000 tonnes of coal from the Tent Mountain mine or any other Company project. The performance rights will expire on 1 June 2023.
- On 1 June 2018, the Company issued 3,000,000 performance rights under the terms of the Company's Employee Incentive Plan to the Managing Director and senior executives. Each performance right will vest and convert to a fully paid ordinary share in the Company, at no cost to the recipient, when the vesting condition is met. The vesting condition is when the Company successfully mines and sells 100,000 tonnes of coal from the Tent Mountain mine or any other Company project. The performance rights will expire on 1 June 2023.

25. Share-based payments (continued)

Details of options and performance rights

Set out below are details of options granted as share-based payments:

31 December 2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Forfeited/ other	Balance at the end of the year
12/01/2018	12/01/2023	$0.6300	1,086,667	-	-	-	1,086,667
12/01/2018	12/01/2023	$0.6300	649,805	-	-	-	649,805
12/01/2018	31/12/2023	$0.7500	649,806	-	-	-	649,806
12/01/2018	31/12/2024	$1.0000	649,806	-	-	-	649,806
31/01/2018	12/01/2023	$0.6300	233,463	-	-	-	233,463
31/01/2018	12/01/2023	$0.7500	233,463	-	-	-	233,463
31/01/2018	12/01/2023	$1.0000	161,832	-	-	-	161,832
06/04/2018	12/01/2023	$0.6300	116,732	-	-	-	116,732
06/04/2018	31/12/2023	$0.7500	116,732	-	-	-	116,732
06/04/2018	31/12/2024	$1.0000	116,730	-	-	-	116,730
08/07/2019	12/01/2023	$0.6300	58,366	-	-	-	58,366
08/07/2019	31/12/2023	$0.7500	58,366	-	-	-	58,366
08/07/2019	31/12/2024	$1.0000	58,365	-	-	-	58,365
24/09/2019	23/09/2022	$0.2500	1,000,000	-	-	-	1,000,000
24/09/2019	23/09/2022	$0.2500	375,000	-	-	-	375,000
24/09/2019	23/09/2022	$0.5000	750,000	-	-	(750,000)	-
28/05/2021	28/05/2026	$0.3100	-	564,203	-	-	564,203
28/05/2021	28/05/2026	$0.3700	-	564,203	-	-	564,203
28/05/2021	28/05/2026	$0.5000	-	564,200	-	-	564,200
			6,315,133	1,692,606	-	(750,000)	7,257,739
Weighted average exercise price			$0.6997	$0.3933	$0.0000	$0.5000	$0.5706

31 December 2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Forfeited/ other	Balance at the end of the year
12/01/2018	12/01/2023	$0.6300	1,086,667	-	-	-	1,086,667
12/01/2018	12/01/2023	$0.6300	649,805	-	-	-	649,805
12/01/2018	31/12/2023	$0.7500	649,806	-	-	-	649,806
12/01/2018	31/12/2024	$1.0000	649,806	-	-	-	649,806
31/01/2018	12/01/2023	$0.6300	233,463	-	-	-	233,463
31/01/2018	12/01/2023	$0.7500	233,463	-	-	-	233,463
31/01/2018	12/01/2023	$1.0000	233,463	-	-	(71,631)	161,832
06/04/2018	12/01/2023	$0.6300	116,732	-	-	-	116,732
06/04/2018	31/12/2023	$0.7500	116,732	-	-	-	116,732
06/04/2018	31/12/2024	$1.0000	116,730	-	-	-	116,730
08/07/2019	12/01/2023	$0.6300	58,366	-	-	-	58,366
08/07/2019	31/12/2023	$0.7500	58,366	-	-	-	58,366
08/07/2019	31/12/2024	$1.0000	58,365	-	-	-	58,365
24/09/2019	23/09/2022	$0.2500	1,250,000	-	-	(250,000)	1,000,000
24/09/2019	23/09/2022	$0.2500	750,000	-	-	(375,000)	375,000
24/09/2019	23/09/2022	$0.5000	750,000	-	-	-	750,000
24/09/2019	23/09/2022	$0.5000	2,000,000	-	-	(2,000,000)	-
			9,011,764	-	-	(2,696,631)	6,315,133

