



Montem Resources

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## ASX Announcement

6 October 2020

### Montem completes geological field mapping at Isola Project

#### HIGHLIGHTS

- Geological field mapping program at Montem's Isola Project, Canada, further defines an Exploration Target of 275Mt to 900Mt<sup>1,2</sup>
- Geologists mapped coal seam exposures along road cuts and creek beds at Isola
- The field program also located historical coal seam trenches and investigated access routes into the Project to assist planning
- Montem is planning to drill at Isola during the 2021 northern summer
- Montem is due to complete current drill program at Chinook Vicary in October
- Approval process on track for restart of Montem's Tent Mountain Mine

**Montem Resources Limited (ASX: MR1) ("Montem" or the "Company")** is pleased to announce it has completed a preliminary geological field mapping program at its Isola Project in the Crowsnest Pass of southwest Alberta, Canada.

Montem's Isola Project ("**Project**") totals 4,832ha and is bordered to the south by Atrum Coal Ltd.'s Isolation South Project and to the west by the Cabin Ridge Project. In July 2020, Dahrouge Geological Consulting Ltd. estimated a coal Exploration Target for the Project based on historical drilling, trenching and mapped surface outcrops ranging from 275Mt to 900Mt<sup>1,2</sup>. For full details of the Isola Project, see the Montem Prospectus lodged with the ASX on 31 July 2020.

In September 2020, geologists mapped bedrock outcrops and coal seam exposures along road cuts and creek beds within the Isola Project to further define the 275Mt to 900Mt<sup>1,2</sup> Exploration Target. The program also located historical coal seam trenches and investigated access routes into the Project (figure 1, 2). Overall, the program was successful, locating five coal seam exposures along Isolation Creek and confirming the previously interpreted shallow dipping (10-20°) stratigraphy of the Project. The program also successfully located multiple access routes into the Project.

Montem's Managing Director and CEO, Peter Doyle, said: *"Our field mapping program at Isola was a success, and we are excited by the potential we've seen. With an open-cut Exploration Target of up to 275Mt, and an underground Exploration Target of up to 900Mt, the Isola Project may have the potential to host large-scale mining operations. We are planning an extensive drilling program to begin in the summer of 2021 and look forward to keeping investors updated on our progress."*

<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 and it is uncertain if further exploration will result in the estimation of Mineral Resources.

<sup>2</sup> A depth cut-off of 250 m and a 20:1 stripping ratio was used to constrain the lower range for the Exploration Target (275Mt); a depth cut-off of 600 m was used to constrain the upper range for the Exploration Target (900Mt).

Meanwhile, Montem's drilling program at the Chinook Vicary area of its Chinook Project is due for completion next week. The Company aims to confirm the Chinook Vicary product coal quality as hard coking coal, validating historical coal quality results from the project, which supplied hard coking coal to the Japanese steel industry from the Vicary Mine before closure in the 1970s. The program also aims to further investigate the open-cut mining potential of the Project by focusing on areas of structurally thickened coal seams, which were identified by historical drilling. Montem expects to announce a summary of results from the drilling later in October.

The Company also continues to progress the permitting process to restart our Tent Mountain Mine. Using funds from the recently completed \$8 million Initial Public Offer, our regulatory team are finalising the mining licence application and associated permit amendments which are the final approvals required to recommence mining at Tent Mountain. We expect to lodge applications to restart the mine with the Alberta regulators this quarter. Montem has completed a Definitive Feasibility Study for the Tent Mountain Mine and aims to restart hard coking coal sales of ~1.1Mtpa from the mine in H1 2022.



