



Montem Resources

Montem Resources Limited

ACN 623 236 831

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

P (03) 9692 7222

E info@montem-resources.com

montem-resources.com

ASX Announcement

21 January 2021

Montem Resources December 2020 Quarterly Activities Report

HIGHLIGHTS

- Montem completes 13 drillhole exploration program at Chinook Vicary, with all drillholes intersecting thick coal seams
- Maximum apparent cumulative coal thickness across the 13 drillholes was 61.1m with an average apparent cumulative coal thickness of 22.7m
- Drilling confirms the occurrence of near-surface, structurally thickened zones of coal at Chinook Vicary, suitable for future open-cut extraction
- Chinook Project Mine Scoping Study completion expected January 2021
- Melanie Leydin appointed Montem's Chief Financial Officer, replacing Alan Ahlgren

Montem Resources Limited (ASX: MR1) ("Montem" or the "Company") is pleased to report on the activities undertaken at its portfolio of Canadian coal assets for the quarter ending in December 2020.

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

The Chinook Project

Montem's Chinook Project encompasses an area of approximately 9,746 hectares which includes the historical Vicary Underground Mine which exported hard coking coal to Japan. The Chinook Project covers a strike length of over 40km of identified coal resources, and is made up of two areas, Chinook Vicary and Chinook South. The project contains a JORC Resource Estimate of 149.1Mt of coal (103.8Mt Indicated and 45.3Mt Inferred). Chinook also contains a coal Exploration Target Estimate of an additional 125Mt to 450Mt¹ at Chinook Vicary. For additional information on the Chinook Project, please refer to the ASX release of the Prospectus on 14 September 2020, and the IPO Investor Presentation lodged with the ASX on 15 September 2020. Also refer to the Company's website at www.montem-resources.com.

Prior to shutting down in the late 1970s, the Vicary Mine, located within Chinook Vicary, supplied high quality hard coking coal to the Japanese steel industry.

¹ The potential quantity and quality of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of Mineral Resources.



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Montem commenced a drilling program at Chinook Vicary in September 2020 and completed field operations in November 2020. The exploration aimed to confirm the Chinook Vicary product coal quality as hard coking coal, and to further investigate the open-cut mining potential by focusing on areas of structurally thickened coal seams.

During the quarter, the Company reported it had intersected thick coal seams in drillholes at Chinook Vicary. Montem completed 13 drillholes across eight drill sites for a total of 1,411m of reverse circulation (RC) drilling and 508m of six-inch large diameter core drilling. Drilling results demonstrated occurrences of near surface, structurally thickened coal seams, suitable for future open-cut extraction. The apparent cumulative coal thickness for all Chinook Vicary 2020 RC drillholes averaged approximately 22.7m per drillhole with most intersections being at shallow depths. The maximum apparent cumulative coal thickness was 61.1m in CV20-0008².

