



Montem Resources

Montem Resources Limited

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ASX Announcement

30 November 2021

Montem progresses Tent Mountain Renewable Energy Complex towards development

HIGHLIGHTS

- Montem establishes Energy Transition Steering Committee to drive development of Tent Mountain Renewable Energy Complex (TM-REX) in Alberta, Canada
- Over the course of 2022, the Steering Committee will move the TM-REX through front-end engineering and design (FEED)
- FEED to be driven by appointed experts in engineering, project management, environment, permitting, indigenous consultation and engagement and green hydrogen
- The TM-REX will consist of 320 MW Pumped Hydro Energy Storage (PHES), 100 MW Green Hydrogen Electrolyser and 100 MW Wind Farm (offsite)
- TM-REX has the potential to host Canada's first large-scale green hydrogen production facility
- Federal review process for the Tent Mountain Mine Redevelopment Project is underway

Montem Resources Limited (ASX: MR1) ("**Montem**" or the "**Company**") is pleased to provide a progress update on its Tent Mountain Renewable Energy Complex (TM-REX) in Alberta, Canada. As previously announced, a Steering Committee, chaired by experienced Canadian power industry executive Will Bridge (see ASX Announcement 25 October 2021), has been established to drive the development of the project. Initial work includes the front-end engineering and design (FEED) in 2022 and engineering, procurement, and construction (EPC) tender evaluation in early 2023.

The recently formed Steering Committee will be comprised of:

- Will Bridge: Committee Chair
- Andrew Keeping, Boost Energy: Committee Member; Market and economic advisor; Project Manager
- Bob Bell: Committee Member; Executive Sponsor
- Peter Doyle: Committee Member; Strategy and corporate governance

The Steering Committee is overseeing various work streams to drive the FEED project phase. These work streams are being undertaken by a team of Montem appointed experts. This team of advisors includes:

- Novel Power (Mohsen Moeini): Engineering
- GHD: Green Hydrogen Production Facility
- Yellow Bike Solutions (Kari McDonald): Environment and Permitting
- Golder (Dave Lawrence): Indigenous Consultation and Engagement



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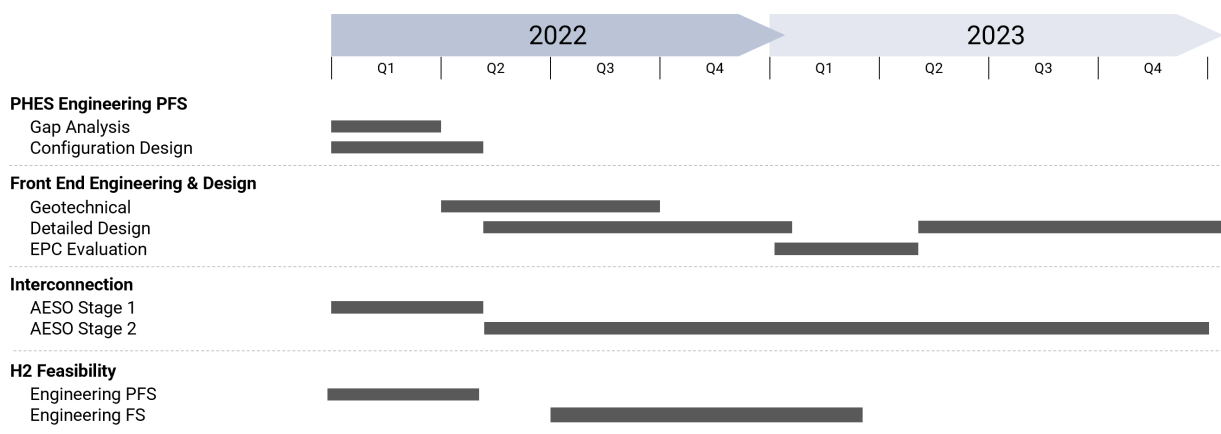
Montem Managing Director and CEO Peter Doyle said: “Each member of the advisory team brings specific experience applicable to the TM-REX project. Boost Energy is an experienced power industry project management team and have already set up strong process controls. Mohsen Moeini is a specialist hydropower engineer with extensive international experience designing pump-hydro projects. Kari McDonald’s environmental and permitting experience in Alberta includes working on another major Alberta pump-hydro project. David Lawrence has extensive Indigenous Peoples engagement and consultation experience from his involvement in multiple energy projects in western Canada. Consultancy GHD has widespread international experience in the design and construction of energy production facilities and is a leader in strategy development for the green hydrogen transition.”

