



Montem Resources

ASX Announcement

Montem Resources Limited

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31 January 2023

Montem Resources December 2022 Quarterly Activities Report

HIGHLIGHTS

- The competitive process to sell up to 50% of the TM-REX to a strategic partner is ongoing
- Investment Tax Credit (“ITC”) for Clean Technologies announced in the Government of Canada’s 2022 Fall Economic Statement
- The ITC has the potential to reduce the Tent Mountain Pumped Hydro Energy Storage (“**TM-PHES**”) capital cost estimate by up to C\$150 million
- Montem continues to work with the ASX on the Company’s re-compliance and reinstatement of trading

Montem Resources Limited (ASX: MR1) (“**Montem**” or the “**Company**”) is pleased to report on activities at its portfolio of Canadian assets during the quarter ending in December 2022.

During the Quarter the primary focus of activities was the advancement of the TM-REX and securing a strategic partner to advance development of the project.

TM-REX Sales Process

In late 2022, Montem engaged PwC to run a competitive process to secure a strategic partner to purchase 50% of the TM-REX. The competitive process is ongoing.

Managing Director Peter Doyle said: *“We are pleased with the progress we have made to secure a strategic partner to purchase 50% of the TM-REX. The competitive process undertaken by PwC is ongoing, and we look forward to updating shareholders in the near future. Our expectation is that proceeds from a sale of 50% of TM-REX will provide Montem with the required development capital to advance TM-PHES through to a final investment decision.”*

Investment Tax Credit for Clean Technologies

The Government of Canada’s 2022 Fall Economic Statement included an Investment Tax Credit (“ITC”) for Clean Technologies. The ITC has the potential to reduce the TM-PHES capital cost estimate by up to C\$150 million.

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The ITC will be a refundable tax credit equal to 30% of the capital cost of investments in clean technologies, with a focus on net-zero technologies, which includes energy storage solutions (such as the TM-PHES). The ITC also includes a tax credit of up to 40% of the capital cost of investments in clean hydrogen production. The ITC aims to aid in Canada's transition to a net-zero economy by making it more attractive for businesses to invest in clean energy infrastructure in the country. The ITC has the potential to be applied to TM-PHES capital-intensive equipment including, penstocks, the powerhouse, turbines, generators, transformers, and transmission infrastructure, which make up approximately 60% of the current TM-PHES capital cost estimate.

The ITC will be available when the Government of Canada's 2023 Budget is released and no longer in effect at the start of 2035, subject to a phase-out starting in 2032. Montem expects all three elements of the TM-REX: the pumped hydro energy storage; green hydrogen electrolyser; and wind farm, to be eligible for the ITC. PHES, clean hydrogen technologies, and wind power are all named as eligible for the ITC which could result in not only a material change to the TM-PHES capital cost estimate but also the capital costs associated with the green hydrogen electrolyser and offsite wind farm.

For more information on Canada's Investment Tax Credit for Clean Technologies, see the below link:

<https://www.budget.gc.ca/fes-eea/2022/report-rapport/chap2-en.html#a6>

Grant Funding & Government Relations

In October 2021, Montem applied for C\$5 million in Federal funding from Canada's Clean Fuels Program, which is administered by Natural Resources Canada ("**NRCan**"). On 8 November 2022, the Company received notification it did not qualify for the current round of funding through Canada's Clean Fuels Program. The Company sought further clarity from the Federal Government agencies regarding why the TM-REX did not meet the funding criteria, and is using that feedback to focus future funding applications.

Montem continues to apply for Provincial and Federal funding for the TM-REX and is currently in active discussions with Emissions Reduction Alberta and Canada's Strategic Innovation Fund. To aid this effort, government relations efforts and ministerial level meetings are ongoing to seek up to C\$50 million in government grants to potentially transition Tent Mountain from a coal mine to a renewable energy complex.

Voluntary Suspension Update

On 25 July 2022, the Company's securities were placed into voluntary suspension as to the application of Listing Rule 11.1 in relation to the results of the TM-REX Pre-Feasibility Studies. The ASX has confirmed that Montem's Reinstatement to trading on the ASX will be conditional upon the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules. Other conditions for Reinstatement may be imposed by the ASX following its review of the Company's in-principle application, which was submitted on 23 December 2022. Montem continues to work with the ASX on the Company's re-compliance and reinstatement of trading.