Chinook Vicary Cross Section B-B

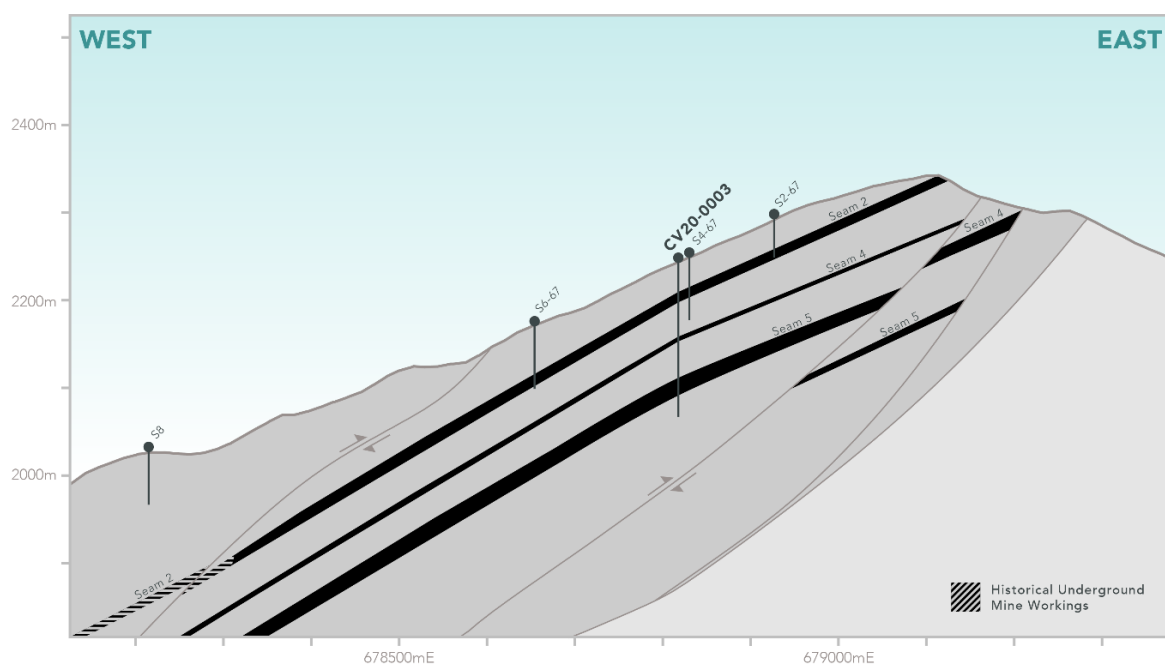


Figure 1: Cross-section showing low stripping ratio dip-slope coal resources in areas of recent drilling at Chinook Vicary

² Increased apparent thickness due to steeply dipping bedding.



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ASX Announcement

Table 1: Summary of RC Drillholes Cumulative Coal Intersection Thicknesses

Drillhole	Depths (m)			Apparent Cumulative Coal Thickness (m)			
	Total Depth	1st Coal	Last Coal	Seam 2	Seam 4	Seam 5	Total Coal Thickness
CV20-0001	118.4	16.6	106.9	6.9	9.2	2.9	19.0
CV20-0002	220.0	70.6	154.0	3.2	3.6	3.0	9.8
CV20-0003	177.0	34.6	152.5	11.6	1.8	19.4	32.8
CV20-0004	190.0	8.9	140.4	5.5	3.7	3.8	13.0
CV20-0005	195.6	27.3	152.9	3.1	4.6	7.5	15.2
CV20-0006	159.1	at surface	143.2	4.5	2.1	7.6	14.2
CV20-0007	110.0	35.1	95.4	3.4	12.2	1.2	16.7
CV20-0008*	241.0	at surface	217.1	49.2	11.9	-	61.1

Note: All thicknesses are apparent. Insufficient data currently exists to accurately predict true thicknesses.

*Increased apparent thickness due to steeply dipping bedding. Seam 5 is expected to occur at depths greater than 250m.

Table 2: Summary of Six-Inch Large Diameter Core Drillholes Cored Cumulative Coal Intersection Thicknesses

Drillhole	Total Depth (m)	Target Seam	Top of Seam (m)	Base of Seam (m)	Partings (m)	Sampled Thickness (m)	Recovery (%)
CV20-0001-LDC4	57.87	Seam 4	45.52	49.77	-	4.25	>85%
CV20-0003-LDC2	138.02	Seam 2	35.84	47.19	-	11.35	>95%
CV20-0003-LDC5	163.70	Seam 5	132.77	154.80	-	22.03	>95%
CV20-0007-LDC4-B	74.85	Seam 4	38.35	68.10	4.27	25.48	>95%

Montem sent six-inch large diameter core samples from coal seams to ALS's lab in Queensland, Australia, to undergo coal quality and coke testing. Results from these tests are expected in early 2021. These results will form the basis of an updated washability, coal quality and coke strength assessment that will inform the proposed 2021 prefeasibility exploration drilling.

During the quarter, the Company continued to work on the optimisation of the Chinook Project Mine Scoping Study. This work is being undertaken by RPMGlobal. The Chinook Project has the potential to host multiple large open-cut hard coking coal mines, is adjacent to rail, and is only 5km from Hancock Prospecting's Grassy Mountain Project. The Scoping Study is scheduled for completion in January 2021.



