

# MONTEM RESOURCES LIMITED

ACN 623 236 831

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## CLEANSING PROSPECTUS

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For an offer of up to 250 Shares at an issue price of \$0.04 per Share to raise up to \$10 (before expenses) **(Offer)**.

**This Prospectus has been prepared primarily for the purpose of Section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.**

### IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Shares offered by this Prospectus should be considered highly speculative.**

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## 1. CORPORATE DIRECTORY

### Directors

Peter Charles Doyle  
*Managing Director and Chief Executive Officer*

Mark Lochtenberg  
*Independent Chairman and Non-Executive Director*

Robert James Tindall  
*Non-Executive Director*

Susie Margaret Henderson  
*Independent Non-Executive Director*

William Edward Souter  
*Independent Non-Executive Director*

### Company Secretary

Melanie Jaye Leydin

### Registered Office

Level 4, 100 Albert Road  
South Melbourne, Victoria 3205

### Share Registry\*

Automic Pty Ltd  
Level 5, 125 Phillip Street  
Sydney NSW 2000

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

### ASX Code

MR1

### Auditors\*

William Buck Audit (Pty Ltd) ACN 116 151 136  
'Andrew P Marks' Level 20, 181 William Street  
Melbourne VIC 3000

### Website

[www.montem-resources.com](http://www.montem-resources.com)

### Lawyers\*

Dentons Australia Limited  
Level 43, 600 Bourke Street  
Melbourne VIC 3000

*\*These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.*

## **2. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES**

### **2.1 Indicative timetable**

<b>Action</b>	<b>Date</b>
Lodgement of Prospectus with the ASIC and ASX	25 August 2022
Opening Date	25 August 2022
Closing Date*	8 September 2022
Expected date for quotation of Shares issued under the Offer on ASX*	9 September 2022

*\*The above dates are indicative only and may change without notice. The Directors reserve the right to vary these dates, including the Closing Date, without notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to applicants.*

### **2.2 Important Notes**

This Prospectus is dated 25 August 2022 and was lodged with the ASIC on that date. The ASIC, the ASX and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with Section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

### **2.3 Investment Advice**

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Shares under this Prospectus.

### **2.4 Risk factors**

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus, including the fact that the Company's shares are currently suspended from trading on the ASX. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

## **2.5 Applicants outside Australia**

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

## **2.6 Disclaimer**

No person is authorised to give information or to make any representation in connection with the Offer described in this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer. You should rely only on information in this Prospectus.

## **2.7 Forward-looking statements**

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

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

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and our management.

The Company cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

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

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements.

## **2.8 Website**

No document or information included on the Company's website is incorporated by reference into this Prospectus.

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## **3. DETAILS OF THE OFFER**

### **3.1 The Offer**

Pursuant to this Prospectus and for the purposes of section 708A(11) of the Corporations Act (see section 3.5 below), the Company invites investors identified by the Directors to apply for up to 250 Shares at an issue price of \$0.04 per Share, to raise up to \$10 (before expenses) (**Offer**).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. A high-level summary of the material rights and liabilities attaching to the Shares is set out in Section 5.

### **3.2 Background to the Offer**

As announced on 24 August 2022, the Company is undertaking a placement of 24,820,114 Shares at an issue price of \$0.04 per Share to raise \$992,805 (**Placement**), noting that part of the Placement is constituted by a the Debt Conversion listed below.

Included in the Placement, the Company has agreed to issue Shares at an issue price of \$0.04 to two contractors (or their nominees) in discharge of amounts owing to the contractors (**Debt Conversion**) as follows:

- (a) Boost Energy Ventures (or their nominees) C\$94,401, being 2,636,121 Shares; and
- (b) Ventoux Advisory C\$70,000, being 1,954,750 Shares,

in both cases using the Canadian Australian Exchange Rate of 1CAD: 1.117 AUD being the rate as published by Iress on 19 August 2022 as agreed between the parties.

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

The Company is unable to lodge a cleansing notice under section 708 of the Corporations Act because its Shares have been suspended for more than 5 trading days in the past 12 months and the Company does not satisfy the factors set out in section 708A(5) of the Corporations Act.

Accordingly, the Company is required to lodge a cleansing prospectus to comply with the secondary sales provisions of the Corporations Act, including in respect of the Shares to be issued under the Placement.

### **3.3 Minimum subscription**

There is no minimum subscription.