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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.

Coal Assets

Throughout 2021, the government of Alberta appointed Coal Policy Committee (“**Committee**”) reviewed the Alberta 1976 Coal Development Policy. As a result, on 4 March 2022, the Committee’s reports and recommendations, and an accompanying Ministerial Order, were made public. As a result of the Committee’s recommendations, the Alberta Government designated Montem’s Tent Mountain Mine as an advanced coal project. Alberta’s advanced coal projects are unaffected by the Ministerial Order’s additional coal exploration and development restrictions implemented as a result of the Committee’s recommendations.

Montem 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.

Montem Now that the economic analysis of the TM-REX is available, Montem is evaluating the potential of both Tent Mountain development pathways, noting the two projects are mutually exclusive. Montem continues to advance the existing coal mine restart through the Federal and Provincial permitting processes.

As part of the 4 March 2022 release, the Government of Alberta also 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.

Corporate

Cash

Montem held \$0.36 million cash at 31 December 2022.

Entitlement Offer

The Pro-rata Non-Renounceable Entitlement Offer announced by the Company on 29 September 2022 closed on 18 October 2022 for which Montem received applications for 3,637,992 fully paid ordinary shares raising \$145,520. An additional 500,000 shares were issued 12 January 2023 under the shortfall offer raising a further \$20,000.

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General Meeting of Shareholders

Montem held a General Meeting of Shareholders on Wednesday, 2 November 2022. All resolutions put to the meeting passed the poll. Resolutions were:

1. Ratification of Prior Issue of Shares
2. Approval of Issue of Shares to Director Mr Mark Lochtenberg (or his nominee) under the Placement
3. Approval of Issue of Shares to Managing Director and Chief Executive Officer, Mr Peter Doyle (or his nominee) under the Placement which represents conversion of accrued unpaid salary.
4. Approval to issue 562,500 Fully Paid Ordinary Shares to Mr Will Souter (or his nominee) upon conversion of Director fees for the quarters ending June and September 2022.
5. Approval to issue 562,500 Fully Paid Ordinary Shares to Ms Susie Henderson (or her nominee) upon conversion of Director fees for the quarters ending June and September 2022.

Payments to directors and related parties

In the attached Appendix 5B, the figure of A\$135,000 – as disclosed in section 6.1 – relates to all fees, salaries and superannuation paid to Montem's Directors for the quarter ended 31 December 2022.

For further information on the Company, our assets and development plans, please visit our websites:

www.montem-resources.com

www.tentmountain-rex.com

Additionally, view Investor Presentations which have been lodged with the ASX.

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 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 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. This is centered around the Tent Mountain Mine Redevelopment Project, and the Chinook Vicary Project.

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 transitioning the project to a renewable energy complex, employing an onsite pump hydro energy storage facility, and offsite wind power and green hydrogen production facilities. The Company is progressing studies to support development of the TM-REX, including a feasibility study.

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.

Appendix A: 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

PART I - Alberta Freehold Tenements		
Prospect Area	Land Title Certificate Number	Hectares
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
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

PART III - Alberta Leasehold Tenements		
Prospect Area	Coal Lease No.	Hectares
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
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

PART III - Alberta Leasehold Tenements		
Prospect Area	Coal Lease No.	Hectares
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
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

PART III - Alberta Leasehold Tenements		
Prospect Area	Coal Lease No.	Hectares
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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

MONTEM RESOURCES LIMITED

ABN

87 623 236 831

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(149)	(779)
(e) administration and corporate costs ⁽ⁱ⁾	(316)	(1,307)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(3)	(7)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material) ^{(ii) & (iii)}	(311)	(2,166)
1.9 Net cash from / (used in) operating activities	(779)	(4,259)
<p><i>(i) During the quarter the Company incurred significant amount of legal and consulting fees on TM-REX sales process to sell 50% of TM-REX.</i></p> <p><i>(ii) The Company incurred \$446,000 during the quarter (\$2,166,000 year to date) on initial set-up, consulting work related to feasibility studies and proposed TM-REX sales process.</i></p> <p><i>(iii) The Company also received \$145,000 from a promissory note facility agreement entered with a non-related third party during the year 2021, which was disputed. However, the non-related third party agreed to repay the amount and the Company received the first instalment during the current quarter.</i></p>		
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(155)	(985)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	456	456
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	301	(529)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	244	1,121
3.2	Proceeds from issue of convertible debt securities	300	300
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(42)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(23)	(98)
3.10	Net cash from / (used in) financing activities	521	1,281

