Montem Resources Limited

Canada's next steelmaking coal exporter

121 Mining Investment Conference (17-19 March 2021)

Montem Resources

INVESTOR PRESENTATION - March 2021

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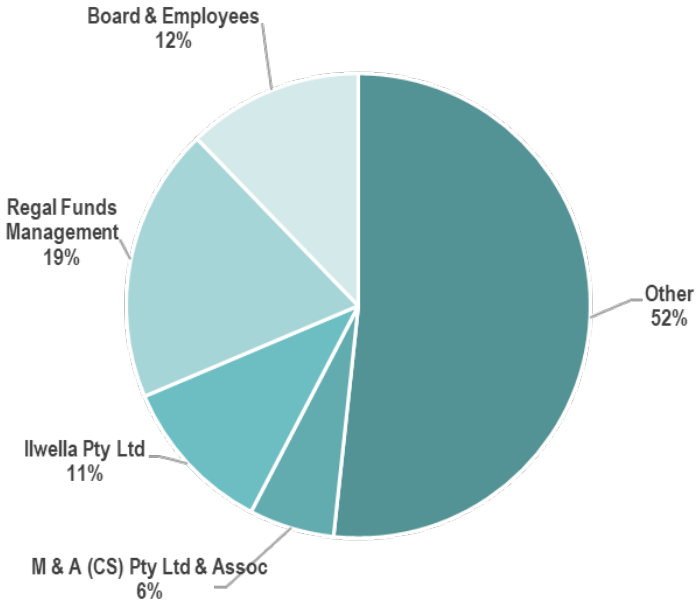
Montem - Capital Structure

Capital Structure (MR1.ax)

Ordinary Shares	233,020,832
Performance Rights	8,719,710
Options	6,315,133
Shares escrowed at IPO[1]	37,755,394
Share Price (1 March)	$0.175
Undiluted market capitalisation	A$40,778,646
Cash (31 December 2020)	A$3.41million

Share Price Performance

Montem share ownership



1. 42,718,252 shares, 6,767,898 Performance Rights and 3,792,897 Options are subject to escrow restrictions for terms between 12 and 24 months

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Directors and Management

MARK LOCHTENBERG
Chairman

- Previously co-head of Glencore International AG's worldwide coal division

PETER DOYLE
Managing Director & Chief Executive Officer

- 25 years coal industry experience
- Canada based

BOB BELL
Chief Commercial Officer

- Previously Chief Commercial Officer at Teck Coal
- 30+ years coal industry experience

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Montem - Strategy

Tent Mountain Mine

- Brownfield re-start of existing mine
- HCC previously exported to Japanese steel mills
- Production 2022/23
- Rail and port capacity secured

Chinook Project

- Large open cut mine defined in Scoping Study
- Comparable tenure & coal quality to neighboring ATU's Elan Project and Teck's Elk Valley mines

Greenfields

- Exploration and development opportunities to the north of Chinook, called: 4-Stack; Oldman and Isola
- 1.5Bt[1] exploration target across Montem's assets

JORC Resource and Reserve Table refer to Appendix

1. Mineral Resources have been estimated according to JORC 2012 standards. The potential quantity and grade of the Exploration Target is conceptual in nature and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Targets are conceptual in nature and there has been insufficient exploration carried out to define the relevant Coal Resource and are presented as a range to represent uncertainty in seam thickness, quality and location. The Exploration Target is not reported as part of any Mineral Resource or Ore Reserve.

