

ASX Announcement

24 August 2022

Montem Successfully Undertakes Placement of approximately \$1 million

HIGHLIGHTS

- Placement of approximately \$1 million at an issue price of \$0.04 per share from institutional and sophisticated investors.
- Montem's Chairman, Managing Director and TM-Renewable Energy Complex ("**TM-REX**") Steering Committee members are participating in the Placement.
- Montem intends to make a non-renounceable entitlement offer to all shareholders at \$0.04 per share, to raise up to \$1 million.
- Montem has commenced a process to sell up to 50% of the TM-REX Pumped Hydro Energy Storage ("**PHES**") project within the next 6 months.
- Proceeds raised will primarily be applied to fund the costs associated with: the sale process for the PHES project of the TM-REX, and to seek in principle approval from ASX for re-listing as well as working capital.

Montem Resources Limited (ASX:MR1) ("**Montem**" or the "**Company**") is pleased to advise that it has received firm commitments for a placement of approximately \$1 million from institutional and sophisticated investors, equating to the issue of approximately 24.8 million shares ("**New Shares**") at a price of \$0.04 per share ("**Placement**").

TM-REX steering committee members Ventoux Advisory (Will Bridge, Committee Chair) and Boost Energy Ventures (Andrew Keeping, Committee Member) will convert C\$170,000 (~A\$185,000) of outstanding invoices to shares in Montem, as part of the Placement.

Chairman, Mark Lochtenberg, Managing Director, Peter Doyle, and Chief Commercial Officer Bob Bell have committed to participate in the Placement for A\$100,000 in total. The Chairman's and Managing Director's participation is subject to shareholder approval.

Funds raised from the Placement and Entitlement Offer will primarily be applied to the sell-down process for the PHES element of the TM-REX, and to seek in-principle approval from the ASX for a re-compliance listing, as well as working capital.

The Placement is intended to be made without shareholder approval using the Company's capacity under Listing Rule 7.1 and 7.1A.

Petra Capital acted as Sole Lead Manager and Bookrunner for the Placement.

The Company also intends to make a, non-renounceable entitlement offer to eligible shareholders at \$0.04 per share ("**Entitlement Offer**") to raise up to \$1 million. The final terms and timing of the Entitlement Offer is yet to be determined and will be subject to any regulatory relief and compliance.

Montem has engaged a third party to engage with interested parties to purchase up to 50% of the Pumped Hydro Energy Storage project of the renewable energy complex within the next 6 months. Proceeds from the sale are expected to provide the required development capital through to the final investment decision of the PHES project.

Commenting on the support the Company received for the Placement, Montem's Managing Director and CEO Peter Doyle said: *"We are pleased with the support for the Placement, particularly as the Company remains in a trading suspension. We have an exciting opportunity in undertaking the partial sale of the TM-REX pumped hydro project that we believe has the potential to realise significant value for investors."*

"Although we remain suspended from quotation, the Board is committed to meet the requirements of the ASX for recommencement of trading. We will work with the ASX to re-comply over the coming months."

"I take this opportunity to thank existing shareholders for their continued support, and also thank key members of our steering committee for their ongoing commitment to the Tent Mountain PHES in converting funds owed to them by Montem for work done on the project, into equity in Montem."

MR1 shares were suspended on 25 July 2022 in relation to the release of the results of the pre-feasibility study regarding the TM-REX project. ASX has confirmed that MR1's reinstatement to trading on ASX will be conditional upon the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules.

MR1 intends to seek customary in principle approval from ASX that it is eligible for the re-compliance listing and if successful, intends to prepare and lodge a re-compliance prospectus to have its shares restated to trading. There is a risk that MR1 may not meet all of the eligibility criteria set by ASX for a re-compliance listing under Chapters 1 and 2 of the Listing Rules.

The Company will keep Shareholders informed of the status of its trading suspension and proposed reinstatement to trading in accordance with its corporate governance principles and continuous disclosure requirements.

Placement Details

New Shares will be issued under the Placement at an issue price of \$0.04 per share, which is the last closing price of the Company's shares on the ASX prior to the current trading suspension.

Under the Placement, 22,765,871 New Shares will be issued under the Company's existing capacity under Listing Rule 7.1 (4,590,871) and 7.1A (18,175,000), equating to approximately \$0.7 million of new capital and approximately A\$0.2 million of trade creditor conversion.

The Placement is expected to settle on or around 26 August 2022, with shares to be issued shortly thereafter

In addition, 2,054,243 shares will be issued to Directors, being 1,500,000 to Mark Lochtenberg (or his nominee) and 554,243 to Peter Doyle (or his nominee), subject to shareholder approval at a general meeting of the Company, raising A\$0.1 million. Participation by Peter Doyle represents conversion into New Shares of unpaid salary.



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All New Shares issued under the Placement will rank equally with existing shares on issue. An Appendix 3B for the proposed issue of securities will follow this announcement.

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

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About Montem Resources

Montem Resources (ASX: MR1) is a steelmaking coal and potential 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 advance its steelmaking coal projects and to assess the feasibility of the renewable energy complex in the Crowsnest Pass, Alberta. The Company has planned an integrated mining complex in the Crowsnest Pass, focusing on the low-cost development of open-cut operations that leverage central infrastructure.

In 2020, Montem completed a Definitive Feasibility Study on the Tent Mountain Mine and since then has continued to advance through the regulatory process to re-start the mine. In 2021, the project was designated for Federal review by the Impact Assessment Agency of Canada, and the Company continues to seek approval to re-start the mine. In light of delays to the mine re-start, Montem identified alternate development pathways for Tent Mountain, including the potential for transitioning the project to a renewable energy complex, employing an onsite pump hydro energy storage facility, an offsite wind power facility, and the onsite production of green hydrogen. The Company has progressed studies to support development of the TM-REX, including the pre-feasibility study as announced 26 July 2022.

Forward Looking Statements

This ASX Announcement may contain forward looking statements, which may be identified by words such as "may", "could", "believes", "estimates", "expects" or "intends" and other similar words that connote risks and uncertainties. Certain statements, beliefs, and opinions contained in this ASX Announcement, in particular those regarding the possible or assumed future financial or other performance, industry growth or other trend projections are only predictions and subject to inherent risks and uncertainties. Except as required by law, and only to the extent so required, neither the Company, its Directors nor any other person gives any assurance that the results, performance or achievements expressed or implied by any forward looking statements contained in this ASX Announcement will actually occur and investors are cautioned not to place undue reliance on such forward looking statements. Any forward looking statements are subject to various risk factors, many of which are beyond the control of the Company and its Directors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. The Company has no intention to update or revise any forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this ASX Announcement, except where required by law.