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	356	3,804
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(779)	(4,259)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	301	(529)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	521	1,281
4.5	Effect of movement in exchange rates on cash held	(35)	67
4.6	Cash and cash equivalents at end of period	364	364

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	364	356
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	364	356

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	135
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000																								
7.1	Loan facilities	-	-																								
7.2	Credit standby arrangements	-	-																								
7.3	Other (please specify)	-	-																								
	Canada Emergency Business Account ^(a)	43	43																								
	Lease obligations ^(b)	52	52																								
7.4	Total financing facilities	95	95																								
7.5	Unused financing facilities available at quarter end		-																								
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.																										
	<p>(a) 7.3 - Canada Emergency Business Account:</p> <p>An unsecured, revolving Canadian government sponsored loan. No interest is payable if repaid in full by 31 December 2022 and 25% of the loan balance will be forgiven. Any unpaid balance outstanding after 31 December 2022 will convert to a non-revolving loan and bear interest at 5%.</p> <p>(b) 7.3 – Lease obligations:</p> <table border="1"> <thead> <tr> <th>Lender</th> <th>Interest rate</th> <th>Maturity date</th> <th>Secured/unsecured</th> </tr> </thead> <tbody> <tr> <td>JP Leasing</td> <td>3.54%</td> <td>30-Apr-24</td> <td>unsecured</td> </tr> <tr> <td>JP Leasing</td> <td>3.54%</td> <td>30-Apr-24</td> <td>unsecured</td> </tr> <tr> <td>GL Leasing</td> <td>9.90%</td> <td>28-Feb-25</td> <td>unsecured</td> </tr> <tr> <td>GL Leasing</td> <td>8.50%</td> <td>31-Jan-24</td> <td>unsecured</td> </tr> <tr> <td>SCREO II 99 Street LP</td> <td>7.80%</td> <td>30-Nov-22</td> <td>unsecured</td> </tr> </tbody> </table>			Lender	Interest rate	Maturity date	Secured/unsecured	JP Leasing	3.54%	30-Apr-24	unsecured	JP Leasing	3.54%	30-Apr-24	unsecured	GL Leasing	9.90%	28-Feb-25	unsecured	GL Leasing	8.50%	31-Jan-24	unsecured	SCREO II 99 Street LP	7.80%	30-Nov-22	unsecured
Lender	Interest rate	Maturity date	Secured/unsecured																								
JP Leasing	3.54%	30-Apr-24	unsecured																								
JP Leasing	3.54%	30-Apr-24	unsecured																								
GL Leasing	9.90%	28-Feb-25	unsecured																								
GL Leasing	8.50%	31-Jan-24	unsecured																								
SCREO II 99 Street LP	7.80%	30-Nov-22	unsecured																								

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(779)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(155)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(934)
8.4	Cash and cash equivalents at quarter end (item 4.6)	364
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	364
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.39
<p><i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i></p>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: No, the entity's level of negative net operating cash flows reduced significantly during late Q4 2022 compared to the previous quarters as the TM-REX PFS studies have concluded and expenses are reduced. During the quarter the entity commenced a competitive process to secure a strategic partner to purchase 50% of the TM-REX. The competitive process is ongoing.
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer: As noted in 8.8.1, operating expenses reduced significantly in Q4 2022 than the previous quarter. The Directors continue to review the Company's costs and expenses and assess potential sources of additional funding until the proposed TM-REX sales process is completed. The Company has a successful history of raising funds and has a number of potential avenues to seek additional funding including equity, convertible notes, grant funding, and the potential sale of an interest in its assets.
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: Yes, the Company expects to be able to continue its operations and meet its business objectives on the basis that it expects to be able to secure funding in the near future as described in answer to question 8.8.2 above.
Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2023

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.