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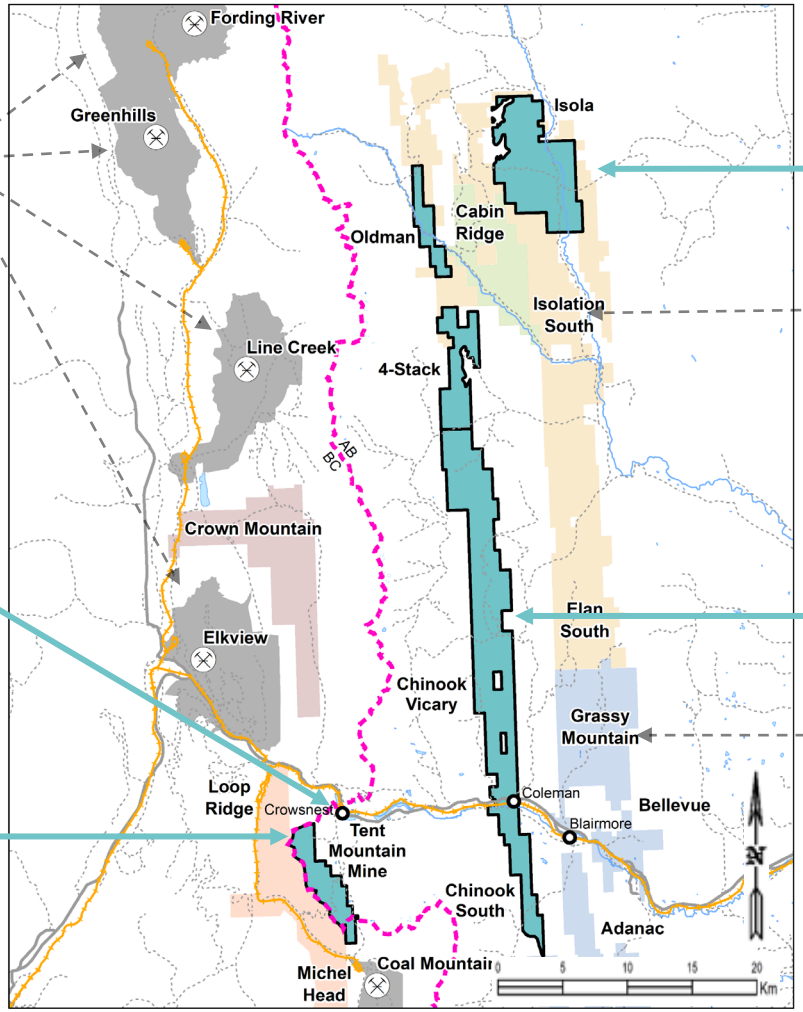
Elk Valley & the Crowsnest Pass

Teck Resources:
~28Mtpa HCC exports



Isola Project:
- Long-term development potential

Atrum Coal:
Market Cap A$150million

Infrastructure:
- Rail; power; water; port; secured

Chinook Project:
- Mid-term development

Hancock Prospecting:
Grassy Mountain A$745million

Tent Mountain Mine:
- 1.1Mtpa for 14 years
- A$65million EBITDA
- HCC sales 2022/23

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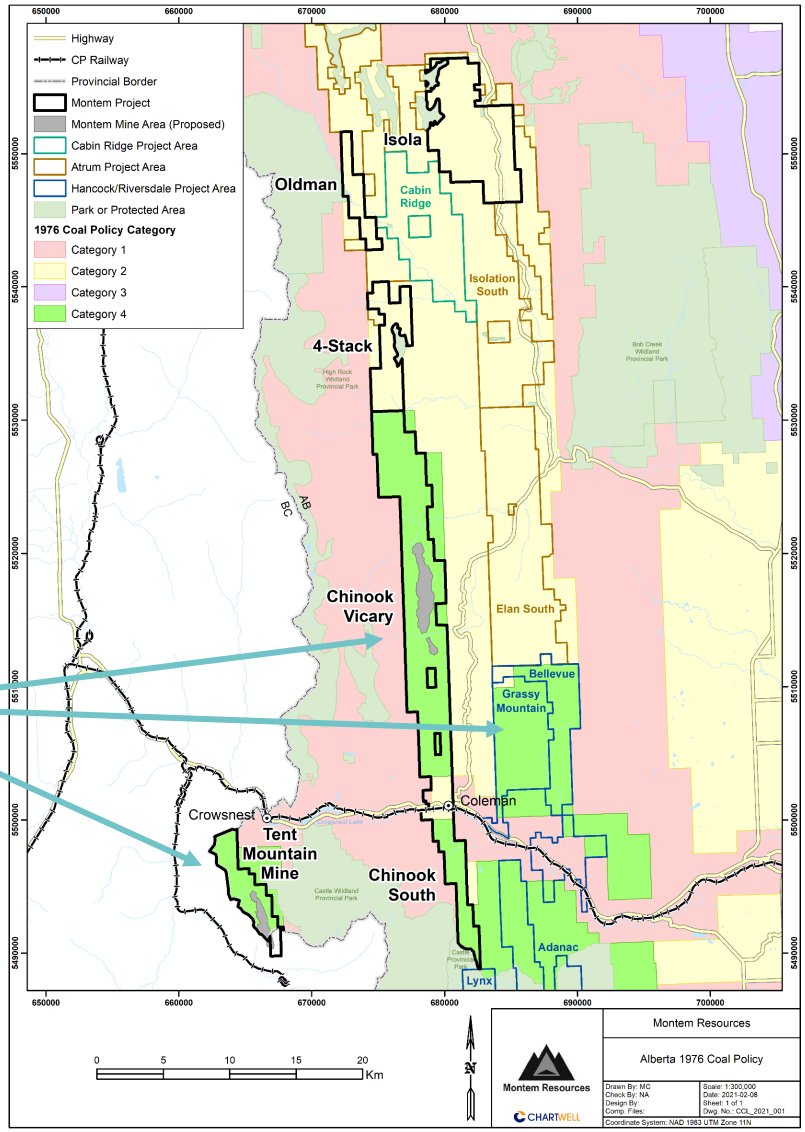
Alberta Coal Policy

