



14 September 2020

Mr Andrew Kabega
Senior Adviser, Listings Compliance
ASX Limited
20 Bridge Street
Sydney NSW 2000

By email: andrew.kabega@asx.com.au

Dear Andrew

Montem Resources Limited – Pre-Quotation Disclosure

We refer to the ASX Admission Decision Letter dated 9 September 2020 addressed to our legal advisers Dentons (**Letter**) which sets out the conditions (**Conditions**) for the admission of Montem Resources Limited ACN 623 236 831 (**Company**) to the Official List of the ASX.

Below we have provided the information requested in accordance with the Conditions relating to pre-quotation disclosure.

- (a) **(Item 2.2.11)** Below is a statement setting out the number of securities subject to ASX restrictions and the restriction period applied to those securities

	Security	Restriction Period
Related Parties Promoters and Professional Advisers	29,107,232 Shares	24 months from quotation
	3,792,897 Options	24 months from quotation
	6,078,335 Shares issued pursuant to conversion of Convertible Notes	24 months from quotation
	6,767,898 Performance Rights	24 months from quotation
Unrelated Parties	1,459,413 Shares	12 months from share issue date
	6,073,272 Shares issued pursuant to conversion of Convertible Notes	12 months from share issue date

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- (b) **(Item 2.2.12)** We confirm that the Company's capital structure at the time of admission to the Official List of ASX will be as follows:

Security	Number
Fully Paid Ordinary Shares	202,626,811
Options ¹	6,315,133
Performance Rights ¹	8,719,710

Notes:

1. Please refer to sections 5.2-5.5 and sections 11.3-11.6 of the Prospectus for a summary of the terms of the Options and Performance Rights on issue.
- (c) **(Item 2.2.13)** The Company was granted a waiver from ASX Listing Rule 1.1 condition 12 to permit the Company to have performance rights on issue with a nil exercise price which were issued under its employee incentive plan subject to the Company providing the pre-quotation disclosure in Paragraph 2(f) of this letter (**Waiver Condition**).
- (d) **(Item 2.2.14)** The Company confirms the completion of 32,931,608 Shares on conversion of the convertible notes on 11 September 2020.
- (e) **(Item 2.2.15)** The following information is provided to satisfy the Waiver Condition:

- (i) *Details of the roles (if any) of the directors and employees will play in meeting the performance milestones of the Performance Rights*

All the Directors and employees who have been granted Performance Rights under the Montem Resources Employee Incentive Plan play an integral role in delivering the Company's strategy and carrying out tactical plans to increase the value of the Company. Each Director and Employee has had their Performance Rights and the vesting conditions aligned to their particular area of expertise. The Performance Rights will only vest upon the achievement of the stated goals and vesting conditions set by the Company.

- (ii) *Details of the existing total remuneration package of the directors and employees*

	Annual remuneration ¹	Options ²	Performance Rights ²
Directors			
Peter Doyle	C\$476,342	1,762,889	3,200,389
Mark Lochtenberg	\$35,000 ³	175,097	525,097
Robert Tindall	60,000	466,926	716,926
William Souter	45,000 ³	175,097	425,097

	Annual remuneration ¹	Options ²	Performance Rights ²
Susie Henderson	45,000 ³	175,097	425,097
Employees			
Jennifer Fast	C\$126,006	Nil	Nil
Shireen Ouellet	C\$181,115	Nil	Nil
Verlee Hagley	C\$85,922	Nil	Nil
Nathan Archer	C\$166,114	Nil	Nil
Wade Aebli	C\$129,953	Nil	Nil

Notes:

1. This figure is inclusive of statutory entitlements.
2. The Options and Performance Rights were issued under the Company's employee incentive plan on the terms summarised in sections 5.2-5.5 and sections 11.3-11.6 of the Prospectus.
3. \$5,000 in committee fees for each committee they serve on and an additional \$5,000 for each committee they chair. The Audit and Risk Committee comprises Ms Henderson and Messrs Lochtenberg and Souter. The Nomination and Remuneration Committee comprises Messrs Souter, Tindall and Ms Henderson. Following quotation of the Company's Shares on the ASX it has been agreed that Mr Lochtenberg's fee will increase to \$100,000 including committee fees.
4. Since the close of the Offer, Mr Robert Bell has subsequently agreed to reduce his hours and his salary by 40% so that his total remuneration (including statutory entitlements) is now C\$216,295.
5. Mr Alan Ahlgren is the Company's Chief Financial Officer for the Company and provides services pursuant to a consultancy agreement pursuant to section 5.3 of the prospectus.

(iii) *if the directors and employees or any of their associates hold securities in MR1, details of those securities and the consideration they paid or provided for those securities*

Please refer to Schedule 1 for the Company's response this request for information.

(iv) *in light of the above, an explanation why it is considered necessary or appropriate to further remunerate or incentivise the directors and employees to achieve the applicable performance milestone*

The Company considers it necessary to remunerate Directors and Employees with incentive-based payments, based on each individual's performance, and the overall performance of the Company. The performance milestones set have been chosen as they are fundamental to the success and growth of the Company, and therefore integral to shareholder value. The Company considers it necessary to offer these incentives to compete with peers to attract appropriately skilled and qualified personnel to carry out the Company's business objectives. Furthermore, as an exploration development company, available cash is required to build the business, hence any incentive payments for employees are limited to Performance Rights

- (v) *details of how MR1 determined the number of Performance Rights to be issued to the directors and employees and why it considers that number to be appropriate and equitable.*

The Company considered each person's role in contributing to the growth and value of the Company, and in achieving each milestone, and Performance Rights were allocated utilising these considerations. The Company considers the total pool of Performance Rights, and their distribution between employees to be consistent with local and international peers, and consider it necessary to compete with peers in attracting the highest qualified and skilled personnel to conduct our business.

