



**Montem Resources**

**Montem Resources Limited**

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## ASX Announcement

29 October 2021

### Montem Resources September 2021 Quarterly Activities Report

#### HIGHLIGHTS

- Chinook Project JORC coal Resource Estimate increases to 172Mt (108Mt Indicated and 64Mt Inferred).
- Chinook Project also contains a coal Exploration Target of an additional 125Mt to 450Mt<sup>1</sup>.
- Coal quality results from the 2020 Chinook Vicary drilling program returned exceptional coke strength results; coal to be marketed as “Premium Low Vol Hard Coking Coal”
- Chinook Project is located within Alberta Coal Development Policy Category 4 lands - areas where surface mining is contemplated.
- Montem hosted a site visit from Alberta Coal Policy Review Committee at Tent Mountain Mine.
- Montem announced plans to transition its Tent Mountain Project into a renewable energy complex.

Montem Resources Limited (ASX: MR1) (“**Montem**” or the “**Company**”) is pleased to report on activities at its portfolio of Canadian assets during the quarter ending in September 2021.

#### Chinook Vicary JORC Resource Upgrade

In August 2021, Montem completed a JORC Resource Estimate update for the Chinook Project. The coal Resource Estimate for the Chinook Project increased by 23Mt to 172Mt (108Mt Indicated and 64Mt Inferred).

The Chinook Project (“Chinook” or the “Project”) in Alberta, Canada is made up of two areas, Chinook Vicary and Chinook South (see Figure 1). The Project is located entirely within 1976 Coal Development Policy for Alberta Category 4 lands. Along with the 172Mt coal Resource Estimate, the Project also contains a coal Exploration Target Estimate of an additional 125Mt to 450Mt<sup>2</sup> at Chinook Vicary.

The JORC Resource Estimate update is located in the Vicary Domain, which makes up the central portion of the Chinook Vicary area (see Figure 2).

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

<sup>2</sup> The potential quantity and quality of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource in this area of the Project, and it is uncertain if further exploration will result in the estimation of Mineral Resources in this area.



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The Vicary Domain was the target of Montem's 2020 exploration drilling program which confirmed the occurrence of near surface, structurally thickened coal seams suitable for future open-cut extraction<sup>3</sup>. Coupled with a detailed review of historical data, this Resource Estimate update is a direct result of the Chinook Vicary 2020 drilling program.

Coal quality results from the 2020 drilling program were exceptional with working section clean coal composite producing 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, confirming that the Chinook Vicary coal attributes fit precisely in the specification range to be marketed as a "Premium Low Vol Hard Coking Coal"<sup>4</sup>.

This updated Resource Estimate followed an announcements detailing the positive Scoping Study Montem completed for the Chinook Project in early 2021.

The combined 172Mt of Indicated and Inferred resources at Chinook confirm that the Project holds substantial hard coking coal Resources. These results further validate Montem's vision of developing the Chinook Project into an open-cut premium hard coking coal operation, with development of the Vicary Domain targeted as the priority.

The next step is to drill out the remaining areas included in the Scoping Study mine plan and progress to a Pre-Feasibility Study. As the entire Chinook Project lies within Alberta 1976 Coal Development Policy Category 4 land, Montem is able to continue exploration and project planning. Montem is excited by Chinook and look forward to the next phase of development.

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<sup>3</sup> See Montem Resources Limited (ASX:MR1) 9 November 2020 ASX release "Montem intersects thick coal seams at Chinook Vicary".

<sup>4</sup> See Montem Resources Limited (ASX:MR1) 4 March 2021 ASX release "Montem confirms Tier 1 Hard Coking Coal at Chinook Vicary".