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Tent Mountain Mine

The Tent Mountain Mine, which ceased operations in 1983, holds a compliant mine permit and an environmental approval which must be amended before resuming mining operations. Montem has completed a Definitive Feasibility Study (DFS) for the re-start of operations at Tent Mountain. The DFS produced robust economic results from open-cut operations producing 1.1Mt hard coking coal sales per annum, and confirmed that the existing mine infrastructure, including open pits, stored water, and access roads may be leveraged to fast track the re-start of mining. For additional information on the Tent Mountain Mine DFS please refer to the ASX release of the Prospectus on 14 September 2020, and the IPO Investor Presentation lodged with the ASX on 15 September 2020. Also refer to the Company website at www.montem-resources.com.

Montem is using funds from the September 2020 IPO to move Tent Mountain through the regulatory approvals process, and into the construction phase. During the quarter the Company continued to prepare the necessary environmental reports and applications to restart operations at the mine.

Montem's regulatory team are finalising the mining licence application and associated permit amendments which are the final approvals required to recommence mining at Tent Mountain. Montem expects to lodge the integrated application accompanied by an EIA with the Alberta Energy Regulator (AER) in the first half of 2021.

Corporate

Appointment of CFO

During the quarter, Montem announced Melanie Leydin would replace Alan Ahlgren as the Company's Chief Financial Officer (CFO), after Mr. Ahlgren decided to step down from the position. In addition, Ms. Leydin will continue in her role as Montem's Company Secretary. Ms. Leydin has more than 25 years' experience in the accounting profession and nearly 20 years' experience as a Company Secretary for ASX listed companies. Ms. Leydin is a Chartered Accountant and a Registered Company Auditor.

Westshore Terminals port fee - renegotiation

Montem and Westshore Terminals Limited Partnership (Westshore) signed a shipping agreement in July 2020 to secure up to 1.25 million tonnes per year of export capacity for the Tent Mountain hard coking coal product. Montem and Westshore have agreed to reschedule the reservation fee payment of CAD\$1,150,000, which was due on 2 November 2020. The new schedule splits the reservation fee into four equal quarterly amounts of CAD\$287,500.

Two payments of CAD\$287,500 have been made on 28 October 2020 and 4 January 2021. Two final payments will be made in April 2021 and July 2021.

Tent Mountain Mine rail loadout land purchase - renegotiation



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ASX Announcement

On 31 October 2019 Montem agreed to purchase a parcel of land which is planned to be used for a rail loading facility for the Tent Mountain Mine. Under the original agreement, a final payment of CAD\$2,535,400 was to be made on 4 January 2021.

The parties agreed to an extension of this agreement under the following terms:

- Extension of agreement to 4 January 2022
- Total purchase price CAD\$3,000,000
- Montem forfeit the existing CAD\$184,000 deposit on 4 January 2021
- Montem, posts a new, non-refundable deposit CAD\$275,000 (named "Option Fee") on 4 January 2021

Montem is pleased to extend this option over the future rail loadout land for a further 12 months as it provides strategic value for the Tent Mountain Mine.

Board remuneration and cash at hand

In the attached Appendix 5B, the figure of \$242,000 - as disclosed in section 6.1 - relates to all fees, salaries and superannuation paid to Montem's Directors for the fourth quarter of 2020.

Montem held \$3.4 million cash at 31 December 2020.



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ASX Announcement

Use of Funds Statement

The current quarter is covered by the Use of Funds Statement outlined in the Prospectus dated 31 July 2020. A summary of expenditure to date is outlined below:

Use of Funds (millions AU\$)	Per Prospectus dated 31 July 2020	Actual expenditure to 31 December 2020
Tent Mtn: strategic land purchase (Tent Mtn rail)	2.64	-
Tent Mtn: Port reservation fee	1.20	0.29
Tent Mtn: permitting (enviro monitoring and liaison)	0.63	0.78
Tent Mtn: pre-production drilling (pit definition & bulk sample)	0.89	0.19
Chinook: exploration, PEA study and environmental work	0.83	1.20
General and administrative expenses	1.72	1.24
Offer costs (broker fees; IPO preparation)	0.83	0.78
Total expenditures	8.74	4.48

In general, spending for the quarter was in line with expectations. The planned major asset purchase of land for the Tent Mountain Mine rail loadout was deferred for 12 months. The port reservation fee was renegotiated to extend the final payment date from October 2020 to July 2021.