- (f) **(Item 2.2.16)** We note that Morgans advises the Company that it did not undertake a formal book-build as such however they have provided the following information:

- (i) *the number of securities allocated under the Bookbuild and the price at which they will be issued;*
- 32,000,000 Shares were issued at \$0.25 per Share;
- (ii) *if a material number of securities have been taken up by a person or persons who are promoters or related parties of the Company, the number of securities taken up by them;*

We note that the following related parties participated in the capital raise for non-material subscriptions (details set out below):

- (A) Mr Mark Lichtenberg, a director of the Company, subscribed for, and was issued, 2,400,000 Shares (\$600,000);
- (B) Mr Rob Tindall, a director of the Company, subscribed for, and was issued, 400,000 Shares (\$100,000); and
- (C) Mrs Emma Doyle, the wife of Mr Peter Doyle who is a director of the Company, subscribed for, and was issued, 20,000 Shares (\$5,000).

any concessionary fee or other arrangements entered into which have had the result that the effective transfer price paid by some allottees differs materially from the Bookbuild price announced by the Company;

Nil.

- (iii) *any arrangements entered into which have had the result that some allottees receive a material benefit for agreeing to participate in the Bookbuild at the Bookbuild price announced by the Company and which is not received by other allottees; and*

Nil.

- (iv) *any arrangements entered into with associates of the Company or the bookrunner to avoid a shortfall, or the appearance of a shortfall, in the Bookbuild.*

Nil.

Yours sincerely



Peter Doyle
Managing Director and Chief Executive Officer
Montem Resources Limited

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Schedule 1 – Details of Directors and Employees' security holdings

Director/ Employee	Associated Entity (Registered Holder)	Shares	Consideration	Options	Consideration	Performance Rights	Consideration
Peter Doyle	Armarna Too Pty Ltd <Armarna Too Trust>	3,569,728	0.15			1,000,000	Nil
Peter Doyle	Peter Doyle	-	-	1,762,889	Nil	2,200,389	Nil
Robert Tindall	JLNEC3 Pty Ltd ATF The Tindall Family Trust No.3	7,311,604	0.15				
Robert Tindall	JLNEC3 Pty Ltd ATF The Tindall Family Trust No.3	200,000	0.40				
Robert Tindall	Robert James Tindall	4,050,000	0.05	466,926	Nil	716,926	Nil
Robert Tindall	Robert James Tindall	1,000,000	0.25				
Robert Tindall	Robert James Tindall	1,008,334	0.15				
Robert Tindall	Robert James Tindall	400,000	0.25				
Robert Tindall	Robert, Carolyn, Christine Tindall ATF	466,926	0.15				

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Director/ Employee	Associated Entity (Registered Holder)	Shares	Consideration	Options	Consideration	Performance Rights	Consideration
	The Tindall Family Superannuation Fund						
Susie Henderson	Please Murray Pty Ltd ATF The Henderson Ashton Family Trust	308,431	0.15	175,097	Nil	250,000	Nil
Susie Henderson	Please Murray Pty Ltd ATF The Henderson Ashton Family Trust	60,000	0.25				
Susie Henderson	Susie Henderson	-	-			175,097	Nil
Mark Lochtenberg	Rigi Investments PTY LTD ATF Cape Trust A/C	400,000	0.15	175,097	Nil	350,000	Nil
Mark Lochtenberg	Rigi Investments PTY LTD ATF Cape Trust A/C	2,400,000	0.25				
Mark Lochtenberg	Mark and Michael Lochtenberg ATF Rigi Superannuation Fund	3,027,326	0.25				
Mark Lochtenberg	Mark and Michael Lochtenberg ATF Rigi Superannuation	1,171,221	0.15				

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Director/ Employee	Associated Entity (Registered Holder)	Shares	Consideration	Options	Consideration	Performance Rights	Consideration
	Fund						
Mark Lochtenberg	Mark and Michael Lochtenberg ATF Rigi Superannuation Fund	1,783,607	0.18				
Mark Lochtenberg	Mark Lochtenberg	-	-			175,097	Nil
William Souter	Souter Family Holdings Pty Ltd ATF Trustee for the Souter Family Trust	341,763	0.15	175,097	Nil	250,000	Nil
William Souter	William Souter		-	-		175,097	Nil
Robert Bell	R W Bell Resource Advisory Service Ltd	300,000	0.15				
Robert Bell	Robert Bell	525,291	0.15	1,037,791	Nil	1,475,292	Nil
Jennifer Fast	Jennifer Fast	250,000	0.15	37,500	Nil	150,000	Nil
Shireen Ouellet	Shireen Ouellet	256,811	0.15	531,811	Nil	906,810	Nil
Verlee Hagley	Verlee Dawn Hagley	125,000	0.15	62,500	Nil	125,000	Nil
Nathan Archer	Nathan Archer	-		175,000	Nil	375,000	Nil
Wade Aebli	Wade Aebli	8,000	0.25			150,000	Nil