25. Share-based payments (continued)

Weighted average exercise price	$0.5635	$0.0000	$0.0000	$0.4553	$0.6997

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	31 December 2021 Number	31 December 2020 Number
12/01/2018	12/01/2023	1,736,472	1,736,472
12/01/2018	31/12/2023	649,806	649,806
12/01/2018	31/12/2024	649,806	649,806
31/01/2018	12/01/2023	233,463	233,463
31/01/2018	12/01/2023	233,463	233,463
06/04/2018	12/01/2023	161,832	-
06/04/2018	12/01/2023	116,732	116,732
06/04/2018	31/12/2023	116,732	116,732
06/04/2018	31/12/2024	116,730	116,730
08/07/2019	12/01/2023	58,366	58,366
08/07/2019	31/12/2023	58,366	58,366
08/07/2019	31/12/2023	58,365	-
24/09/2019	23/09/2022	1,375,000	1,375,000
28/05/2021	28/05/2026	564,203	-
		6,129,336	5,344,936

The weighted average remaining contractual life of options outstanding at 31 December 2021 was 1.75 years (31 December 2020: 2.31 years)

Set out below are summaries of performance rights granted as share-based payments:

31 December 2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Forfeited/ other	Balance at the end of the year
01/06/2018	01/06/2023	$0.0000	2,544,613	-	-	(256,810)	2,287,803
08/07/2019	01/06/2023	$0.0000	175,097	-	-	-	175,097
24/09/2019	30/06/2023	$0.0000	3,000,000	-	-	(525,000)	2,475,000
30/06/2020	01/06/2023	$0.0000	1,500,000	-	-	(275,000)	1,225,000
30/06/2020	30/06/2023	$0.0000	1,500,000	-	-	(275,000)	1,225,000
			8,719,710	-	-	(1,331,810)	7,387,900

31 December 2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/06/2018	01/06/2023	$0.0000	3,000,000	-	-	(455,387)	2,544,613
08/07/2019	01/06/2023	$0.0000	175,097	-	-	-	175,097
24/09/2019	30/06/2023	$0.0000	3,000,000	-	-	-	3,000,000
30/06/2020	01/06/2023	$0.0000	-	1,500,000	-	-	1,500,000
30/06/2020	30/06/2023	$0.0000	-	1,500,000	-	-	1,500,000
			6,175,097	3,000,000	-	(455,387)	8,719,710

The weighted average remaining contractual life of performance rights outstanding at 31 December 2021 was 1.46 years (31 December 2020: 2.46 years).

25. Share-based payments (continued)

Fair value of the options granted during the current financial year, were determined using Black Scholes option pricing model that takes into account factors specific to the share incentive plans, such as the vesting period. The valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
28/05/2021	28/05/2026	$0.0900	$0.3100	91.00%	-	2.85%	$0.045
28/05/2021	28/05/2026	$0.0900	$0.3700	91.00%	-	2.85%	$0.042
28/05/2021	28/05/2026	$0.0900	$0.5000	91.00%	-	2.85%	$0.038

(c) Share-based payments expenses

	Consolidated	
	31 December 2021	**31 December 2020**
Total expense recognised for the period arising from share-based payment transactions		
Share-based payment arrangements expense recognised during vesting period	47,705	621,897
Share-based payment arrangements reversed during period recognised in the income statement	(311,642)	-
Share-based payment arrangements reversed during period recognised under exploration assets	(208,917)	-
Total share-based payments expense	(472,854)	621,897

Reversals of the costs of equity-settled transactions during the period are for following reasons;

- Forfeiture of performance rights and options, for not meeting the non-market vesting conditions and the employee no longer being in the employment of the Company.
- Changes to the estimation of number of performance rights expected to become exercisable during the period. Estimates are revised during the period and the cumulative share-based compensation resulting from a revision is recognised in the current period.

(d) Accounting policy for share-based payments

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

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 costs 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 shares, 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 costs 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 fair value of the award on the grant date, 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.

25. Share-based payments (continued)

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

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 an equity-settled award is 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.

26. Material Contracts

Rail Loadout Property Purchase
The Company has entered into an agreement ("Original Agreement") to purchase property near the rail line to be utilized as the rail loadout facility (the "Rail Land"). Subject to acceptance of an offer to purchase land adjacent to the Rail Land ("Adjacent Land"), the Consolidated Entity has agreed to purchase the Rail Land and the Adjacent Land for a total of CAD 2,719,000.

On 4 January 2021, the Consolidated Entity and the landlord agreed to extend this option over the planned rail loadout land for a further 12 months. The Land Vendors are not Related Parties. The parties agreed to an extension of this agreement under the following terms:

- Extension of agreement to 4 January 2022;
- Total purchase price CAD 3,000,000;
- The Consolidated Entity agreeing to forgo the existing CAD 184,000 deposit on 4 January 2021; and
- The Consolidated Entity agreeing for a new, non-refundable deposit CAD 275,000 on 4 January 2021.