### **3.4 Oversubscriptions**

No oversubscriptions will be accepted by the Company.

### **3.5 Purpose of the Offer**

The Company is seeking to raise only a nominal amount of \$10 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus).

Relevantly, Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:

- (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
- (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

### 3.6 Applications

Applications for Shares under the Offer must only be made by investors at the direction of the Company and using the Application Form accompanying this Prospectus. By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

Payment for Shares must be made in full at the issue price of \$0.04 per Share. Completed Application Forms and accompanying cheques, made payable to “**MONTEM RESOURCES LIMITED**” and crossed “**Not Negotiable**”, must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date.

The Company reserves the right to close the Offer early.

### 3.7 Not underwritten

The Offer is not underwritten.

### 3.8 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

The Company notes, however, that its Shares have been suspended from trading since 25 July 2022 in relation to the release of an announcement concerning the results of the pre-feasibility study of 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 suspension and proposed reinstatement to trading in accordance with its corporate governance principles and continuous disclosure requirements.

### **3.9 Issue**

As noted in Section 3.5, the primary purpose of the Offer is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date of the Offer.

If the Directors decide to issue Shares under the Offer, the issue of Shares under the Offer will take place as soon as practicable after the Closing Date. Application moneys will be held in a separate subscription account until the Shares are issued.

This account will be established and kept by the Company in trust for each Applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether any Shares are issued and each Applicant waives the right to claim any interest.

The Directors will determine the recipients of all the Shares. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

The Company's decision on the number of Shares to be allocated to an Applicant will be final.

### **3.10 Defects in Applications**

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

### **3.11 Applicants outside Australia**

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

### **3.12 Enquiries**

Any questions concerning the Offer should be directed to Ms Melanie Leydin, Company Secretary, on +613 9692 7222.

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## **4. PURPOSE AND EFFECT OF THE OFFER**

### **4.1 Purpose of the Offer**

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date, (including prior to the date of this Prospectus).

Under the Offer, an amount of approximately \$10 (before expenses) may be raised. All of the funds raised (if any) from the Offer will be applied towards the expenses of the Offer. Refer to Section 7.7 for further details relating to the estimated expenses of the Offer.

## 4.2 Effect on capital structure

The effect of the Offer on the capital structure of the Company is set out below.

### Shares

	Number
Shares currently on issue	292,746,633
Shares proposed to be offered pursuant to Placement <sup>1</sup>	24,820,114
Shares offered pursuant to the Offer <sup>2</sup>	250
<b>Total Shares on completion of the Offer</b>	<b>317,566,997</b>
Options currently on issue <sup>3</sup>	7,257,739
Performance rights currently on issue <sup>4</sup>	5,537,900
<b>Shares on completion of the Offer on a fully diluted basis</b>	<b>330,362,636</b>

#### Notes:

1. Refer ASX announcement 24 August 2022, includes 2,054,243 shares to Directors and or their nominees subject to shareholder approval at a general meeting of the Company.
2. This assumes the Offer is fully subscribed and that the Directors decide to proceed with the Offer.
3. Issued under the terms of the Employee Incentive Plan as lodged with the ASX on 14 September 2020.
4. 35,185,567 ordinary shares, 5,067,898 Performance Rights and 3,217,897 Options are subject to escrow restrictions until 15 September 2022.

## 4.3 Financial effect of the Offer

After paying for the expenses of the Offer, including estimated ASIC costs of approximately \$3,206, there will be no proceeds from the Offer. The expenses of the Offer will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position, being receipt of funds of \$10 less estimated ASIC expenses of the Offer of \$3,206 and other expenses (Refer to Section 7.7).

## 5. RIGHTS ATTACHING TO SHARES

The following is a summary of the more significant rights attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours or available on the Company's website at <https://montem-resources.com/corporate/corporate-governance/>.

## **5.1 General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

## **5.2 Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by them, or in respect of which they are appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

## **5.3 Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

## **5.4 Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as

the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

### **5.5 Shareholder liability**

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

### **5.6 Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

### **5.7 Variation of rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

### **5.8 Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

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## **6. RISK FACTORS**

### **6.1 Introduction**

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed. In this Section, a reference to the Company's "Projects" is a reference to the Company's existing coal projects and the potential TM-REX project, as appropriate.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

## 6.2 Quotation and Delisting Risk

The Company's securities have been suspended since 25 July 2022 in relation to the release of an announcement concerning the results of the pre-feasibility study of 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. If that occurs the Company's shares will not be reinstated to trading and there is a risk that the Company will be delisted from ASX.