Montem’s decision to transition Tent Mountain to become a renewable energy complex followed separate independent expert studies in 2019 and 2021 which demonstrated the project’s strong viability to host a renewable energy complex which would include:

- 320 MW Pumped Hydro Energy Storage
- 100 MW Green Hydrogen Electrolyser
- 100 MW Wind Farm (offsite)

Montem’s focus is to complete the FEED over the next 18 months, culminating in EPC tender evaluation in H1 2023. In parallel, the team will commence the Alberta Electric System Operator (AESO) process to establish a connection to the Alberta electricity transmission system (the grid) which involves a stage gate process. Project activities over the next two years are detailed as:

TM-REX: Overview of project schedule



- Feasibility studies are underway for the TM-PHEs and the Green Hydrogen production facility
- Montem and the Piikani Nation are progressing commercial discussion on wind power

Next steps

Montem is now working to complete the final configuration design for the PHEs, building on the 2019 and 2021 studies. This step includes a gap analysis on the design configuration which will provide more detail on the major components of the energy complex and the interconnection to the grid.



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FEED work will focus on a detailed geotechnical evaluation, leveraging the existing geotechnical data collected during the Tent Mountain Mine Redevelopment Project Feasibility Study. It will also focus on the detailed site-specific design required for the reservoirs, penstocks and the powerhouse, as well as the routing for the powerlines.

Connection to Alberta's electricity grid is a project requirement to enable distribution of the power produced by the TM-REX, and to draw the power required to recharge the PHES (battery storage). The interconnection process is managed by AESO and regulated by the Alberta Utilities Commission (AUC).

Montem will work with AESO over the next 6 months to complete Stage 1 of the interconnection process which establishes the project's scope and plan to connect to the grid. Stage 2 of the interconnection process is the assessment stage which includes completing an engineering study on the interconnection and a facilities design and is expected to be completed by end 2022. Montem will then initiate Stage 3 of the interconnection process which involves preparation of the application to the AUC.

GHD is being commissioned to undertake detailed analysis of the Green Hydrogen electrolyser element of the TM-REX. This work will include final site selection and investigate the likely technology Montem will employ at the H2 production facility. GHD have already identified three potential offtake markets for the Green Hydrogen, and Montem will undertake initial commercial discussions with these potential partners.

Tent Mountain Mine Re-start Project

On 25 November the Impact Assessment Agency of Canada (IAAC) began their review of the Tent Mountain Mine Redevelopment Project. IAAC accepted Montem's Initial Project Description submission and published it for public comment. The IPD, and details on the IAAC review process can be viewed here: <https://iaac-aeic.gc.ca/050/evaluations/proj/81436>

This is the first step in the Federal review process, which is followed by a 20-day public review period. The Company is then able to address the issues raised during this 20-day public comment period in the Detailed Project Description.

On 29 November the Company received approval for additional exploration drilling at Tent Mountain. This will facilitate further bulk sampling for customer trials, and importantly allow additional geotech drilling to be undertaken for the PHES project.

Montem Managing Director Peter Doyle said: "We welcome this next step by IAAC in assessing Tent Mountain. Montem continues to review our development options for Tent Mountain. The Company has a rare opportunity to have two different pathways to monetize our assets at Tent Mountain. The site has clear potential as a renewable energy complex, with unique features making it ideal for this type of development. Importantly there is also a very valuable remaining coal resource at Tent Mountain. We eagerly await the findings of the Alberta Coal Policy review, with the independent committee due to produce its reports by 31 December. We are pleased that the AER recently approved our next drilling programme, showing the unique position Tent Mountain has under its Category 4 land designation."

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

www.montem-resources.com

www.tentmountain-rex.com



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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 primary objective is to become the operator of steelmaking coal mines, by developing its properties in the Crowsnest Pass, and acquiring operating assets.

Montem completed a Definitive Feasibility Study on the Tent Mountain Mine in 2020, and advanced 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, the Company has also identified alternate methods of monetizing our assets at Tent Mountain. One of these is transitioning the project to a renewable energy complex (TM-REX), employing an onsite pump hydro energy storage facility, an offsite wind power facility, and onsite production of green hydrogen. The Company is progressing studies to support development of TM-REX, including a Feasibility study.

Montem is also progressing the Chinook Project which covers historical mines in the Crowsnest Pass that previously exported hard coking coal to Japanese steel mills. The Chinook Project has the potential for an open-cut hard coking coal mine, and the Company plans to explore, define, and develop this mine.

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



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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.