Expenditure on Tent Mountain permitting was slightly higher than forecast. This trend is likely to continue in 2021, as the project moves into the final stages of undertaking the required analysis to present the project to the government for approval to restart operations.

Chinook Project exploration and permitting is more than forecast due to extra drilling undertaken, as well as additional permitting works to prepare for preliminary feasibility. These works included multiple field excursion by Indigenous groups. Additionally, the optimisation of the Chinook Scoping Study was conducted over the quarter. Results from the optimisation are due in late January 2021.

For further information on the Company, our assets, and our development plans, please visit our website: www.montem-resources.com

Additionally, view Investor Presentations which are lodged with the ASX.



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

For further information, contact:

Peter Doyle

Managing Director and CEO

+1 778 888 7604

pdoyle@montem-resources.com

Melanie Leydin

CFO and Company Secretary

+61 3 9692 7222

secretary@montem-resources.com

Nathan Ryan

IR & Media

+61 420 582 887

About Montem Resources

Montem Resources (ASX: MR1) is a steelmaking coal development company that owns and leases coal tenements in the Canadian provinces of Alberta and British Columbia. The Company's objective is to become the operator of steelmaking coal mines in Canada by developing its properties in the Crowsnest Pass. The Company is planning an integrated mining complex in the Crowsnest Pass, focusing on low-cost development of open-cut operations that leverage central infrastructure. The first component of this objective is to re-establish mining at the Tent Mountain Mine.

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

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

Montem is also progressing development opportunities at the greenfield exploration Isola, 4-Stack and Oldman projects.

Competent Person Statement

The information contained in this announcement that relates to JORC Reserves statements for the Tent Mountain Mine are derived from a Feasibility Study completed in April 2020, and fairly represents, information compiled or reviewed by Mr. Robert McCarthy who is an employee of SRK Consulting (Canada) Inc. Mr. Robert McCarthy is a Professional Engineer registered with the Association of Professional Engineers and Geoscientists of British Columbia and a Competent Person as defined in the JORC Code (2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves") having sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking. Mr. Robert McCarthy consents to the inclusion in this presentation of the matters based on their information and have reviewed all statements pertaining to this information and consent to this statement and to references in this announcement to them in the form and context in which they appear.



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ASX Announcement

The information contained in this announcement that relates to JORC Resources estimates for the Chinook Project (inclusive of Chinook South and Chinook Vicary) are derived from a Resource report completed in February 2020, and fairly represents, information compiled or reviewed by Mr. Bradley Ulry, Mr. Matthew Carter, Mr. John Gorham and Mr. Nathan Schmidt, who are employees of Dahrouge Geological Consulting Ltd. Mr. Bradley Ulry, Mr. Matthew Carter and Mr. John Gorham are registered as Professional Geologists with the Association of Professional Engineers and Geoscientists of Alberta and are Competent Persons as defined in the JORC Code (2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves") having sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking. Mr. Nathan Schmidt is a member of the Engineers and Geoscientists of British Columbia and is a Competent Person as defined in the JORC Code (2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves") having sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking. Mr. Bradley Ulry, Mr. Matthew Carter, Mr. John Gorham and Mr. Nathan Schmidt consent to the inclusion in this presentation of the matters based on their information and have reviewed all statements pertaining to this information and consent to this statement and to references in this announcement to them in the form and context in which they appear.