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

## 6.3 Company Specific risks

Risk Category	Risk
<b>Laws and regulations</b>	The Company is subject to laws in various jurisdictions. Existing and future legislation, regulation and actions could cause additional expense, capital expenditure and restrictions and delays in the activities of the Company, the extent of which cannot be predicted. No assurance can be given that new laws, rules and regulations will not be enacted or existing laws, rules and regulations will not be applied in a manner which could limit or curtail certain of the Company's activities or services.
<b>Alberta Regulations</b>	The Government of Alberta announced in March 2022 that it will update the framework around which it manages its land and natural resources, referred to as land use planning. The Province's coal development policy will then be updated to reflect the updated land use planning framework. Until that update, The Company will be unable to conduct exploration and development activities in its Chinook and greenfield coal projects until the revised coal policy has been adopted. No assurance can be given that the Government of Alberta will revise the coal development policy in a timely manner or that the revised policy will allow the Company's projects to proceed. This does not affect the Tent Mountain mine restart project which was considered an advanced project that is able to continue through the permitting process.
<b>Climate risk</b>	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <p>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</p>

Risk Category	Risk
	<p>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</p>
<b>Indigenous Peoples' Considerations</b>	<p>Montem's Projects may now or in the future be the subject of Indigenous Peoples land claims. The legal nature of these land claims is a matter of considerable complexity. The impact of any such claim on Montem's ownership interest in the properties cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of indigenous rights in the area in which the properties are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Group's activities. Even in the absence of such recognition, Montem may at some point be required to negotiate with Indigenous Peoples to facilitate exploration and development work on its Projects.</p>
<b>Approvals and Licences</b>	<p>Montem does not have some key approvals necessary to undertake and re-establish mining at Tent Mountain and its other coal projects, to develop the TM-REX Project at Tent Mountain, or to connect the TM-REX Project to Alberta/s electricity transmission system.</p> <p>Amendments to the current mining permit and to the environmental approval will be required, as well as other permits and operational licences. Obtaining necessary regulatory and environmental approvals may be delayed, more expensive than expected or not obtained at all. Failure to obtain, or delays in obtaining and maintaining approvals, mining permits, licences and easements required to develop and operate the Projects may materially adversely affect the Group's activities. In addition, such failure may impact the ability of the Group to meet certain payment obligations under the Purchase Agreement.</p>
<b>Title Risk</b>	<p>Other than the freehold titles that it owns, development of the Projects is dependent upon the maintenance (including renewal) of the crown coal lease agreements and mining permits in which the Group has an interest in. Maintenance of the Group's current and future crown coal lease agreements and mining permits is dependent on, among other things, the Group's ability to meet the licence conditions imposed by relevant authorities which, in turn, is dependent on the Group being sufficiently funded. Although the Company has no reason to think that the crown coal lease agreements in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority. These approvals or consents may not occur at all, or on a timely basis.</p> <p>The Alberta Leaseholds and BC Leasehold may be subject to cancellation as to all or part of the location specified in the lease agreement. Cancellation may occur at any time, upon the opinion of the responsible Minister that it is not in the public interest for further exploration for or development of the mineral within the location to which the agreement relates. Such cancellation is subject to the payment of compensation of</p>

<b>Risk Category</b>	<b>Risk</b>
	<p>the lessee's interest under the agreement, as determined in accordance with relevant regulations.</p> <p>Under the original purchase agreement with PMRU, Montem has mortgaged and charged all of its right, title and interest in its coal projects to PMRU, as continuing security for the due and timely payment of the outstanding purchase price for those assets. If additional capital is not raised as required and the Company defaults in payment of sums due under the Purchase Agreement then PMRU may enforce their security.</p>
<b>Contractual and Counterparty Risk</b>	<p>As with any contract, there is a risk that the business of the Group could be disrupted in situations where there is a disagreement or dispute in relation to terms of a material contract that the Group has entered into. Should such a disagreement or dispute occur, this may have an adverse impact on the Group's operations and performance generally. Further financial failure, default or contractual noncompliance on the part of third parties, such as suppliers, contractors and clients, may have a material impact on the Group's operations and performance.</p>
<b>Key personnel and shortage of Skilled Labour</b>	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p> <p>In addition, the successful development and commercialisation of the Projects will require a large number of personnel not currently employed by the Company. There is high demand from time to time for skilled workers in mining regions from competing operators. As such, there is a risk that the Company may not be able to identify and employ the skilled workers required for its future operations and this may adversely impact the Company's financial performance.</p>