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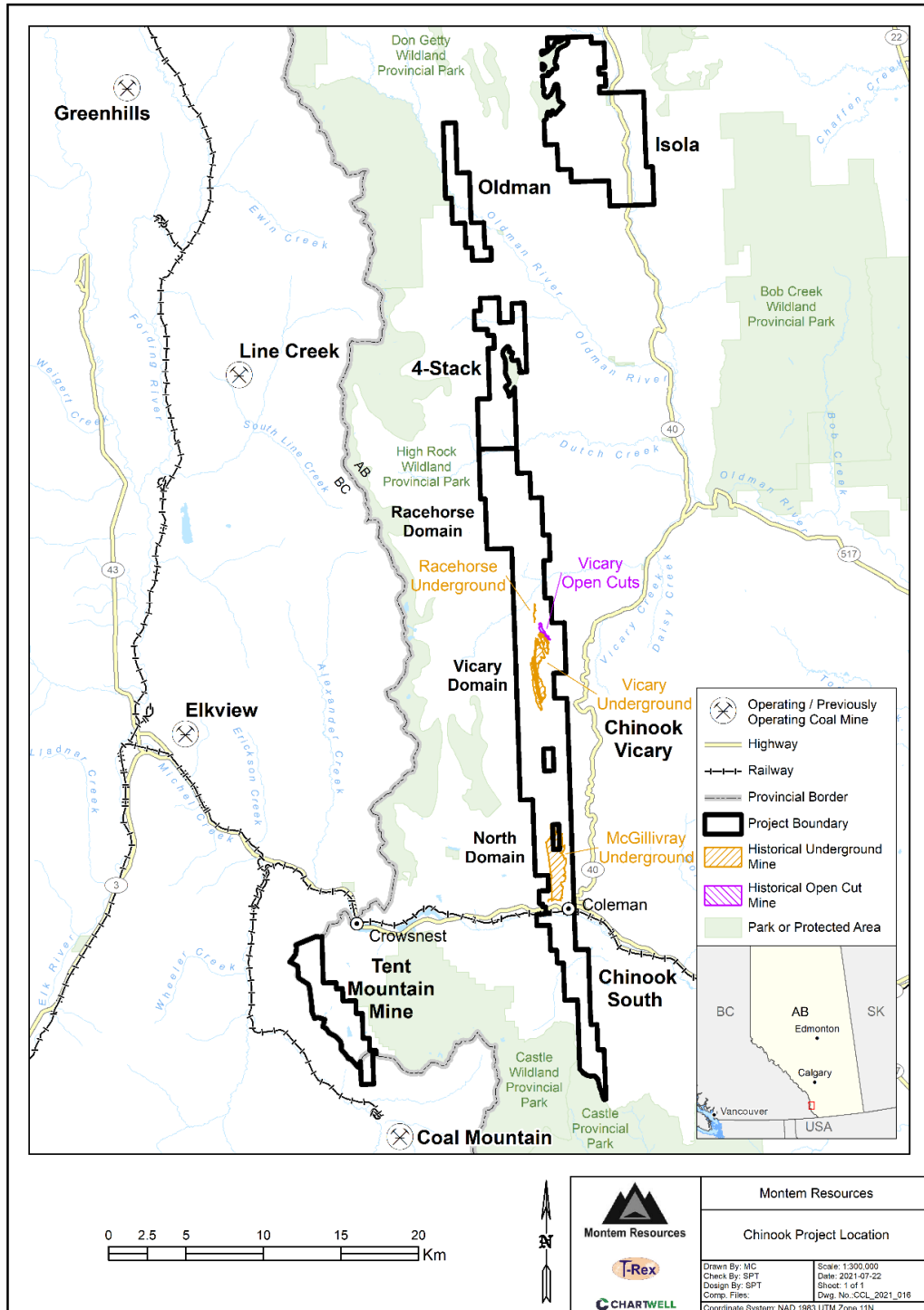


