



Montem Resources

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ASX Announcement

23 February 2022

Montem's transition of Tent Mountain to a Renewable Energy Complex

HIGHLIGHTS

- Montem awards contract to Hatch to complete engineering and design for Class III cost estimates of the Pump Hydro Energy Storage ("PHES") element of the TM-REX
- GHD progressing analysis for a Class IV cost estimate to provide project economics for the Green Hydrogen Electrolyser element of the TM-REX
- Montem submits interconnection application to the Alberta Electric System Operator ("AESO"), advancing progress on securing interconnection to the Alberta electricity grid

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.

Montem is planning for the transition of the Tent Mountain Mine to a renewable energy complex following separate independent expert studies in 2019 and 2021 which demonstrated the project's strong viability to host a renewable energy complex including:

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

Montem has selected Hatch to undertake the detailed design and engineering work to support a Class III cost estimate for the PHES element of TM-REX. The PHES Class III cost estimate will be coupled with analytics supplied by Boost Energy to provide project economics. The cost estimate and project economics results are both expected at the end of Q2 2022.

Hatch is a world leader in PHES project design and development. They have significant local experience having been involved in the design and development of the Canyon Creek PHES Project, which is located near Hinton, Alberta. Hatch has a global network of 9,000 professionals working on the world's toughest challenges. Their experience spans over 150 countries around the world in the metals, energy, infrastructure, digital, and investments market sectors.

The development of final designs for the pump hydro, and Class III cost estimates, will feed into project economics. With these in hand, Montem will have the necessary information to enable a decision to be made to accelerate the development of the Tent Mountain Renewable Energy Complex, rather than restarting the coking coal mine on site.



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Montem Managing Director and CEO Peter Doyle said: *“We are excited to partner with Hatch to deliver the detailed design for the pump hydro element of the TM-REX. Hatch are world leaders in planning and construction of pumped hydro storage projects and have significant experience here in Alberta. Initial engagements between the TM-REX team and Hatch have been very positive, and we are excited to be working with their world class team of experts. The TM-REX continues to build momentum and represents an extraordinary opportunity for Montem to be at the forefront of the energy transition in Alberta.”*

Grid Connection

Montem recently submitted the system access service request (“SASR”) grid interconnection application to the AESO. The SASR submission is a key project milestone that triggers the AESO stage gate process for securing interconnection capacity to the Alberta transmission system (the grid). The Tent Mountain PHES is located within 10km of the Alberta high voltage electricity grid, providing logistics and economic advantages, and the Company is excited to now be “in the queue” for connection.

Wind Power

A critical element of the TM-REX is the supply of renewable power to charge the hydro storage at Tent Mountain. Montem continues to work closely with the Piikani Nation (“Piikani”) on wind power generation strategies. Tent Mountain is located in the traditional territory of the Piikani, and Piikani’s reserve lands lie in the heart of southern Alberta’s wind power generating region.

Green Hydrogen

GHD is progressing the analysis for a Class IV cost estimate to provide project economics for the Green Hydrogen Electrolyser element of the TM-REX. The Green Hydrogen Electrolyser Class IV cost estimate and project economics results are both expected before the end of Q2 2022.

To support the Green Hydrogen Electrolyser element of the TM-REX economic analysis, GHD will complete preliminary engineering design, and undertake the initial assessment of land, water and regulatory requirements for the project. Further, GHD is preparing the technical requirements for production, storage and transportation of hydrogen, and establishing the optimum project delivery schedule. Additionally, GHD is exploring the anticipated needs of the growing market and end-users for green hydrogen.

Grant Funding

Montem has applied for C\$5 million in Federal funding from Canada’s Clean Fuels Program. Montem’s application is currently being reviewed, with grants expected to be awarded in the northern hemisphere Spring 2022. In parallel, Montem is also investigating other renewable energy project grant options with Alberta Innovates, Invest Alberta, and Emissions Reduction Alberta.

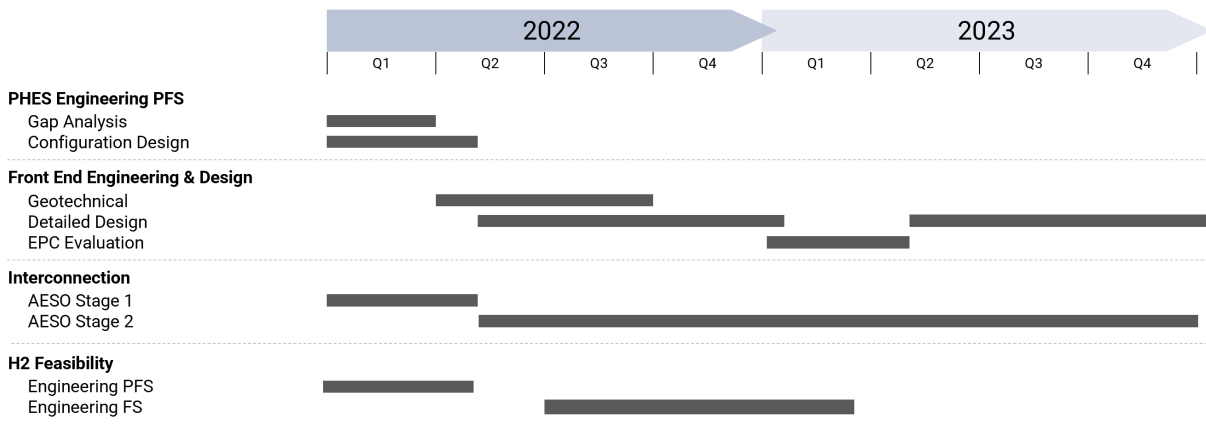


ASX Announcement

Planning

Montem’s focus is to complete the front-end engineer and design (“FEED”) over the next 18 months, culminating in EPC tender evaluation in H1 2023. In parallel, the team will progress the AESO stage gate process to establish a connection to the Alberta electricity transmission system (the grid). Project activities include:

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

The completion of the geotechnical work and detailed design and engineering work for the Tent Mountain PHES are key steps in de-risking the project and moving toward commercialization of the renewable power project.

For further information on the Company, our assets and development plans, please visit our websites: www.montem-resources.com and 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 become the operator of steelmaking coal mines and renewable energy developments in Canada by developing its projects in the Crowsnest Pass. The Company is planning an integrated mining complex in the Crowsnest Pass, focusing on the 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 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, Montem identified alternate opportunities for Tent Mountain, including transitioning the project to a renewable energy complex, 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 the TM-REX, including a feasibility study.

Montem is also progressing the Chinook Project which covers historical steelmaking coal 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.