The information in this announcement that relates to a JORC Exploration Target for the Isola Project is derived from a report completed in July 2020 and fairly represents, information compiled or reviewed by Mr. Matthew Carter and Mr. John Gorham, who are employees of Dahrouge Geological Consulting Ltd. Mr. Matthew Carter and Mr. John Gorham are registered as Professional Geologists with the Association of Professional Engineers and Geoscientists of Alberta and are Competent Persons as defined in the JORC Code (2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves") having sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity that they are undertaking. Mr. Matthew Carter and Mr. John Gorham consent to the inclusion of the matters based on their information and have reviewed all statements pertaining to this information and consent to this statement and to references in this announcement to them in the form and context in which they appear.

The JORC Reports are available to view on the Company's website (www.montem-resources.com). The Company confirms that it is not aware of any new information or data that materially affects the information included in the JORC Reports and that all material assumptions and technical parameters underpinning the Resource and Exploration Target estimates in the JORC Reports continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the JORC Report.

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



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ASX Announcement

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.



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ASX Announcement

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
CHINOOK PROJECT	181 088 180 +8	129.5



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ASX Announcement

PART I - Alberta Freehold Tenements cont..

Prospect Area	Land Title Certificate Number	Hectares
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	Document Name	Hectares
TENT MOUNTAIN MINE	Coal Lease 389283	153.0

PART III - Alberta Leasehold Tenements

Prospect Area	Coal Lease No.	Hectares
TENT MOUNTAIN MINE	1305090663	92.6
TENT MOUNTAIN MINE	1305090664	48.0
TENT MOUNTAIN MINE	1305090665	56.6
TENT MOUNTAIN MINE	1305090666	149.2
TENT MOUNTAIN MINE	1305090667	38.5
TENT MOUNTAIN MINE	1305090668	102.2
TENT MOUNTAIN MINE	1305100739	310.5
TENT MOUNTAIN MINE	1306080819	120.0

PART III - Alberta Leasehold Tenements cont...



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ASX Announcement

Prospect Area	Coal Lease No.	Hectares
TENT MOUNTAIN MINE	1306080820	64.0
TENT MOUNTAIN MINE	1306080821	64.0
TENT MOUNTAIN MINE	1306080822	210.4
CHINOOK PROJECT	1305121390	128.0
CHINOOK PROJECT	1306020552	80.0
CHINOOK PROJECT	1306020553	160.0
CHINOOK PROJECT	1306020554	128.0
CHINOOK PROJECT	1306020555	128.0
CHINOOK PROJECT	1306020556	176.0
CHINOOK PROJECT	1306050823	128.0
CHINOOK PROJECT	1306050824	256.0
CHINOOK PROJECT	1306050826	224.0
CHINOOK PROJECT	1306050827	64.0
CHINOOK PROJECT	1306080813	16.0
CHINOOK PROJECT	1306080814	48.0
CHINOOK PROJECT	1306080815	64.0
CHINOOK PROJECT	1306080816	64.0
CHINOOK PROJECT	1306080817	64.0
CHINOOK PROJECT	1306080818	64.0
CHINOOK PROJECT	1306120432	64.0
CHINOOK PROJECT	1306120433	64.0
CHINOOK PROJECT	1306120434	32.0
CHINOOK PROJECT	1307040479	64.0
CHINOOK PROJECT	1307040480	16.0
CHINOOK PROJECT	1307060454	160.0
CHINOOK PROJECT	1307100753	128.0
CHINOOK PROJECT	1307110904	32.0
CHINOOK PROJECT	1307110905	32.0
CHINOOK PROJECT	1307110906	48.0
CHINOOK PROJECT	1307110907	256.0
CHINOOK PROJECT	1308050910	90.7
CHINOOK PROJECT	1308090609	51.2
CHINOOK PROJECT	1311010588	48.0
CHINOOK PROJECT	1311010589	64.0

PART III - Alberta Leasehold Tenements cont..