Figure 1: Chinook Project Location



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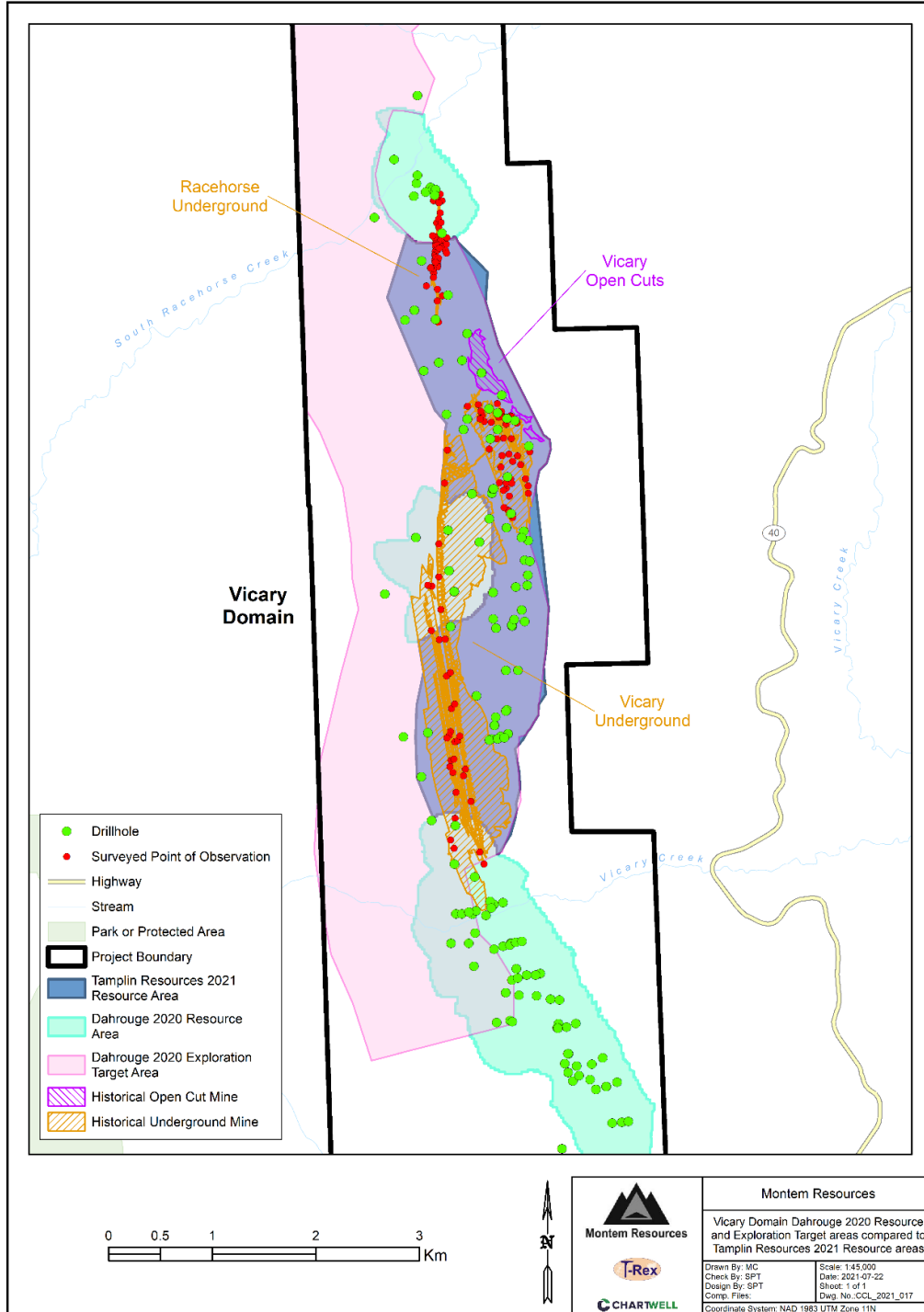


Figure 2 – Vicary Domain 2021 Resource area compared to Chinook Vicary 2021 Resource and Exploration Target areas



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### Alberta Coal Policy Review

Montem remains committed to further defining and developing the Chinook Hard Coking Coal Project in the Crowsnest Pass.

By developing two different elements of their business in the same region, Montem has the potential to offset risk for themselves, and investors. Furthermore, by investing in potentially competing raw materials for steelmaking (hard coking coal and green hydrogen), Montem is providing exposure for investors to a long-value-chain in steelmaking raw materials.

Montem is awaiting the outcome of the government of Alberta's review of the 1976 Coal Policy before conducting any additional exploration at the Chinook Project. Earlier this year, the Alberta Government announced the forming of an independent committee to review the 1976 Coal Policy. In July 2021, Montem presented to the Committee, and later hosted the Committee at Tent Mountain. The site visit was a good opportunity for Committee members to see firsthand the disturbed nature of Category 4 lands at Tent Mountain (and also on Montem's private land).

Our presentation to the Committee included the following key points:

- From a land use perspective, the 1976 Coal Policy recognized coal mining, including surface, underground, and insitu, may be considered "...subject to proper assurances respecting protection of the environment and reclamation of disturbed lands."
- Since the Coal Policy adoption, all new and expansion coal mining projects were located within Category 4 lands (predominantly surface mining).
- The cessation of issuing coal exploration permits during the review process only covered Category 2 land and did not affect Category 4.
- International investments were made in the Alberta coal industry in Category 4 assets on the basis of their treatment within the Coal Policy.
- Any significant change to the treatment of these lands will fundamentally undermine the basis on which these investments were made in the Alberta economy.
- Montem asks that in the future Coal Policy, the treatment of Category 4 lands reflect their existing treatment under the existing Coal Policy.

Montem continues to participate in the Coal Policy review, and looks forward to the Committee findings, expected in mid-November 2021.