#### 6.4 Coal Industry specific risks

<b>Risk Category</b>	<b>Risk</b>
<b>Reserve and Resource Estimates</b>	<p>No assurance can be given that any estimated reserves and resources that are estimated by the Company will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Mineral reserve and resource estimates may require revision (either up or down) based on actual production experience. Furthermore, a decline in the market price for natural resources that the Company may discover or invest in could render reserves containing relatively lower grades of these resources uneconomic to recover and may ultimately result in a restatement of reserves.</p>
<b>Exploration Resource Definition Stage</b>	<p>Some of Montem's projects are at the exploration and resource definition drilling stage only. Potential investors should understand that mineral exploration and subsequent development are high-risk undertakings. The prospects of the Company should be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development. The business of mineral exploration, project development and mining, by its nature, contains elements of significant risk with no guarantee of success.</p>

Risk Category	Risk
	<p>There can be no assurance that the exploration activities will result in the discovery of further resources. Even if further mineral resource is identified, there is no certainty that it can be economically exploited.</p>
<p><b>Land and Infrastructure Access</b></p>	<p>The Company holds a combination of its own freehold surface rights and lease agreements for Crownlands for its Projects. Access to and use of Crownlands located within a coal lease agreement with the Alberta Crown requires a mineral surface lease (MSL) which is obtained by application to the Alberta Energy Regulator. In applying for an MSL at the Tent Mountain Mine, Montem will need to seek the consent of any parties with third party interests. This may involve accommodating or compensating the third party for the potential impact to its interests. Such consents will also be required when applying for an MSL any other areas such as the Chinook Project.</p> <p>Coal produced from Montem's proposed mining operations is intended to be transported to customers by road, rail and sea. A number of factors could disrupt these transport services, including failure to secure access to roads, infrastructure, key equipment and infrastructure failures, weather-related problems and industrial action, thereby impairing the Company's ability to supply coal to customers. The Group does not own all of the surface land between the Tent Mountain Mine permit boundary and various potential points of access to the rail corridor.</p> <p>To date, no definitive agreements have been entered into for rail access. The Group will need to secure capacity on the rail systems from existing operators in order for the Group to secure sufficient capacity to meet its potential transport requirements. There is a risk that the Group will not be able to enter into arrangements on acceptable terms however railways in Canada have a common carrier obligation and are required by national statute to "furnish adequate and suitable accommodation for the carriage, unloading and delivering of the traffic". That statute also provides an arbitration remedy for "A shipper who is dissatisfied with the rate or rates charged or proposed to be charged by a carrier for the movement of good". If the Group cannot gain access to such infrastructure on acceptable terms, or increase rail and port capacity when needed, it could have a negative impact on the value of the Group.</p>
<p><b>Environmental</b></p>	<p>The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p> <p>Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and</p>

Risk Category	Risk
	<p>licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.</p> <p>The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.</p> <p>Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.</p>
<b>Mine development</b>	<p>Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, weather, access to the required level of funding and contracting risk from third parties providing essential services.</p> <p>If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.</p>
<b>Insurance risks</b>	<p>The business of the Company is subject to a number of risks and hazards generally, including industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, adverse environmental conditions, changes in the regulatory environment and natural phenomena such as extreme weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties, buildings, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, there is a</p>