With the option expiring on 4 January 2022, the Consolidated Entity chose not to proceed with the land purchase subsequent to the year end.

Chinook Properties Purchase
Montem Alberta completed the purchase of the Chinook Properties from PMRU, a subsidiary of Westmoreland Coal Company. Total consideration for the Chinook Properties is CAD 12,000,000, of which CAD 1,000,000 was paid in September 2016. Payment of the balance owing is as described below:

Tranche 1: Licensing Payments
Total of CAD 5,000,000 is payable as follows:

- CAD 5,000,000 – within thirty days of receipt by Montem of a mining licence for any of the Chinook Properties not including Tent Mountain or
- CAD1,500,000 – within ninety days of receipt of the Tent Mountain renewed or amended coal mining licence;
- CAD 1,500,000 – within ninety days of receipt of an amended Alberta Environmental Protection and Enhancement Act (EPEA) for Tent Mountain;
- CAD 2,000,000 on or before the earlier of thirty days of receipt of any coal mining licence related to the Chinook Properties other than Tent Mountain and 31 January 2027.

26. Material Contracts (continued)

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 CAD 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 CAD 1,000,000 payable annually before 31 January between 2024 and 2028. If the Company 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 CAD 5,000,000 licensing payment is payable even if no licences are received for the Chinook Properties.

Tranche 2: Production Payments
Total of CAD 6,000,000 is payable as follows:

- CAD 6,000,000 within thirty days of the first 1,000,000 tonnes of coal from any of Chinook Properties not including Tent Mountain.

Unless production of the first 1,000,000 tonnes of coal comes from Tent Mountain, then

- CAD 500,000 within thirty days of production of the first 500,000 tonnes of Tent Mountain coal;
- CAD 500,000 within thirty days of the production of the second 500,000 tonnes of Tent Mountain coal;
- CAD 500,000 within thirty days of the first anniversary of such 1,000,000 tonnes production;
- CAD 500,000 within thirty days of the second anniversary of such 1,000,000 tonnes production; and
- CAD 4,000,000 within thirty days of production of 1,000,000 tonnes of production from the Chinook Properties other than Tent Mountain.

The Directors have determined that the Company is a reporting entity, and determined that this financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements. The Directors of the Company declare that:

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial year ended on that date; and
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Mark Lochtenberg
Chairman

29 March 2022

Montem Resources Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Montem Resources Limited (the Company) and its controlled entities (collectively, the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group had a net loss for the period of $14,055,639 and net cash outflow from operations of $3,283,362 during the year ended 31 December 2021. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge it liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

ASSESSMENT OF IMPAIRMENT OF EXPLORATION AND EVALUATION COSTS	
Area of focus **Refer also to notes 2 and 11**	**How our audit addressed it**
The Group has incurred exploration and evaluation costs for exploration projects in Canada over a number of years. There is a risk that the Group may lose or relinquish its rights to explore and evaluate those areas of interest and therefore amounts capitalised to the statement of financial position from the current and historical periods be no longer recoverable. During the year an impairment charge of $10,416,991 was recognised in relation to exploration expenditure as a result of a declining share price due to ongoing coal policy developments in Alberta. The ongoing policy renewal has impacted and halted Montem's ability to develop their Tent Montain tenement. The impairment resulted in the net assets of Montem Resources being valued at the market capitalisation at the price of the capital raise in December 2021. This was deemed the most appropriate valuation under the fair value less costs to sell method.	Our audit procedures included the following: — Understanding and vouching the underlying contractual entitlement to explore and evaluate each area of interest, including an evaluation of the Group's renewal in that area of interest at its expiry; — Examining project spend per each area of interest and comparing this spend to the minimum expenditure requirements set out in the underlying exploration expenditure plan; — Evaluating management's impairment analysis which included the company's analysis of recoverability of the carrying value of the mining tenements; — Examining project spend to each area of interest to ensure that it is directly attributable to that area of interest; and — From an overall perspective, comparing the market capitalisation of the Group to the net carrying value of its assets on the statement of financial position to identify any other additional indicators of impairment. We also assessed the adequacy of the Group's disclosures in the financial report.