- 1976 Coal Development Policy divided Alberta into 4 categories of land:
  - Category 1 – no mining
  - Category 2 – surface mining not normally considered
  - Category 3 – surface mining OK
  - Category 4 – surface mining OK
- Montem and Hancock are the only companies with Category 4 assets
- All of Montem's JORC resources and planned activity is on Category 4 land

Category 4:
- Tent Mountain
- Chinook Project
- Grassy Mountain



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Tent Mountain Mine – Feasibility Study Results

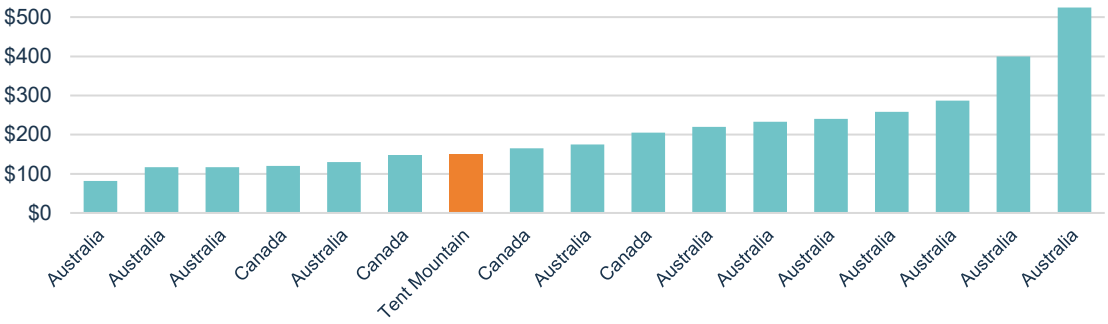
Near term production (2022/23), low risk re-start, port capacity secured

Tent Mountain Mine – Project Parameters (April 2020)

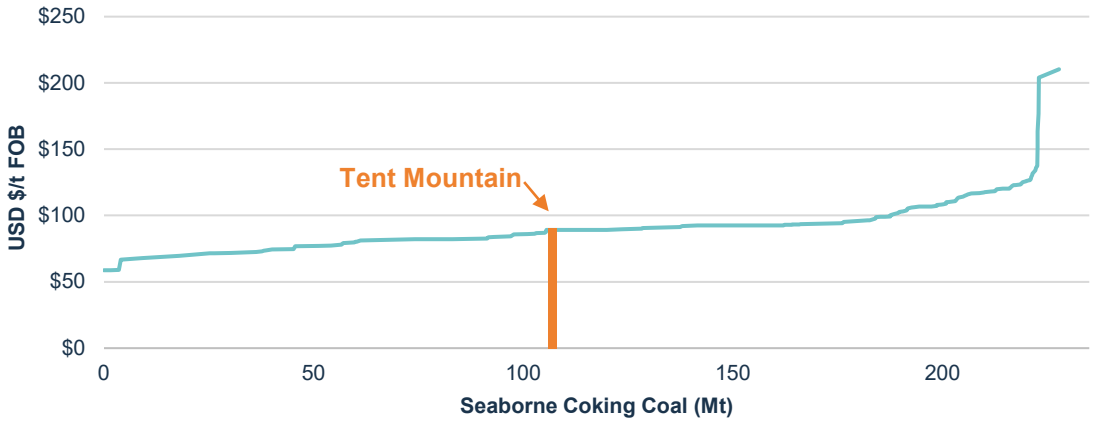
Coal Type	Tier 2 Hard coking coal
Resource (JORC, 2020)	60 Mt
Reserve – ROM	22 Mt
Reserve – Product	13 Mt
Washery Yield	60 %
Mining method	Open cut
First coal	Q1 2022
Production	1.1 Mtpa
Mine Life	14 years
Strip Ratio - ROM	8.8:1
Capital required	US$168m
Operating cost	US$ 88/t FOB
Project NPV (post tax) [1]	C$129 million
IRR (post tax) [1]	17.3%

