



Montem Resources

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ASX Announcement

22 June 2021

Update on Alberta Energy Regulator decision on Grassy Mountain Coal Project

HIGHLIGHTS

- Grassy Mountain applications denied by Joint Review Panel
- Montem's Tent Mountain Mine to receive update on whether the Project will be designated for review by IAAC, due 1 July

Montem Resources Limited (ASX: MR1) ("Montem" or the "Company") advises that the Government of Canada announced on 17 June 2021 that the Joint Review Panel, in its capacity as Alberta Energy Regulator, has denied the application for the Grassy Mountain Coal Project owned by Benga Mining Limited (subsidiary of Hancock Prospecting Pty Ltd). The Grassy Mountain Coal Project is located in close proximity to Montem's assets in Alberta and as such its developmental process may be relevant to Montem's own operational considerations.

Montem has been closely following the application by Benga Mining Limited and this response from the Joint Review Panel ("JRP" or "Panel") was unexpected. It is unclear at this stage if the decision by the panel will be the subject of an appeal, or if a new application will be submitted by Benga Mining Limited.

The environmental impact assessment review process for Grassy Mountain was conducted under provincial and federal legislation as a Joint Review Panel. The JRP issued its report, and each of the participating agencies, Alberta Energy Regulator ("AER"), and Impact Assessment Agency of Canada ("IAAC") provided further details.

Based on their assessment of the information submitted as part of the application and the submissions as part of the hearing, the Panel has concluded in its report that "the project is likely to result in significant adverse environmental effects on surface water quality, Westslope cutthroat trout and their habitat, Whitebark pine, rough fescue grasslands and vegetation species and community biodiversity; and, significant adverse effects on physical and cultural heritage of some First Nations." The Panel also concluded that they had low confidence in the positive economic impacts presented as part of the process and found some of the mitigation proposals to be overly optimistic.

The JRP concluded that based on the significant adverse effects identified, the Grassy Mountain Coal Project is not in the public interest. It stated that due to the limitations of the Grassy Mountain application approach to assessing cumulative effects, the JRP were unable to assess the magnitude of some cumulative effects.

Montem has contacted the AER for guidance as to whether this decision will have any impact on the Tent Mountain Mine Re-start Project ("Tent Mountain Project"). The AER advised that each project's



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application is reviewed on its merits and that it will consider Montem's application in due course when submitted.

Montem is currently awaiting a decision from Federal Minister of Environment Jonathan Wilkinson on whether he will designate the Tent Mountain Project for review under IAAC. Environment Canada, through IAAC has twice previously reviewed the Tent Mountain Project and confirmed that it did not meet threshold limits that trigger a Federal review. The Minister has indicated he will provide Montem with his decision around 1 July 2021.

The Board of Montem considers a number of factors differentiate the Tent Mountain Project from the Grassy Mountain Coal Project application and the stated reasons for its denial. Montem will continue to engage Provincial and Federal regulators, Indigenous Peoples, local communities, and other engaged stakeholders at all stages of the application process, paying specific attention to concerns raised by the panel in relation to the Grassy Mountain Project.

It is unclear if the denial of permits for the Grassy Mountain Coal Project by the AER will have an impact on Montem's own application process. It comes at a time of increasing regulatory uncertainty in relation to Canada and Alberta's coal policy. Montem will continue to monitor the situation and keep the market advised accordingly.

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

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 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. Details of the DFS are available on Montem's website.



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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.

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.