EQUITY BASED PAYMENT TRANSACTIONS	
Area of focus **Refer also to notes 5 and 16**	**How our audit addressed it**
The Group 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. For the year ended 31 December 2021, the Group issued share-based payments of $70,755 which had no market vesting conditions.	Our audit procedures included: — A review of the internal control procedures and systems implemented by the Group to account for and issue equity based instruments; — Obtaining formal agreements supporting the transactions; — Sought evidence supporting the achievement of milestones necessary the accrual of the underlying share-based payment expense;

The fair value is determined by using the 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.	— Reviewed the significant assumptions and evidence supporting the calculations of the share-based payments for accuracy and appropriateness — Checking disclosures in the financial report for accuracy of measurement and information about the share-based payments.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2021 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2021.

In our opinion, the Remuneration Report of Montem Resources Limited, for the year ended 31 December 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

N. S. Benbow
Director

Melbourne, 29th of March 2022

The shareholder information set out below was applicable as at 21 March 2021.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

Holding Ranges	Total holders	Total units	% units
above 0 up to and including 1,000	20	3,316	-
above 1,000 up to and including 5,000	52	181,586	0.06%
above 5,000 up to and including 10,000	121	941,196	0.32%
above 10,000 up to and including 100,000	354	13,855,257	4.78%
above 100,000	241	274,824,102	94.83%
	788	289,805,457	

Analysis of number of equitable security holders by size of holding for holders of unlisted options:

	Total holders	Total units	% units
above 10,000 up to and including 100,000	3	150,000	2.07%
above 100,000	10	7,107,739	97.93%
	13	7,257,739	

Analysis of number of equitable security holders by size of holding for holders of unlisted performance rights:

Holding ranges	Total holders	Total units	% units
above 100,000	12	7,387,900	100.00%

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
HSBC Custody Nominees (Australia) Limited	28,671,728	9.89
CS Third Nominees Pty Limited (HSBC Cust Nom Au Ltd 13 A/C)	17,771,082	6.13
Citicorp Nominees Pty Limited	16,403,144	5.66
National Nominees Limited	8,000,000	2.76
JLNEC3 Pty Ltd (Tindall Family No 3 A/C)	7,296,604	2.52
UBS Nominees Pty Ltd	7,034,497	2.43
Evernal Energy Pte Ltd	6,217,079	2.15
Mark Lochtenberg & Michael Lochtenberg (Rigi Super Fund A/C)	5,982,154	2.06
Mr Micahel James Timothy Everard (HMT Family A/C)	5,816,018	2.01
Merrill Lynch (Australia) Nominees Pty Ltd (Regal Emerg Comp Fund Ii A/C)	5,727,238	1.98
CS Third Nominees Pty Ltd (Hsbc Cust Nomau Ltd 13 A/C)	5,682,993	1.96
Aliro Olave	5,663,383	1.95
BNP Paribas Nominees Pty Ltd (Ib Au Noms Retailclient Drp)	5,443,337	1.88
Mr Gavin Jeremy Dunhill	5,100,000	1.76
Mr Robert James Tindall	4,453,334	1.54
M & A Nomineee Serv Pty Ltd (M & A Cleaning Serv S/F A/C)	4,346,422	1.50
Twynam Investments Pty Ltd	4,000,000	1.38
Ilwella Pty Ltd	3,767,490	1.30
Armarna Too Pty Ltd (Armarna Too A/C)	3,569,728	1.23
Arianne Firth & Danielle Justine Langan	3,146,500	1.09
	154,092,731	53.18

Unquoted equity securities
There are no unquoted equity securities.

Substantial holders
Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Regal Funds Management Pty Ltd	30,532,817	10.54
Illwella	32,439,218	11.19
Citicorp Nominees Pty Limited	16,403,144	5.66

Voting rights
The voting rights attached to ordinary shares are set out below:

At meeting of members or classes of members:
(a) each member entitled to vote may vote in person or by proxy, attorney or respective;

(b) on a show of hands, every person present who is a member or a proxy, attorney or representative of a member has one vote; and

(c) on a poll, every person present who is a member or a proxy, attorney or representative of a member has:

(i) for each fully paid share held by person, or in respect of which he/she is appointed a proxy, attorney or representative, one vote for the share;

(ii) for each partly paid share, only the fraction of one vote which the amount paid (not credited) on the share bears to the total amounts paid and payable on the share (excluding amounts credited). Amounts paid or credited as paid in advance of a call are ignored when calculating the fraction

Subject to any rights or restrictions attached to any shares or class of shares. The unlisted options and unlisted performance rights do not carry any voting rights.

There are no other classes of equity securities.