1. Based on US$150 LT HCC Reference Price, 13% discount for Tent Mtn
CAD:USD of 0.75 AUD:USD of 0.72

Capital Intensity – Hard Coking Coal Projects (USD / tonne capacity)[2]



Seaborne Export HCC Cost Curve 2020 [3]



2. Source: Wood Mackenzie Ltd, February 2020 dataset; Company disclosures; Montem management analysis
3. Source: Wood Mackenzie Ltd, February 2020 dataset; Tent Mountain FOB costs from 2020 DFS

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Tent Mountain Mine

Montem has significantly de-risked this project, definitive feasibility study completed

Exploration

- ✓ Completed drilling 7,000m, delineating 60Mt resources
- ✓ Confirmed quality: Tier 2 Hard Coking Coal

Permitting

- ✓ Mine permit and EPEA granted giving timeline advantage, de-risking the project
- ✓ Federal gov't previously stated the project is not designated for review
- ✓ Applications for final permits being prepared for submission

Infrastructure

- ✓ Secured land for rail loadout
- ✓ Port capacity reserved
- ✓ Power supply, road access and water are available

Feasibility

- ✓ Definitive Feasibility Study completed, showing robust financial results
- ✓ Optimised mine plan including contractor operation being studied

In progress

- Mine re-start application to be submitted: 2021
- Construction earth works: 2022
- First coal sales: 2023

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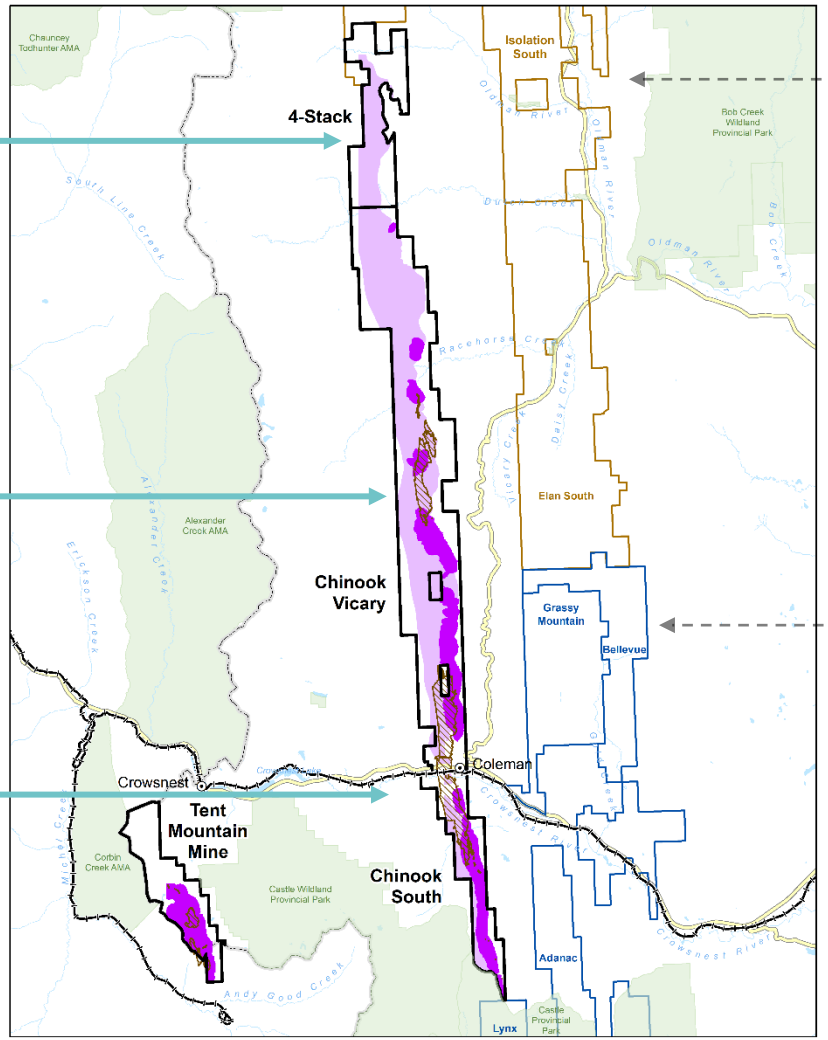
Chinook Project – World Class Potential