### Tent Mountain transitions to Renewable Energy Complex

In October, Montem announced plans to transition its Tent Mountain Project in Alberta, Canada to become a renewable energy complex.

Separate independent expert studies demonstrate the Project's strong viability to generate renewable energy through combined pumped hydro energy storage ("PHES"), offsite wind power generation and onsite green hydrogen production.



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The Project will include a 320MW PHES, a 100MW green hydrogen electrolyser, and a 100MW wind farm. Studies indicate targeting production of approximately 300 GWh of on-peak power production per year from the PHES. This 100% renewable power can be used to produce green hydrogen at Tent Mountain. The production of hydrogen onsite would potentially be Canada's first large-scale green hydrogen production, with the project planned to produce up to 13,000 tonnes of green hydrogen per year.

Montem is progressing development plans for the Project and is working with the Piikani Nation. The Piikani Nation and Montem have agreed to explore the mutual benefits of the Project, and to investigate the development of a wind farm to supply electricity to the Tent Mountain PHES. Montem has applied to Canada's Clean Fuels Program for C\$5 million to help fund the next phase of work, which will include a Feasibility Study.

## Corporate

### *Payments to directors and related parties*

In the attached Appendix 5B, the figure of \$187,000 - as disclosed in section 6.1 - relates to all fees, salaries and superannuation paid to Montem's Directors for the quarter ended 30 September 2021.

Montem held \$2.60 million cash at 30 September 2021.

### **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:

	Per Prospectus	Actual expenditure to 30 September 2021
<b>Use of Funds</b>		
	<b>Total</b>	<b>Total</b>
	<b>(million \$)</b>	<b>(million \$)</b>
Tent Mtn: Strategic land purchase (Tent Mtn rail)	2.64	0.29
Tent Mtn: Port reservation fee	1.20	0.60
Tent Mtn: permitting (enviro monitoring and liaison)	0.63	3.14
Tent Mtn: pre-production drilling (pit definition & bulk sample)	0.89	0.30
Chinook: exploration, PEA study and environmental work	0.83	1.68
General and administrative expenses	1.72	4.00
Offer costs (broker fees; IPO preparation)	0.83	0.78
<b>Total expenditures in the period</b>	<b>8.74</b>	<b>10.80</b>



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In general, spending for the quarter was in line with expectations. The planned asset purchase of land for the Tent Mountain Mine rail loadout was deferred for 12 months from January 2021 to January 2022. The port reservation fee was renegotiated to extend the final payment date to 2022.

Expenditures on the Tent Mountain Mine permitting was higher than forecast in the first half of 2021. This was due to the project moving into the final stages of provincial permitting. We also spent additionally on Tent Mountain Mine permitting due to negotiating with federal agencies, which required the extensive use of legal and other advisors. General and administrative expenses include direct overheads such as legal and other professional charges related to regulatory applications, stakeholder relations and Indigenous Peoples engagement associated with Tent Mountain Mine permitting. Due to the indirect nature of these expenses, they are recognised as general and administrative expenses in the financial statements. As the process to avoid federal designation for review of the Tent Mountain project has reached its conclusions, we expect general and administrative expenses (due to permitting) will significantly decrease in the following quarters.

The Chinook Project exploration and permitting is more than forecast due to extra drilling undertaken, in preparation of the Scoping Study release earlier in 2021. Additional regulatory work including extensive liaison with regulatory agencies, and multiple field excursion by Indigenous groups was undertaken. Additionally, the optimisation of the Chinook Scoping Study was conducted during the period.

### Strategy

In the period from January to June 2021 Montem encountered significant interruption to our business plan. A series of decisions by regulators in Alberta and Federally in Canada impacted our business and put downward pressure on our share price. Nonetheless, the Directors believe our Canadian coal assets remain viable, and we have a resilient business plan. Montem is working with both provincial and federal regulators to ascertain the correct pathway for re-starting the Tent Mountain Mine. We have also been actively participating in the provincial review of the Coal Policy being undertaken by the Alberta Government. We have hosted multiple site visits by regulators and the Alberta Coal Policy Committee, and eagerly await their findings which are to be submitted to the Government in mid-November 2021. As the majority of Montem's assets are in Category 4 (a land category where open-cut mining is contemplated), we maintain a strong belief our assets will remain whole through the review process. Furthermore, Montem has substantial coal resources in Alberta held as "freehold coal"; hence our asset base of high quality hard coking coal remains valid and strong.