Risk Category	Risk
	risk that an insurer defaults in the payment of a legitimate claim by the Company.
<b>Commodity price and volatility and exchange rate risks</b>	<p>If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.</p> <p>Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Canadian and Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar, the Canadian dollar and the Australian dollar as determined in international markets.</p>
<b>Coal prices and commercialisation</b>	<p>There is a high degree of risk associated with the development and commercialisation of coal resources. Substantial changes to coal markets, coal prices and other macroeconomic factors including foreign exchange rates, could have an adverse impact on the commercial viability of exploiting coal reserves. This may result in the Company needing to defer or suspend some or all of its planned exploration and/or mining activities. The capital expenditure required to develop the Projects may differ from the expectations of the Company. In addition, actual operational costs may differ from estimates. Variations in capital or operational expenditure may result in material impacts on future profitability.</p>
<b>Selenium</b>	<p>The rocks of the coal bearing Mist Mountain Formation contain selenium. Potential run-off water from mine overburden can contain elevated selenium levels. Historical large-scale open-cut mining in the Elk Valley (British Columbia) has resulted in elevated selenium levels in mine run-off water which enters the Elk River. Current mining operations in British Columbia are required to implement mitigation strategies to manage potential selenium enriched run-off water. The Tent Mountain BC tenement is located in the Elk River catchment and any future development of this tenement will require the development of a selenium leachate management plan. Similarly, a selenium leachate management plan will be required for the Albertan portion of Tent Mountain mine, and for any proposed development of the other Chinook Project. Operational impacts may occur due to implementation of selenium leachate management plans for the Projects, and these may increase the cost of coal production.</p>
<b>Coal Product Risk</b>	<p>There is a risk that any coal identified may not be of sufficient quality to develop commercial mining operations, which could have an adverse impact on the Company. There are also risks that actual coal products produced and sold will differ from the Company's expectations.</p>
<b>Coal Regulation</b>	<p>The coal industry is regulated. Extensive federal, provincial, local and foreign laws and regulations relating to the exploration for and development, production, gathering and marketing of coal will affect the Company's operations. Compliance with altered regulation may</p>

Risk Category	Risk
	increase costs. There can be no assurance that all permits that the Company requires for future, exploration, development, construction and operation of mining facilities and the conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on the operations of the Company
<b>Occupational Health and Safety</b>	Mining activities have inherent risks and hazards, and the mining industry has become subject to increasing occupational health and safety responsibility and liability. There is potential liability for the Company under occupational health and safety regulations under normal business operations, and in the case of accident

## 6.5 TM-REX Project risks

Risk Category	Risk
<b>Early Stage Assessment</b>	The engineering studies relating to the TM-REX Project and hydrogen projects are preliminary in nature. No decision has been made to proceed with those Projects and no assurances can be given that the Company will achieve the operating and capital cost projections from those studies.
<b>Geotechnical and Ground Stability</b>	Due to Tent Mountain being a historical mine site, there are areas which may be impacted from previous blasting and waste rock impoundments. No assurances can be given that project capital and operating costs will not be adversely affected in future by unexpected geotechnical conditions.
<b>Relations with Indigenous People</b>	Collaborative relations with Indigenous People within whose traditional territories the TM-REX Project is situated are key to project approval and can cause delays if not achieved on a timely basis. No assurances can be given that support from Indigenous People will be sufficient to avoid project delays or unexpected cost increases.
<b>Stakeholder Relations</b>	Project delays can occur absent support from local communications and other stakeholders. No assurance can be provided that stakeholder support will be sufficient to avoid project delays or unexpected cost increases.
<b>Interconnection to Alberta Electricity Grid</b>	The TM-REX Project is reliant on the ability to connect to the Alberta power grid. The process to connect is underway, with the AESO having registered the TM-REX as a project. There remains a significant process to enable the connection, and this is a critical path timeline for the project. Delay in the interconnection will delay the project. Costs for the interconnection are being quoted by third parties and are subject to market forces. No assurance can be provided that the Company can avoid unexpected interconnection timing delays and unexpected cost increases.
<b>Revenue</b>	Montem has sought third party advice for the Alberta electricity market and used multiple potential electricity market development scenarios and the resulting revenue projections for economic modelling. No assurances can be provided regarding the accuracy of projected electric power selling prices.

Risk Category	Risk
<b>Regulatory Approval Timing</b>	The renewable energy projects require Provincial and possibly Federal regulatory permits and licenses. Project delays can occur due to uncertainty in the timing of regulatory approvals.
<b>Land Access</b>	Access to public lands is required to develop the TM-REX. No assurances can be provided that access to public lands will be provided on a timely basis.
<b>Water Rights</b>	The TM-REX Project falls within a region of Southern Alberta that is a closed watershed where no new water allocations will be made. TM-REX requires a Water Act approval to utilize the existing water in Pit 4. No assurances can be provided that water rights approvals will be granted in a timely manner.
<b>Constructing Costs</b>	TM-REX is a large infrastructure project requiring significant construction. Construction costs and timing are subject to market forces and costs could be higher than expected and timing delays could occur. If a decision to proceed is made, no assurances can be given that the Company will raise the necessary capital costs for construction.
<b>Project funding</b>	Montem does not currently have the necessary funding to complete FEED and permitting, as well as the required development capital. If a decision is made to proceed, Project delays could occur as a result of failure by the Company to secure funding in a timely manner.