4-Stack:
- 65Mt - 125Mt Exploration Target[1]

Chinook Project:
- Potential for multiple large scale open-cut mines
- 149Mt JORC[1]
- 125Mt - 450Mt Exploration Target[1]

Infrastructure:
- Power, road and rail runs through the lease area



Atrum Coal:
Market Cap A$150 million

Hancock Prospecting:
Grassy Mountain A$745 million

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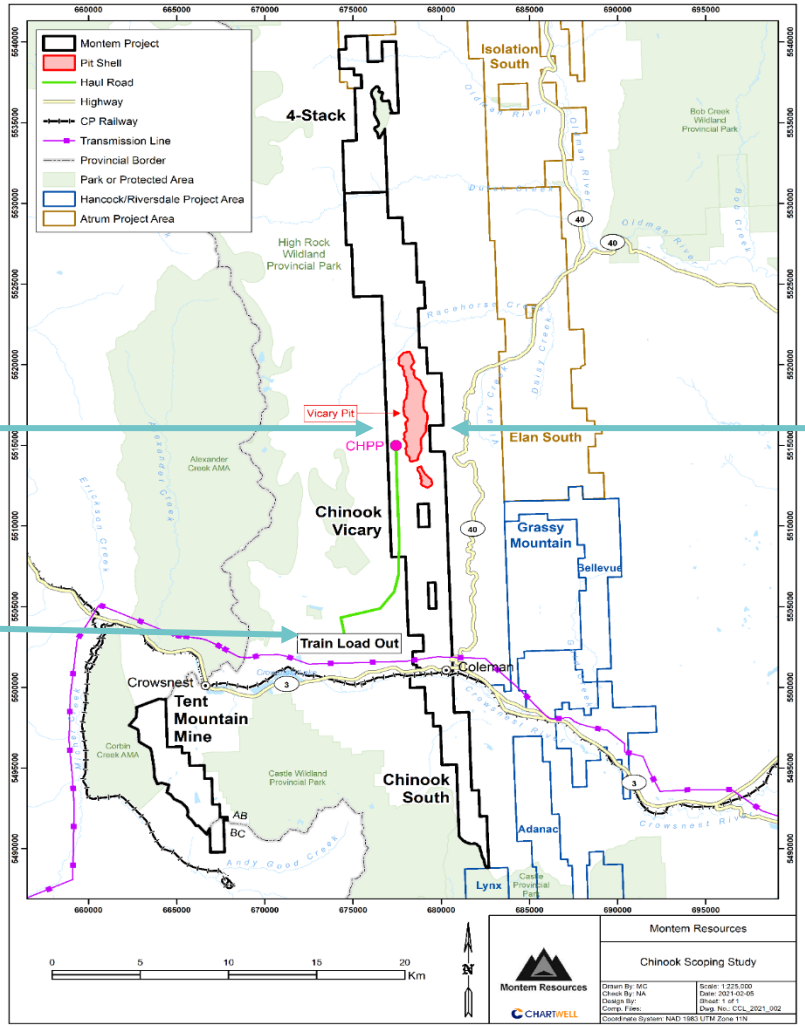
Chinook Vicary – Scoping study completed

Chinook Vicary Open Cut:
- Large scale open cut
- Avg. strip ratio 7:1 (ROM)
- 14km road haul to rail loop

Infrastructure:
- Dedicated haul road; high-capacity load-out (10Mtpa)



Coal Quality:
- Premium Hard Coking Coal
- Previously exported 100% of its coal to Japan steel mills