### *Business planning*

The Company undertook an examination of our business strategy in response to the regulatory decisions in June:

1. Grassy Mountain Project denial by regulators
2. Tent Mountain Mine designation for Federal environmental review



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The outcome of this is the formulation of an updated business plan focusing on three areas:

- a) Continuing development of existing assets, the Tent Mountain Mine and the Chinook Project;
- b) Alternate methods to protect and maximize value from existing assets; and,
- c) Investigating potential acquisitions of active coking coal mines.

As announced in October, the first significant advancement by adopting this new strategy is the announcement of the Tent Mountain Renewable Energy Complex. The Board identified this alternate development pathway in 2019 and is now investing in it to understand its full potential. We look forward to keeping investors informed of developments in this project over the coming months.

Montem is excited by the opportunity the current coking coal market affords. Hard coking coal prices globally are sustaining unprecedented highs, with exports of hard coking coal from Canada and the USA being reported at in excess of US\$400/t.

As part of our new strategy, Montem is actively seeking to participate in the current market.

For further information on the Company, our assets and development plans, please visit our website: [www.montem-resources.com](http://www.montem-resources.com)

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

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

### For further information, contact:

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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 identified alternate methods of monetizing Tent Mountain. One of these is transitioning the project to a



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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 Tent Mountain Renewable Energy Complex, 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 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.

### Competent Persons Statement

#### Exploration Results

The information in this document that relates to Exploration Results for the Chinook Vicary Project area is based on, and fairly represents, information and supporting documentation prepared by Mr. Shaun Tamplin, an employee of Tamplin Resources Pty Ltd (Tamplin Resources) and a member of the Australasian Institute of Mining and Metallurgy (No. 228544). Mr. Tamplin has sufficient experience (20+ years) of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Tamplin consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Neither Tamplin Resources nor any of the authors of this report have any material present or contingent interest in the outcome of the report, nor do they have any pecuniary or other interest that could be reasonably regarded as being capable of affecting their independence or that of Tamplin Resources. Tamplin Resources has no beneficial interest in the outcome of the technical



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assessment being capable of affecting its independence. Tamplin Resources' fee for completing the Report will be based on its normal professional daily rates plus reimbursement of incidental expenses. The payment of the professional fee is not contingent upon the outcome of the technical assessment.

The information in this release that relates to, Mineral Resource Estimates, Exploration Target Estimates and historical coal quality at the Chinook Project are extracted from the report; "Coal Resources for the Chinook Project Alberta, Canada, April 9, 2020". This document was prepared by Dahrouge Geological Consulting Ltd. and lodged with the ASX on 31 July 2020 and is available to view on the Company's website [www.montem-resources.com](http://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 original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.



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### Appendix A: Tenement List

<b>PART I - Alberta Freehold Tenements</b>		
<b>Prospect Area</b>	<b>Land Title Certificate Number</b>	<b>Hectares</b>
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



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Prospect Area	Land Title Certificate Number	Hectares
Chinook Project	181 088 180 +8	129.5
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	Coal Lease No.	Hectares
Tent Mountain Mine	389283	153.0

### PART III - Alberta Leasehold Tenements

Prospect Area	Coal Lease No.	Hectares
Tent Mountain Mine	1320090097	92.6
Tent Mountain Mine	1320090092	48.0
Tent Mountain Mine	1320090093	56.6
Tent Mountain Mine	1320090094	149.2
Tent Mountain Mine	1320090095	38.5
Tent Mountain Mine	1320090096	102.2
Tent Mountain Mine	1320100052	310.5



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Tent Mountain Mine	1306080819	120.0
Tent Mountain Mine	1306080820	64.0
Tent Mountain Mine	1306080821	64.0
Tent Mountain Mine	1306080822	210.4
Chinook Project	1320120105	128.0
Chinook Project	1321020120	80.0
Chinook Project	1321020121	160.0
Chinook Project	1321020122	128.0
Chinook Project	1321020123	128.0
Chinook Project	1321020124	176.0
Chinook Project	1321050136	128.0
Chinook Project	1321050137	256.0
Chinook Project	1321050139	224.0
Chinook Project	1321050140	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



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Chinook Project	1311010588	48.0
Chinook Project	1311010589	64.0
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
4-Stack / Chinook Project (see Note below)	1321050141	128.0
4-Stack / Chinook Project (see Note below)	1321050143	256.0
4-Stack	1321050138	128.0
4-Stack	1321050142	256.0
4-Stack	1316120153	64.0
4-Stack	1316120154	69.2
4-Stack	1316120156	128.0
4-Stack	1316120157	128.0
4-Stack	1317090268	128.0



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4-Stack	1317090269	352.0
4-Stack	1317090279	351.0
4-Stack	1317090280	150.0
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
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 1321050141 and 1321050143 are located partially within the Chinook Project and partially within 4-Stack.