## 6.6 General risks

Risk Category	Risk
<b>Trading Price of Shares</b>	<p>The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including, inflation rates and interest rates, variations in the general market for listed stocks, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.</p> <p>In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.</p>
<b>COVID-19 risk</b>	The outbreak of the coronavirus disease ( <b>COVID-19</b> ) continue to impact global economic markets. The precise effect of continuous COVID-19 outbreaks on the performance of the Company is unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact

Risk Category	Risk
	<p>the Company's operations and are likely to be beyond the control of the Company.</p> <p>In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.</p>
<b>Ukraine / Russia</b>	<p>The current evolving conflict between Ukraine and Russia (<b>Ukraine Conflict</b>) is impacting global economic markets. The nature and extent of the effect of the Ukraine Conflict on the performance of the Company remains unknown. Following reinstatement to the Official List, the Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the Ukraine Conflict.</p>
<b>Litigation Risks and Activism</b>	<p>Legal proceedings or disruption from interest groups may also arise from time to time in the course of the business of the Company. Legal proceedings brought by third parties including but not limited to customers, business partners, lobbyists or employees could negatively impact the business, including where protestors block access and cause disruption to operations. Any such claim or dispute if proven in a legal proceeding may impact adversely on the Company's operation, financial performance and financial position. Neither the Company, nor any of its subsidiaries, are currently engaged in any litigation.</p>
<b>Economic Risks</b>	<p>General economic conditions, movements in interest and inflation rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.</p> <p>Further, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ol style="list-style-type: none"> <li>(1) general economic outlook;</li> <li>(2) interest rates and inflation rates;</li> <li>(3) currency fluctuations;</li> <li>(4) changes in investor sentiment toward particular market sectors (such as the exploration industry or the lithium sector within that industry);</li> <li>(5) the demand for, and supply of, capital; and</li> <li>(6) terrorism or other hostilities.</li> </ol>
<b>Force Majeure</b>	<p>The Company, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.</p>
<b>Competition</b>	<p>The energy and resources industry is subject to domestic and global competition, particularly in the current climate of depressed commodity</p>

Risk Category	Risk
	prices. The Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's assets and business.
Taxation	The acquisition and disposal of securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring securities from a taxation viewpoint and generally.

## 6.7 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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## 7. ADDITIONAL INFORMATION

### 7.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged by the Company with the ASIC;
  - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
  - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report on 29 March 2022 and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
24/8/2022	Montem Successfully Undertakes Placement of approximately \$1 million
22/8/2022	Voluntary Suspension Update
16/08/2022	Extension to Voluntary Suspension
05/08/2022	Extension to Voluntary Suspension
29/07/2022	Quarterly Activities and Cashflow Report
26/07/2022	TM-REX Pre-Feasibility Presentation
26/07/2022	MR1 Pre-Feasibility Studies Results
25/07/2022	Suspension from Quotation
21/07/2022	Trading Halt
21/07/2022	Pause in Trading
05/07/2022	Change of Director's Interest Notice – M Lochtenberg – P Doyle – R Tindall – S Henderson – W Souter

Date	Description of Announcement
05/07/2022	Notification of cessation of securities – MR1
07/06/2022	Change in substantial holding – Regal Funds Management Pty Limited and its associates
25/05/2022	Results of Annual General Meeting
25/05/2022	AGM Presentation
22/04/2022	Notice of Annual General Meeting/Proxy Form
19/04/2022	Montem enters MOU with Invest Alberta to establish TM-REX
12/04/2022	Quarterly Activities and Cashflow Report
07/04/2022	Ceasing to be a substantial holder – Robert James Tindall and associated entities
07/04/2022	Change of Director's Interest Notice – Robert Tindall
04/04/2022	Change of Director's Interest Notice – Mark Lochtenberg
04/04/2022	Application for quotation of securities – MR1
04/04/2022	Section 708A Cleansing Statement
29/03/2022	Appendix 4G and Corporate Governance Statement
29/03/2022	Annual Statement 2021

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at [www.montem-resources.com](http://www.montem-resources.com).