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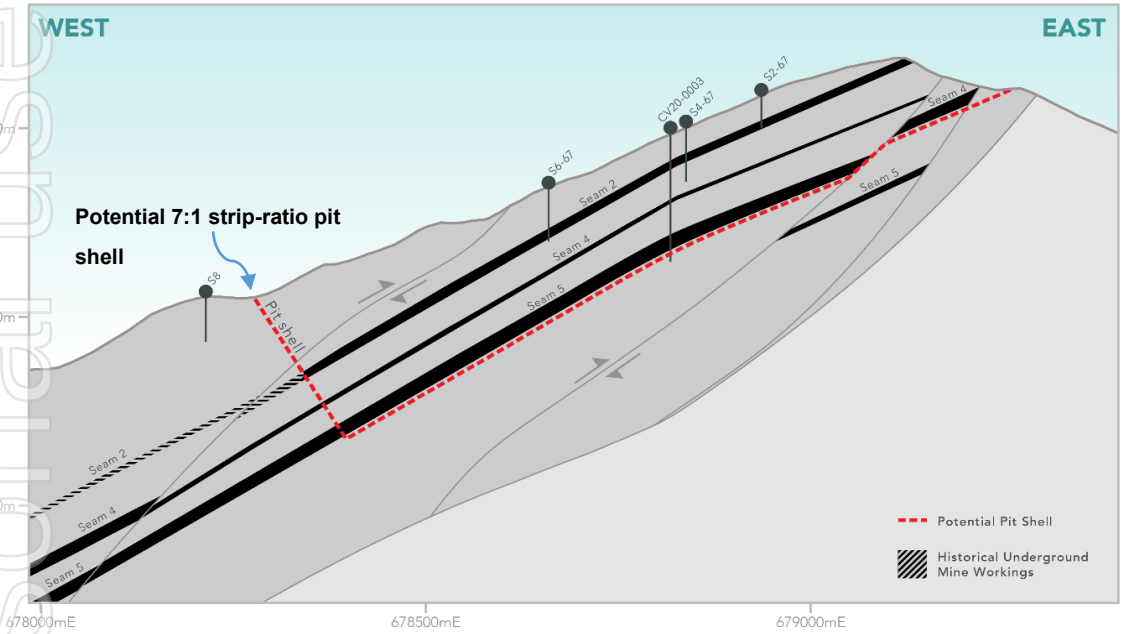
Chinook Vicary exploration success

Large resource upgrade being defined at Chinook Vicary

- Drilling in 2020 confirmed near surface, structurally thickened zones
- Coal seams up to **22m thick**
- Large scale exploration planned for 2021

Chinook Vicary Cross Section B-B



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Chinook Vicary: Tier 1 Hard Coking Coal

2020 Exploration confirms Tier 1 HCC

- Chinook Vicary coal attributes fits the specification range for “Premium Low Vol Hard Coking Coal”
- Exceptional coke strength results with CSR values ranging from 67 to 74
- Working section clean coal composite produced high simulated plant yields with low ash: 9.1%; low volatile matter: 21.4%; low total sulphur: 0.48%; favourable rank (RoMax): 1.31%; and outstanding CSR: 70

Product	Ash % (ad)	VM % (ad)	Sulphur % (ad)	Phos % (ad)	Rank RoMax (%)	CSR
Platts PLV HCC “Benchmark”	*9.3*	*21.5*	*0.50*	*0.045*	*1.35*	*71*
Chinook Vicary (Indicative)	**9.1**	**21.4**	**0.48**	**0.067**	**1.30**	**70**
Elkview Premium (Teck)	8.8	25.5	0.65-0.70	0.075	1.14	70
Grassy Mtn (Hancock)	9 - 9.5	23.5	0.50	0.040	1.18-1.20	65
Elan (Atrum)	8 - 9	22 - 26	~0.60	<0.050	1.16-1.20	70

Source: S&P Global Platts: Specifications Guide; various Company reports

Montem Managing Director and CEO, Peter Doyle said:

“The historical Vicary mine sold 100% of its product to Japanese steel makers in the 1970’s. When we met with these same steel making companies in Tokyo, they remarked on the exceptional quality of the coal from Vicary and showed us the product specification from the old mine. So, we always knew there was potential for high quality coal at Chinook, and we are really pleased to confirm this with the 2020 drilling. To get CSR’s over 70, with washplant yields over 75%, puts Vicary firmly in the top bracket of Hard Coking Coal available on the global market.”