The total area of Lease 1321050141 is approximately 128 hectares with approximately 65 hectares lying within the Chinook Project and the remainder in 4-Stack.

The total area of Lease 1321050143 is approximately 256 hectares with approximately 128 hectares lying within the 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
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ABN

87 623 236 831
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Quarter ended ("current quarter")

30 September 2021
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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(240)	(796)
(e) administration and corporate costs	(1,096)	(1,161)
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)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,336)</b>	<b>(1,957)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(16)
(d) exploration & evaluation	(909)	(3,356)
(e) investments	-	-
(f) other non-current assets	-	-

## 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 (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	132	132
	(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) *	(410)	(713)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,187)</b>	<b>(3,953)</b>
*The amount paid during the quarter represents a secured facility agreement with a non-related third party, entered into by the Company.			

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	5,367
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(279)
3.5	Proceeds from borrowings	-	-
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)	(78)	(121)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(78)</b>	<b>4,967</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	5,051	3,434
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,337)	(1,957)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,187)	(3,953)

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(78)	4,967
4.5	Effect of movement in exchange rates on cash held	146	104
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,595</b>	<b>2,595</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,595	5,051
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,595</b>	<b>5,051</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	187
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*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.*

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>																																
<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>																																		
7.1 Loan facilities	-	-																																
7.2 Credit standby arrangements	-	-																																
7.3 Other (please specify)	-	-																																
Canada Emergency Business Account <sup>(a)</sup>	44	44																																
Lease obligations <sup>(b)</sup>	241	241																																
<b>7.4 Total financing facilities</b>	<b>285</b>	<b>285</b>																																
<b>7.5 Unused financing facilities available at quarter end</b>		-																																
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-22</td> <td>unsecured</td> </tr> <tr> <td>JP Leasing</td> <td>3.50%</td> <td>01-Mar-23</td> <td>unsecured</td> </tr> <tr> <td>JP Leasing</td> <td>3.54%</td> <td>30-Apr-24</td> <td>unsecured</td> </tr> <tr> <td>JP Leasing</td> <td>3.54%</td> <td>30-Apr-24</td> <td>unsecured</td> </tr> <tr> <td>GL Leasing</td> <td>9.90%</td> <td>28-Feb-25</td> <td>unsecured</td> </tr> <tr> <td>GL Leasing</td> <td>8.50%</td> <td>31-Jan-24</td> <td>unsecured</td> </tr> <tr> <td>SCREO II 99 Street LP</td> <td>7.80%</td> <td>30-Nov-22</td> <td>unsecured</td> </tr> </tbody> </table>			Lender	Interest rate	Maturity date	Secured/unsecured	JP Leasing	2.9 – 3.5%	01-May-22	unsecured	JP Leasing	3.50%	01-Mar-23	unsecured	JP Leasing	3.54%	30-Apr-24	unsecured	JP Leasing	3.54%	30-Apr-24	unsecured	GL Leasing	9.90%	28-Feb-25	unsecured	GL Leasing	8.50%	31-Jan-24	unsecured	SCREO II 99 Street LP	7.80%	30-Nov-22	unsecured
Lender	Interest rate	Maturity date	Secured/unsecured																															
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GL Leasing	8.50%	31-Jan-24	unsecured																															
SCREO II 99 Street LP	7.80%	30-Nov-22	unsecured																															
<b>8. Estimated cash available for future operating activities</b>		<b>\$A'000</b>																																
8.1 Net cash from / (used in) operating activities (item 1.9)		(1,336)																																
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))		(909)																																
8.3 Total relevant outgoings (item 8.1 + item 8.2)		(2,245)																																
8.4 Cash and cash equivalents at quarter end (item 4.6)		2,595																																
8.5 Unused finance facilities available at quarter end (item 7.5)		-																																
8.6 Total available funding (item 8.4 + item 8.5)		2,595																																
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>		<b>1.16</b>																																
<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>																																		

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

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 Q4 2021 compared to the previous quarter. This is due to the lack of ongoing exploration and several one-off expenses incurred during Q2 and Q3 2021.

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 Q4 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: 29 October 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.