Annual General Meeting and Director Nominations Closing Date

Montem Resources Limited advises that its Annual General Meeting will be held on Wednesday, 25 May 2022. The details relating to the meeting will be advised in the Notice of Meeting to be sent to all Shareholders and released to ASX immediately upon dispatch.

The Closing date for receipt of nomination for the position of Director is Friday, 8 April 2022. Any nominations must be received in writing no later than 5.00pm (Melbourne time) on Friday, 8 April 2022 at the Company’s Registered Office.

The Company notes that the deadline for nominations for the position of Director is separate to voting on Director elections. Details of the Director’s to be elected will be provided in the Company’s Notice of Annual General Meeting in due course.

Consistency with business objectives - ASX Listing Rule 4.10.19

In accordance with Listing Rule 4.10.19, the Consolidated Entity states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objectives are development of Tent Mountain Mine and completion of Chinook Project feasibility studies. Consistent with the use of funds which were disclosed under the Prospectus dated 31 July 2020, the Consolidated Entity believes it has used its cash in a consistent manner for the following purposes:

- Tent Mtn: strategic land purchase (Tent Mtn rail)
- Tent Mtn: Port reservation fee
- Tent Mtn: permitting (enviro monitoring and liaison)
- Tent Mtn: pre-production drilling (pit definition & bulk sample)
- Chinook: exploration, PEA study and environmental work
- General and administrative expenses
- Offer costs (broker fees; IPO preparation)

Tenement List

PART I - Alberta Freehold Tenements		
Prospect Area	**Land Title Certificate Number**	**Hectares**
Tent Mountain Mine	181 088 180	8.1
Tent Mountain Mine	181 088 180 +13	32.6
Tent Mountain Mine	181 088 180 +14	16.3
Tent Mountain Mine	181 088 180 +15	32.6
Tent Mountain Mine	181 088 180 +16	8.1
Tent Mountain Mine	181 088 180 +17	48.9
Tent Mountain Mine	181 088 180 +18	8.1
Tent Mountain Mine	181 088 180 +19	24.3
Tent Mountain Mine	181 088 180 +20	64.7
Tent Mountain Mine	181 088 180 +21	16.2
Tent Mountain Mine	181 090 692	24.3
Tent Mountain Mine	181 090 692 +1	2.3
Tent Mountain Mine	181 090 692 +2	8.0
Tent Mountain Mine	181 090 692 +3	12.2
Tent Mountain Mine	181 090 692 +4	56.7
Tent Mountain Mine	181 090 692 +5	16.2
Tent Mountain Mine	181 090 692 +6	32.6
Tent Mountain Mine	181 090 692 +7	8.1
Tent Mountain Mine	181 090 692 +8	64.7
Tent Mountain Mine	181 090 692 +9	16.3
Tent Mountain Mine	181 090 692 +10	32.6
Tent Mountain Mine	181 090 692 +11	8.1
Tent Mountain Mine	181 090 692 +12	48.9
Tent Mountain Mine	181 090 692 +13	8.1
Chinook Project	181 088 180 +1	36.4
Chinook Project	181 088 180 +2	129.5
Chinook Project	181 088 180 +3	28.3
Chinook Project	181 088 180 +4	12.1
Chinook Project	181 088 180 +5	16.2
Chinook Project	181 088 180 +6	165.9
Chinook Project	181 088 180 +7	131.5
Chinook Project	181 088 180 +8	129.5
Chinook Project	181 088 180 +9	129.5
Chinook Project	181 088 180 +10	248.3
Chinook Project	181 088 180 +11	259.0
Chinook Project	181 088 180 +12	12.1
Chinook Project	181 088 180 +22	129.5
Chinook Project	181 088 180 +23	129.5
Chinook Project	181 088 180 +24	129.5

PART I - Alberta Freehold Tenements		
Prospect Area	**Land Title Certificate Number**	**Hectares**
Chinook Project	181 088 180 +25	129.5
Chinook Project	181 088 180 +26	52.6
Chinook Project	181 088 180 +27	259.0
Chinook Project	181 088 180 +28	259.0
Chinook Project	181 088 180 +29	259.0
Chinook Project	181 088 180 +30	129.5
Chinook Project	181 088 180 +31	257.0
Chinook Project	181 088 180 +32	129.5
Chinook Project	181 088 180 +33	129.5
Chinook Project	181 088 180 +34	129.5

PART II - BC Leasehold Tenements		
Prospect Area	**Coal Lease No.**	**Hectares**
Tent Mountain Mine	389283	153.0