## 7.2 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The Company's shares have been suspended from trading on the ASX since 25 July 2022. Accordingly, there has been no trading in the Company's shares since that date. The last sale price before the Company was suspended from trading and lodgement of this Prospectus with ASIC was \$0.04 per Share.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC on 25 August 2022 and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.04	20 July 2022
Lowest	\$0.022	27-28 June 2022
Last	\$0.04	20 July 2022

### 7.3 Substantial Shareholders

Those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%	Shares Post Placement <sup>1</sup>	%
Regal Funds Management Pty Ltd and its associates	45,402,814	15.51	51,277,814	16.15%
Illwella Pty Ltd	32,439,218	11.08	36,689,218	11.56%
Citicorp Nominees Pty Limited	28,030,176	9.57	28,030,176	8.82%

**Notes:**

1. Includes Shares proposed to be issued pursuant to the Placement

### 7.4 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with:
  - its formation or promotion; or
  - the Offer; or
- the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- as an inducement to become, or to qualify as, a Director; or
- for services provided in connection with:
  - the formation or promotion of the Company; or
  - the Offer.

### Security Holdings

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below:

Director	Shares	Options	Performance Rights
Mark Lochtenberg	11,723,330 ordinary shares <sup>1</sup>	<ul style="list-style-type: none"> <li>• 58,366 Options exercisable at \$0.63, expiring 12 January 2023</li> <li>• 58,366 Options exercisable at \$0.75, expiring 31 December 2023</li> <li>• 58,365 Options exercisable at \$1.00, expiring 31 December 2024</li> <li>• 58,366 Options exercisable at \$0.31, expiring on 28 May 2026</li> <li>• 58,366 Options exercisable at \$0.37, expiring on 28 May 2026</li> <li>• 58,365 Options exercisable at \$0.50, expiring on 28 May 2026</li> </ul>	<ul style="list-style-type: none"> <li>• 175,000 Performance Rights expiring 1 June 2023</li> <li>• 87,500 Performance Rights expiring 30 June 2023</li> </ul>
Peter Doyle	3,569,728 ordinary shares <sup>2</sup>	<ul style="list-style-type: none"> <li>• 233,463 Options exercisable at \$0.63, expiring 12 January 2023</li> <li>• 233,463 Options exercisable at \$0.75, expiring 31 December 2023</li> <li>• 233,463 Options exercisable at \$1.00, expiring 31 December 2024</li> <li>• 687,500 Options exercisable at \$0.25, expiring 23 September 2022</li> <li>• 233,463 Options exercisable at \$0.31, expiring on 28 May 2026</li> </ul>	<ul style="list-style-type: none"> <li>• 1,200,389 Performance Rights expiring 1 June 2023</li> <li>• 1,000,000 Performance Rights expiring 30 June 2023</li> </ul>

		<ul style="list-style-type: none"> <li>• 233,463 Options exercisable at \$0.37, expiring on 28 May 2026</li> <li>• 233,463 Options exercisable at \$0.50, expiring on 28 May 2026</li> </ul>	
Robert Tindall	5,320,260 ordinary shares <sup>3</sup>	<ul style="list-style-type: none"> <li>• 155,642 Options exercisable at \$0.63, expiring 12 January 2023</li> <li>• 155,642 Options exercisable at \$0.75, expiring 31 December 2023</li> <li>• 155,642 Options exercisable at \$1.00, expiring 31 December 2024</li> <li>• 155,642 Options exercisable at \$0.31, expiring on 28. May 2026</li> <li>• 155,642 Options exercisable at \$0.37, expiring on 28 May 2026</li> <li>• 155,642 Options exercisable at \$0.50, expiring on 28 May 2026</li> </ul>	<ul style="list-style-type: none"> <li>• 591,926 Performance Rights expiring 1 June 2023</li> <li>• 62,500 Performance Rights expiring 30 June 2023</li> </ul>
Susan Henderson	368,431 fully paid ordinary shares <sup>4</sup>	<ul style="list-style-type: none"> <li>• 58,366 Options exercisable at \$0.63, expiring 12 January 2023</li> <li>• 58,366 Options exercisable at \$0.75, expiring 31 December 2023</li> <li>• 58,365 Options exercisable at \$1.00, expiring 31 December 2024</li> <li>• 58,366 Options exercisable at \$0.31, expiring on 28 May 2026</li> </ul>	<ul style="list-style-type: none"> <li>• 300,097 Performance Rights expiring 1 June 2023</li> <li>• 62,500 Performance Rights expiring 30 June 2023</li> </ul>

