

Shareholder Update

October
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Contents

- 3** Corporate: CEO Address
- 4** Corporate: Evolve Power Rebrand
- 5** Corporate: TSXV Listing Update
- 6** TM-PHES: Geotechnical Investigation Program
- 7** TM-PHES: Interconnection
- 8** TM-PHES: Permitting
- 9** Evolve Battery Storage (EBS)
- 10** Legacy Coal Assets

Corporate CEO Address

From CEO Peter Doyle

Dear Shareholders,

I am writing to update you on our activities over the last few months.

We have finalized our rebrand as Evolve Power Limited (Evolve) and have launched our new website: <https://evolvepower.ca>

Our two energy storage platforms are advancing well.

At the Tent Mountain Pumped Hydro Energy Storage (TM-PHES) project, with help from our partner TransAlta (TA), we recently completed a large geotechnical investigation program. This work is the next step to finalise the design of the power project.

We are advancing our new business, Evolve Battery Storage, with our sales team now in-place. We anticipate success in securing our first customer will come before the end of this year.

We are pleased to announce Canaccord Genuity is working with us to list on the TSXV. This listing is expected to complete early in 2024.

Q3 has been an exciting period for Evolve as we formalise our change of business and get on with building new value for our shareholders.

We look forward to updating you again on progress with the listing and development of our two energy storage platforms.

Sincerely,

Peter Doyle
Managing Director & CEO

Corporate

Evolve Power Rebrand

Montem has rebranded to Evolve Power

The rebrand reflects our new business - energy storage in Alberta. The Alberta electricity market is changing rapidly as it moves from being dominated by fossil fuel power supply to power supply dominated by renewable energy. These changes are creating significant opportunities to store energy and deploy power when the market demands it. Evolve is seizing these opportunities with our existing asset and by developing our new business.

You will see changes in our brand, social media, and websites, and notice new people to help guide the new business.

Throughout the transition from Montem to Evolve, our commitment to shareholders has been to ensure they receive the best possible deal as we rebuild. The outlook for energy storage in Alberta is strong, and with the pathway set for our re-listing we are excited about the future.

We think our new brand reflects the character of our rapidly growing business, and the opportunities that are emerging in our market.

Corporate

TSXV Listing Update

Evolve plans to list on the TSXV

We have been working with brokers in Canada and Australia to establish the most effective method to provide liquidity for all shareholders. We have decided the best pathway is to list Evolve on the Toronto Stock Exchange via their Venture Exchange (TSXV).

Canaccord Genuity have been retained to manage the capital raise that will occur concurrently with listing. We have been in direct discussion with the TSXV who have outlined the process and requirements for listing. Evolve meets the qualifying criteria of the TSXV listing requirements, and we are undertaking the necessary work to prepare the listing documents.

Canaccord have been assisting with meetings with prospective new investors, including introducing potential CPC (Capital Pool Company) listed entities. The use of a CPC can truncate the listing process and is generally used by developing companies to advance rapidly.

For more information on the CPC process please refer to the TSXV website:
<https://www.tsx.com/listings/listing-with-us/listing-guides/ways-to-list/capital-pool-company-cpc-program>

To facilitate the listing of Evolve, we need to separate the coal and power assets. This will be done by providing all shareholders a pro-rata shareholding in a new Canadian company that owns the power assets. The result of this is you will have two separate company holdings from your original Montem shares, one that owns the power assets, and one that owns the coal assets. Your shareholding will remain the same (proportionally) in each business as it is today.

As planning completes, we will provide more information on our proposed listing on the TSXV, and the steps to complete this.

TM-PHES

Geotechnical Investigation Program

Summer 2023

The TM-PHES geotechnical investigation program was successfully completed throughout July and August. The data collected will be used in the next phase of engineering and design for the TM-PHES.

The geotech program targeted the areas of the project that host the major infrastructure elements – upper reservoir; lower reservoir and dams; penstock route; and powerhouse.

The geotech program was an intensive program run over 6 weeks, and included up to 30 people on site, undertaking a large seismic survey, drilling, and test pitting.

Early results from the investigation are positive, and further details will be received by Evolve towards the end of Q4. These will be used in 2024 to guide the final engineering design of the site, through a feasibility study and into FEED.

TM-PHES

Interconnection

SASR Accepted

The System Access Service Request (SASR) for the TM-PHES has been re-submitted and was formally accepted by the Alberta Electric System Operator (AESO) on 15 June 2023.

TM-PHES is part of the AESO led Cluster Assessment #1, which kicked off in September 2023. Cluster Assessment is the new way for the AESO to assess projects. Instead of assessing projects individually, projects will be batched (i.e. geographically clustered) and assessed together simultaneously. This is a common industry practice across many other North American independent system operators.

The Cluster Assessment is expected to deliver a preferred connection option for the TM-PHES in early 2024.