Figure 1: Coal outcrop, Isola Project





*Figure 2: Coal outcrop along Isolation Creek, Isola Project*



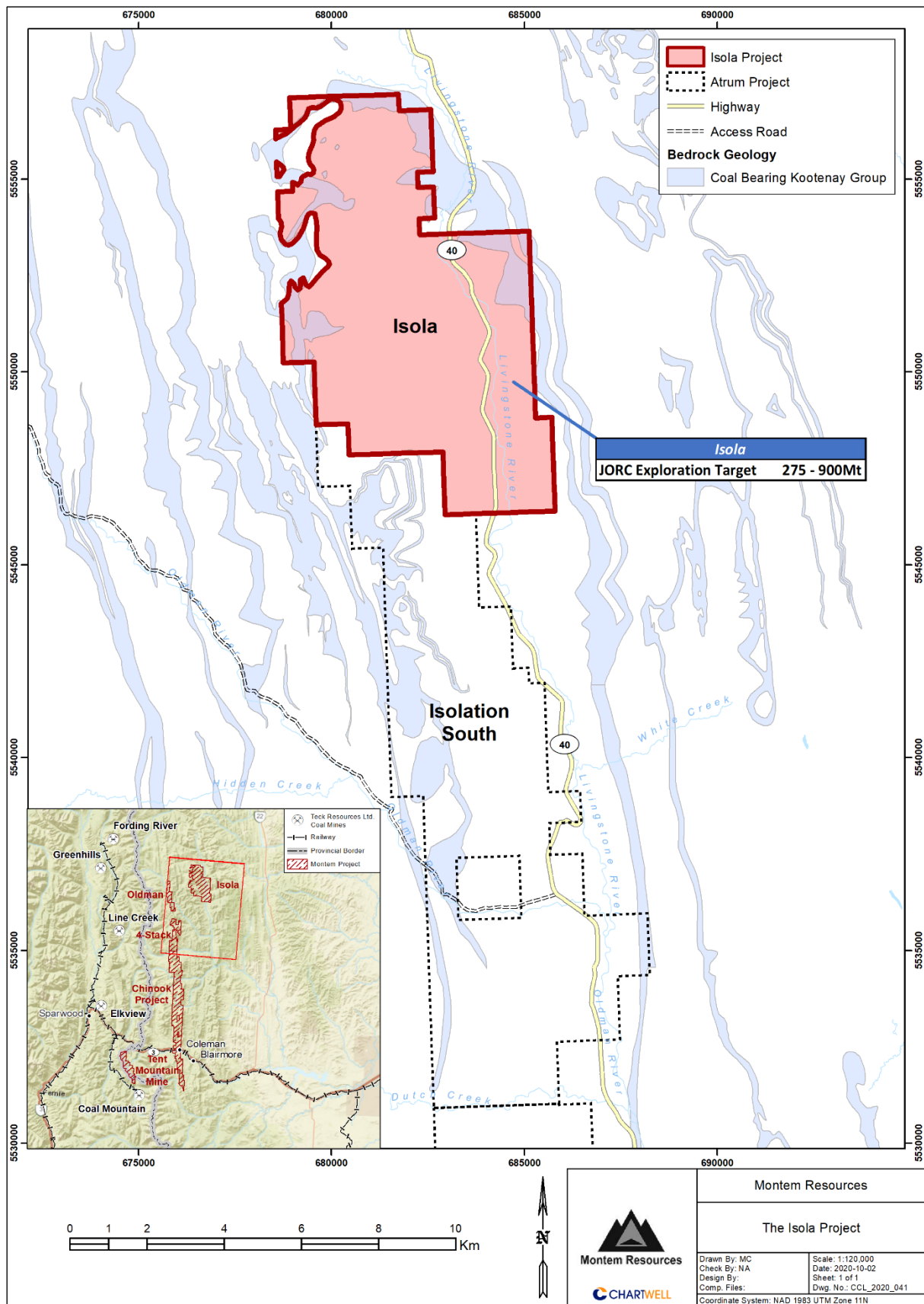


Figure 3: The Isola Project is bordered to the south by Atrum Coal Ltd.'s Isolation South Project and to the west by the Cabin Ridge Project.

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

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

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## About Montem Resources

Montem (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 objective is to become the operator of steelmaking coal mines in Canada by developing its properties in the Crowsnest Pass. The Company is planning an integrated mining complex in the Crowsnest Pass, focusing on 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 (**DFS**) on the Tent Mountain Mine in 2020. The DFS is providing guidance for the re-start project, with the aim to be exporting coal in 2022. Details of the DFS are available on Montem's website ([www.montem-resources.com](http://www.montem-resources.com)).

Montem is also progressing the Chinook Project which covers historical 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.

Montem is also progressing development opportunities at the greenfield exploration Isola, 4-Stack and Oldman projects.

## Competent Person Statement

The information in this announcement that relates to a JORC Exploration Target for the Isola Project is derived from a JORC report completed in July 2020 (**JORC Report**), and fairly represents, information compiled or reviewed by Mr. Matthew Carter and Mr. John Gorham, who are employees of Dahrouge Geological Consulting Ltd. Mr. Matthew Carter and Mr. John Gorham are registered as Professional Geologists with the Association of Professional Engineers and Geoscientists of Alberta and are Competent Persons as defined in the JORC Code (2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves") having sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity that they are undertaking. Mr. Matthew Carter and Mr. John Gorham consent to the inclusion of the matters based on their information and have reviewed all statements pertaining to this information and consent to this statement and to references in this announcement to them in the form and context in which they appear.

The JORC Report 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 JORC Report and that all material assumptions and technical parameters underpinning the Exploration Target estimates in the JORC Report continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the JORC Report.

## 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.