		<ul style="list-style-type: none"> <li>• 58,366 Options exercisable at \$0.37, expiring on 28 May 2026</li> <li>• 58,365 Options exercisable at \$0.50, expiring on 28 May 2026</li> </ul>	
William Souter	341,763 ordinary shares <sup>5</sup>	<ul style="list-style-type: none"> <li>• 58,366 Options exercisable at \$0.63, expiring 12 January 2023</li> <li>• 58,366 Options exercisable at \$0.75, expiring 31 December 2023</li> <li>• 58,365 Options exercisable at \$1.00, expiring 31 December 2024</li> <li>• 58,366 Options exercisable at \$0.31, expiring on 28 May 2026</li> <li>• 58,366 Options exercisable at \$0.37, expiring on 28 May 2026</li> <li>• 58,365 Options exercisable at \$0.50, expiring on 28 May 2026</li> </ul>	<ul style="list-style-type: none"> <li>• 300,097 Performance Rights expiring 1 June 2023</li> <li>• 62,500 Performance Rights expiring 30 June 2023</li> </ul>

**Notes:**

1. 5,741,176 shares indirectly held by Rigi Investments Pty Ltd <The Cape> and 5,982,154 shares held by Mark and Michael Lochtenberg <Rigi Superannuation Fund A/C>.  
  
In addition, Mr Lochtenberg has participated in the Placement to subscribe for 1,500,000 ordinary shares which remains subject to shareholder approval at a general meeting of the Company.
2. Shares indirectly held by Armarna Too Pty Ltd <Aramarna Too Trust>  
  
In addition, Mr Doyle has participated in the Placement by converting C\$19,847.57 in accrued salary entitlements to subscribe for 554,243 ordinary shares which remains subject to shareholder approval at a general meeting of the Company.
3. 466,926 indirectly held by Robert Tindall, Carolyn Tindall & Christine Tindall
4. Shares indirectly held by Please Murray Pty Ltd <Henderson Ashton Family A/C>
5. Shares indirectly held by Souter Family Holdings Pty Limited

No Director or any of their associates intend to participate in the Offer.

## Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is determined by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the annual remuneration paid to both executive and non-executive Directors inclusive of superannuation for the past financial year and the proposed remuneration for financial year 2022.

	Financial Year 2022 (Proposed)	Financial Year 2021 (Actual)
Mark Lochtenberg	\$100,000	\$100,000
Peter Doyle <sup>1</sup>	\$532,074	\$586,944
Robert Tindall	\$60,000	\$60,000
Susan Henderson	\$45,000	\$45,000
William Souter	\$45,000	\$45,000

### Notes:

1. Mr Doyle receives annual remuneration of C\$476,342 (including statutory and other required deductions). FY21 includes prior year contributions towards Registered Retirement Savings Plan. Applying an AUD/CAD exchange rate of A\$1.00: C\$1.117, being the Iress exchange rate published as at 19 August 2022.

## 7.5 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with:

- (i) its formation or promotion; or
- (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

## **7.6 Consents**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

## **7.7 Expenses of the Offer**

The total expenses of the Offer are estimated to be approximately \$15,000 plus ASIC costs of \$3,206 (excluding GST). The estimated expenses will be paid out of the Company's existing working capital.

## **7.8 Electronic Prospectus**

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at [www.montem-resources.com](http://www.montem-resources.com).

If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not

provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## **7.9 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

## **7.10 Privacy statement**

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

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## **8. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



**Mark Lochtenberg**  
**Non-Executive Chairman**  
**For and on behalf of**  
**Montem Resources Ltd**

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## 9. GLOSSARY

**\$** means an Australian dollar.

**Applicant** means an investor that applies for Shares under the Offer using an Application Form pursuant to this Prospectus.

**Application Form** means the application form attached to or accompanying this Prospectus relating to the Offer.

**ASIC** means Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the official listing rules of ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHESS.

**Board** means the board of Directors as constituted from time to time.

**Closing Date** means the closing date of the Offer as set out in the indicative timetable in the Section 2.1 (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

**Company** means Montem Resources Limited (ACN 623 236 831).

**Constitution** means the constitution of the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Debt Conversion** has the meaning given in Section 3.2.

**Directors** means the directors of the Company at the date of this Prospectus.

**Offer** has the meaning given in Section 3.1.

**Official Quotation** means official quotation by ASX in accordance with the ASX Listing Rules.

**Placement** has the meaning given in Section 3.2.

**Prospectus** means this prospectus.

**Section** means a section of this Prospectus.

**Securities** means a Share, Option or Performance Right and **Security** means any one of them (as the context requires).

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.