TM-PHES

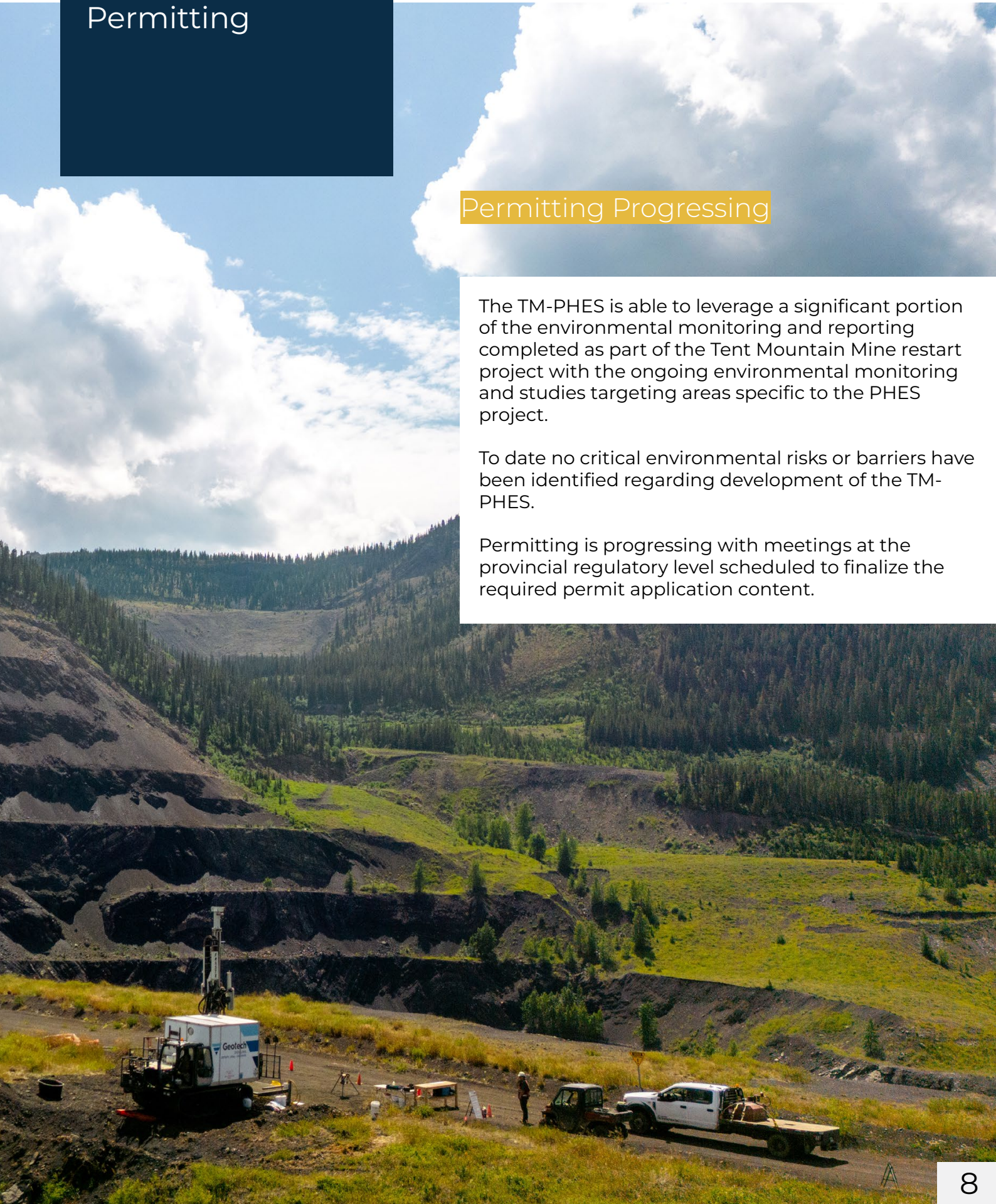
Permitting

Permitting Progressing

The TM-PHES is able to leverage a significant portion of the environmental monitoring and reporting completed as part of the Tent Mountain Mine restart project with the ongoing environmental monitoring and studies targeting areas specific to the PHES project.

To date no critical environmental risks or barriers have been identified regarding development of the TM-PHES.

Permitting is progressing with meetings at the provincial regulatory level scheduled to finalize the required permit application content.



Evolve Battery Storage (EBS)

Our new business

Evolve is moving ahead with the pilot phase of our new battery energy storage offering for the Alberta power market.

Evolve will deploy batteries at customer sites and operate them “behind the meter”. This will create the opportunity to optimize revenues from the energy storage and share in profits between Evolve and the customer. Effectively the battery will allow Evolve to reduce the electricity costs for the customer, and concurrently offer the Alberta electricity grid services it needs.

The EBS model looks great in design, and we have retained two experienced power industry sales people to secure our first customers.

Evolve has also established relationships with third party engineering and project execution specialists and is undertaking other preparatory work in anticipation of needing to move at pace from opportunity origination to commercial agreements and project delivery.

This new business has the potential to bring operational assets online well before the TM-PHES's projected in-service date and expands Evolve to a multi-faceted energy storage company participating broadly in Alberta's energy transition.

Additionally, EBS provides the potential for rapid returns that will directly support the company's work to restore liquidity through a public listing, benefitting all shareholders.

Legacy Coal Assets

Legal claim update

Montem Resources Alberta Operations Ltd. (Montem) continues to pursue its legal claim against Alberta.

In early 2023 Montem lodged a claim against the Government of Alberta seeking to recover damages arising from the constructive taking of Montem's freehold mineral rights and coal leases ("de facto expropriation of coal assets").

The legal action continues in Alberta, with evidence being collated, and witness statements ordered by the case management Judge due in February 2024.

As part of the planned listing of the power assets the coal assets will remain in your current ownership as shareholders of Evolve. We are seeking alternate forms of funding for the ongoing legal action and expect this to be in-place at the time of the listing of the power business.