PART III - Alberta Leasehold Tenements		
Prospect Area	**Coal Lease No.**	**Hectares**
Tent Mountain Mine	1320090097	92.6
Tent Mountain Mine	1320090092	48.0
Tent Mountain Mine	1320090093	56.6
Tent Mountain Mine	1320090094	149.2
Tent Mountain Mine	1320090095	38.5
Tent Mountain Mine	1320090096	102.2
Tent Mountain Mine	1320100052	310.5
Tent Mountain Mine	1321080198	120.0
Tent Mountain Mine	1321080199	64.0
Tent Mountain Mine	1321080200	64.0
Tent Mountain Mine	1321080201	210.4
Chinook Project	1320120105	128.0
Chinook Project	1321020120	80.0
Chinook Project	1321020121	160.0
Chinook Project	1321020122	128.0
Chinook Project	1321020123	128.0
Chinook Project	1321020124	176.0
Chinook Project	1321050136	128.0
Chinook Project	1321050137	256.0
Chinook Project	1321050139	224.0

PART III - Alberta Leasehold Tenements		
Prospect Area	**Coal Lease No.**	**Hectares**
Chinook Project	1321050140	64.0
Chinook Project	1321080191	16.0
Chinook Project	1321080193	48.0
Chinook Project	1321080194	64.0
Chinook Project	1321080195	64.0
Chinook Project	1321080196	64.0
Chinook Project	1321080197	64.0
Chinook Project	1306120432	64.0
Chinook Project	1306120433	64.0
Chinook Project	1306120434	32.0
Chinook Project	1307040479	64.0
Chinook Project	1307040480	16.0
Chinook Project	1307060454	160.0
Chinook Project	1307100753	128.0
Chinook Project	1307110904	32.0
Chinook Project	1307110905	32.0
Chinook Project	1307110906	48.0
Chinook Project	1307110907	256.0
Chinook Project	1308050910	90.7
Chinook Project	1308090609	51.2
Chinook Project	1311010588	48.0
Chinook Project	1311010589	64.0
Chinook Project	1311010590	64.0
Chinook Project	1311080653	128.0
Chinook Project	1311080654	32.0
Chinook Project	1311080655	64.0
Chinook Project	1311120668	112.0
Chinook Project	1311120669	65.7
Chinook Project	1312040484	64.0
Chinook Project	1312100464	880.0
Chinook Project	1312100465	384.0
Chinook Project	1314030394	48.0
Chinook Project	1316020095	96.0
Chinook Project	1316020154	144.0
Chinook Project	1316050179	128.0
Chinook Project	1316120147	32.0
Chinook Project	1316120148	128.0
Chinook Project	1316120149	128.0
Chinook Project	1316120150	64.0
Chinook Project	1316120151	192.0

PART III - Alberta Leasehold Tenements		
Prospect Area	**Coal Lease No.**	**Hectares**
Chinook Project	1316120152	64.0
Chinook Project	1316120155	128.0
Chinook Project	1317080314	128.0
Chinook Project	1320050132	140.0
4-Stack / Chinook Project (see Note below)	1321050141	128.0
4-Stack / Chinook Project (see Note below)	1321050143	256.0
4-Stack	1321050138	128.0
4-Stack	1321050142	256.0
4-Stack	1316120153	64.0
4-Stack	1316120154	69.2
4-Stack	1316120156	128.0
4-Stack	1316120157	128.0
4-Stack	1317090268	128.0
4-Stack	1317090269	352.0
4-Stack	1317090279	351.0
4-Stack	1317090280	150.0
Isola	1307070578	128.0
Isola	1307070579	240.0
Isola	1307070580	128.0
Isola	1319090188	656.0
Isola	1319090191	608.0
Isola	1319090192	1,024.0
Isola	1319090193	893.8
Isola	1319090194	796.8
Isola	1319090195	357.6
Oldman	1317090270	96.0
Oldman	1317090271	192.0
Oldman	1317090272	192.0
Oldman	1317090273	32.0
Oldman	1317090274	256.0
Oldman	1317090275	256.0

Note

Leases 1321050141 and 1321050143 are located partially within the Chinook Project and partially within 4-Stack.

The total area of Lease 1321050141 is approximately 128 hectares with approximately 65 hectares lying within the Chinook Project and the remainder in 4-Stack.

The total area of Lease 1321050143 is approximately 256 hectares with approximately 128 hectares lying within the Chinook Project and the remainder in 4-Stack.

Alberta Leasehold Tenements have a 15 year term after which time they require renewal. Upon renewal, a new Coal Lease number is issued for the tenement but there is no change to the physical disposition of the tenement.