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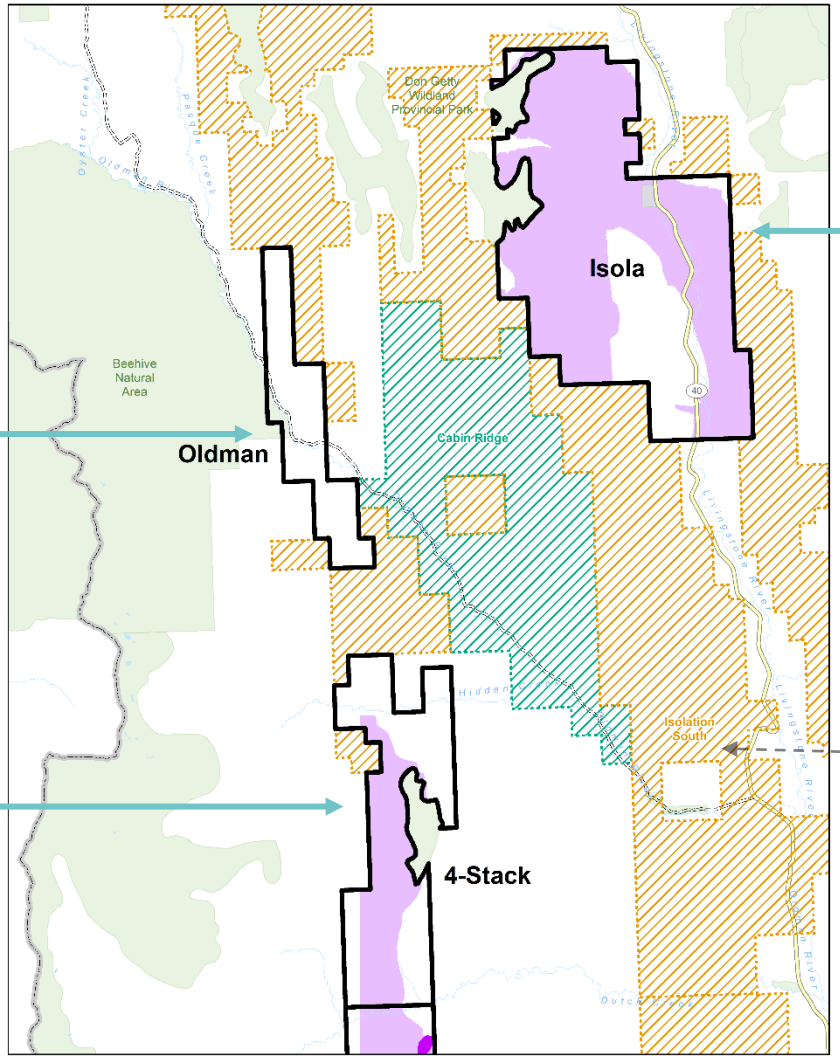
Greenfield Properties – Exploration Targets of over 1Bt

Isola:
- 275Mt-900Mt Exploration Target[1]
- Hosts both open-cut and underground mining potential

- **Oldman:**
- Open-cut mining potential
- Northern extension of 4-Stack

4-Stack:
- 65Mt-125Mt Exploration Target[1]
- Geological interpretation suggests coal seams have been fault repeated up to 4 times



Atrum Coal:
Isolation South Project has potential for large open-cut mine

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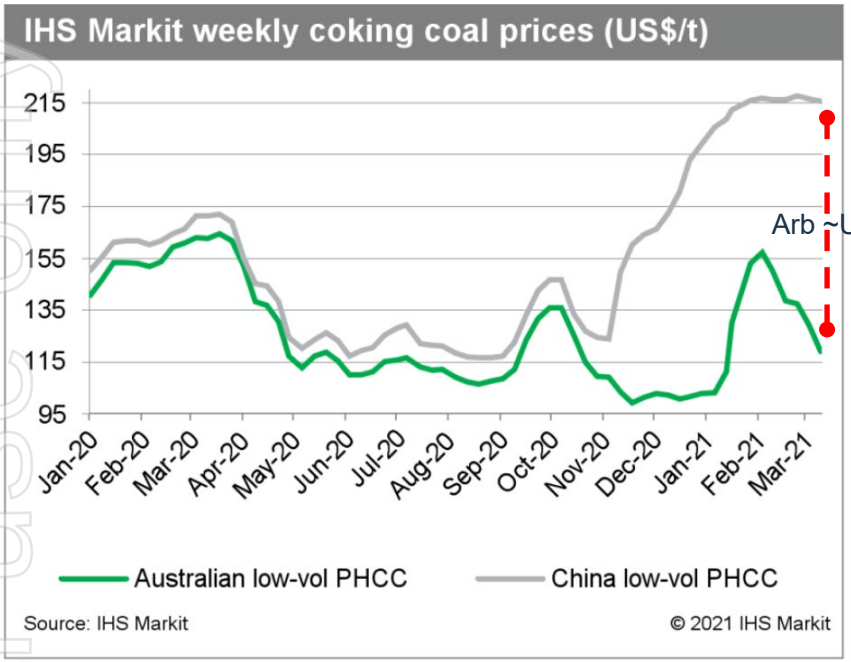
Price: the Canada Advantage