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Prospect Area	Coal Lease No.	Hectares
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
CHINOOK PROJECT	1320120074	288.0
CHINOOK PROJECT	1320120075	64.0
CHINOOK PROJECT	1320120076	224.0
CHINOOK PROJECT	1320120077	84.0
CHINOOK PROJECT	1320120078	128.0
CHINOOK PROJECT	1320120079	192.0
CHINOOK PROJECT	1320120080	96.0
4-STACK / CHINOOK PROJECT (see Note below)	1306050828	128.0
4-STACK / CHINOOK PROJECT (see Note below)	1306050830	256.0
4-STACK	1306050825	128.0
4-STACK	1306050829	256.0
4-STACK	1316120153	64.0



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4-STACK	1316120154	69.2
4-STACK	1316120156	128.0
4-STACK	1316120157	128.0
4-STACK	1317090268	128.0
4-STACK	1317090269	352.0
4-STACK	1317090279	351.0
4-STACK	1317090280	150.0
4-STACK	1320120081	110.3

PART III - Alberta Leasehold Tenements cont..

Prospect Area	Coal Lease No.	Hectares
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
ISOLA	1320120082	122.38
ISOLA	1320120083	352.0
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 1306050828 and 1306050830 are located partially within Chinook Project and partially within 4-Stack.

The total area of Lease 1306050828 is approximately 128 hectares with approximately 65 hectares lying within Chinook Project and the remainder in 4-Stack.

The total area of Lease 1306050830 is approximately 256 hectares with approximately 128 hectares lying within Chinook Project and the remainder in 4-Stack.

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 2020

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	(267)	(885)
(e) administration and corporate costs	(593)	(834)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(860)	(1,719)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(8)	(42)
(d) exploration & evaluation	(2,525)	(6,004)
(e) investments	-	-
(f) other non-current assets	(31)	31

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(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	(2,564)	(6,015)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	9,919
3.2	Proceeds from issue of convertible debt securities	-	860
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(690)
3.5	Proceeds from borrowings	-	42
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)	(25)	(115)
3.10	Net cash from / (used in) financing activities	(25)	10,016

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,069	1,431
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(860)	(1,719)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,564)	(6,015)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(25)	10,016

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(186)	(279)
4.6	Cash and cash equivalents at end of period	3,434	3,434

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	3,434	7,069
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)	3,434	7,069

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	242
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)	42	42																								
Lease obligations ^(b)	209	209																								
7.4 Total financing facilities	251	251																								
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>2.9 – 3.5%</td> <td>01 May 2022</td> <td>unsecured</td> </tr> <tr> <td>JP Leasing</td> <td>3.5%</td> <td>01 Mar 2023</td> <td>unsecured</td> </tr> <tr> <td>GL Leasing</td> <td>9.9%</td> <td>28 Feb 2025</td> <td>unsecured</td> </tr> <tr> <td>GL Leasing</td> <td>8.5%</td> <td>31 Jan 2024</td> <td>unsecured</td> </tr> <tr> <td>SCREO II 99 Street LP</td> <td>7.8%</td> <td>30 Nov 2022</td> <td>unsecured</td> </tr> </tbody> </table>			Lender	Interest rate	Maturity date	Secured/unsecured	JP Leasing	2.9 – 3.5%	01 May 2022	unsecured	JP Leasing	3.5%	01 Mar 2023	unsecured	GL Leasing	9.9%	28 Feb 2025	unsecured	GL Leasing	8.5%	31 Jan 2024	unsecured	SCREO II 99 Street LP	7.8%	30 Nov 2022	unsecured
Lender	Interest rate	Maturity date	Secured/unsecured																							
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SCREO II 99 Street LP	7.8%	30 Nov 2022	unsecured																							

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(860)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,525)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(3,385)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,434
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,434
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.01
<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>	

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 net operating cash flows will reduce Q1 2021 compared to the previous quarter. This is due to the lack of ongoing exploration in H1 2021, compared to the relatively intense exploration conducted in Q4 2020, undertaking the Chinook Vicary drilling campaign.

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 are expected to be lower in Q1 2021 than the previous quarter and these are expected to be covered using current cash balances. In addition, as disclosed in the Prospectus dated 31 July 2020, Montem Resources will need to seek additional capital. The Directors are in the process of assessing funding requirements and are confident that sufficient funds can be secured in the near term. The Company has a successful history of raising funds and has a number of potential avenues to seek funding for additional exploration and development work, including equity, debt, and minority sale of assets to form operating joint-ventures.

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: 21 January 2021

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.