Seaborne prices are bifurcated with China paying a significant premium for non-Australian origin HCC



- Canada producers currently[1] receiving US$180-US$200/t FOB Canada for sales to China
- If Tent Mountain Mine was selling to China today, cash margin would be around US$80/t

- Spot market curve remains in strong contango, indicating traders believe current Qld prices are low
- Long-term outlook for HCC remains strong; forward curve >US$150/t
- Montem's uses the WoodMac long-term forecast price which is significantly below the **10-year historical price (US$180/t)**

1. Source: HIS McCloskey Coal Report

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Next 12 Months

- **Tent Mountain Mine restart application - ongoing**
  - » Application to AER in 2021; expected 12 month processing
- **Tent Mountain Mine optimisation & JV set-up - ongoing**
  - » Pre-development optimisation of DFS; seeking minority JV partner at mine
- **Westshore port capacity reservation - completed**
  - » Port capacity secured for up to 1.25Mtpa export from Vancouver
- **Chinook Project exploration drilling - completed**
  - » Exploration drilling in Q3 2020 to confirm Tier 1 Hard Coking Coal
  - » Exploration targeting low ratio open-cut resources at Vicary pit
- **Chinook Project concept study update - completed**
  - » Chinook mining study to define open-cut mining areas, overall size of the mines, and logistics options

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Value

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Tent Mountain Mine Definitive Feasibility Study completed; fast re-start with **first coal shipments planned for 2022/23, capable of annual EBITDA of A$65m**[1]

Potential to self fund the Chinook Project, targeting **world class scale open-cut mines**

Historical 10-year average **HCC coal price US$180/t; COVID-19 recovery is being** led by infrastructure spending, **increasing steel and coking coal demand**

High quality Hard Coking Coal

Board and management team with significant global coal market experience

1. Source: Tent Mountain Mine Definitive Feasibility Study: cash cost US$88/t; avg. sale price US$130/t; 1.1Mtpa sales

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APPENDIX 1

Reserves and Resources

Resources and Reserves

2020 JORC In-place Coal Resource (Mt)

	Measured	Indicated	Inferred	Total Resources
Tent Mountain	3.7	48.1	8.4	60.1
Chinook Vicary	-	52.6	32.2	84.8
Chinook South	-	51.2	13.1	64.3
4-Stack	-	-	-	-
Isola	-	-	-	-
Total	**3.7**	**151.9**	**53.7**	**209.3**

2020 JORC Tent Mountain Coal Reserves (Mt)

	ROM	Product
Proved	3.6	2.2
Probable	18.4	10.9
Total	**22.0**	**13.1**

2020 JORC Exploration Targets (Mt)

	Exploration Target (Mt) – 20:1 SR, 300m depth cutoff	Exploration Target (Mt) – 20:1 SR, no depth cutoff
Chinook Vicary	125	450
4-Stack	65	125
	Exploration Target (Mt) – 20:1 SR, 250m depth cutoff	**Exploration Target (Mt) – 600m depth cutoff**
Isola	275	900
	465	**1,475**

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Competent Person Statement

The information contained in this presentation that relates to JORC resources estimates for the Tent Mountain Mine and Chinook Project (inclusive of Chinook South and Chinook Vicary) are derived from Resource reports completed in February 2020, and fairly represents, information compiled or reviewed by Mr. Bradley Ulry, Mr. Matthew Carter and Mr. John Gorham, who are employees of Dahrouge Geological Consulting Ltd. With respect to the Resource report for the Chinook Project, information was also compiled or reviewed by Mr Nathan Schmidt, who is also an employee 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 presentation to them in the form and context in which they appear.

The information contained in this presentation 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 presentation to them in the form and context in which they appear.

The Chinook Scoping Study is dated January 2020 and was prepared by RPMGlobal and Sedgman. The Scoping Study uses a high proportion (>30%) of Inferred Resources and Exploration Target in the mine plan, and therefore Montem is not able to release the production forecasts or financial analysis from the Study. The Scoping study models potential open-cut mines of Inferred resources (30% of total resources) which need to be upgraded to Measured and Indicated to be considered eligible for a Reserve study. Additional exploration is required to upgrade the resource. The figures set out in this presentation relating to the Scoping Study are subject to the qualifications and modifying Factors as set out in the RPMGlobal and Sedgman reports and may be subject to change once further work is carried out, including for the purposes of a future Reserve study.

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