



Montem Resources

ASX Announcement

Montem Resources Limited

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26 April 2023

Montem completes the sale of 50% TM-REX to TransAlta for up to A\$26.7M

HIGHLIGHTS

- Montem fulfills all conditions under the binding agreement entered into with TransAlta Corporation (“**TransAlta**”) as approved by shareholders on 12 April 2023.
- Proceeds from the sale are expected to provide the immediate capital required for Montem to advance the development of the Tent Mountain Pumped Hydro Energy Storage (“**TM-PHES**”) with TransAlta.
- Montem’s shares will be delisted from the ASX at close of business today, 26 April 2023.

Montem Resources Limited (ASX: MR1) (“**Montem**” or the “**Company**”) is pleased to advise that the sale of 50% of TM-REX to TransAlta TMPH LP, a wholly-owned subsidiary of NYSE and TSX-listed TransAlta Corporation (“**TransAlta**”) for up to **A\$26.7 million** (C\$24.7 million) as announced on 22 February 2023 and approved by shareholders on 12 April 2023, has been completed.

TM-REX represents a transformational clean energy project with an estimated project life of 80+ years. The sale includes rights to the land, fixed assets and intellectual property associated with a 320 MW / 4,800 MWh pumped hydro energy storage (“**PHES**”) development project, plus the intellectual property associated with a 100 MW offsite green hydrogen electrolyser and a 100 MW offsite wind farm.

The Tent Mountain PHES (“**TM-PHES**”) is a unique energy storage project that has the capability of providing grid reliability in a jurisdiction with increasing renewables penetration. The TM-PHES will be developed over the next 4 years and subject to regulatory, commercial, and engineering considerations, could be ready for construction as early as 2026, with a target commercial operation date in the 2028 to 2030 range.

Proceeds from the sale are expected to provide the capital required for Montem to advance the development of the TM-PHES with TransAlta.

Montem Managing Director and CEO Peter Doyle said: *“We are extremely pleased to complete this transaction and enter into this partnership with TransAlta to develop the Tent Mountain Renewable Energy Complex. TransAlta has been operating in the Alberta power market for more than 111 years and brings many skill sets which are complementary to Montem’s.”*

“The Tent Mountain Pumped Hydro Energy Storage project is a critical infrastructure project for Alberta, and we are excited about entering the next stages of development with our new partner.”



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The TM-REX presents an exciting opportunity for Alberta, with the potential to create up to 400 jobs, power up to 400,000 homes, and abate up to 590,000 tonnes of CO2 annually.”

“I would like to acknowledge and thank our shareholders for their continued support as we further develop the TM-PHES opportunity with TransAlta as well as other elements of the TM-REX.”

ASX Delisting

Montem is expected to be delisted from the official list of the ASX at close of trading today, Wednesday 26 April 2023.

Following Montem’s removal from the Official List, there will be less of a market for Montem’s shareholders to dispose of their shares. Given Montem’s shares are currently suspended from official quotation on ASX and will continue until Montem is delisted, shareholders will not be able to sell their shares on market prior to Montem being removed from the Official List.

Following delisting Montem’s shares will only be capable of being traded by off-market private transactions, which will require shareholders to identify and agree terms with potential purchasers. If you are interested in buying or selling your shares, please email us your expression of interest via shareholder@montem-resources.com.

As the Company further develops the TM-PHES opportunity with TransAlta it will assess opportunities for listing on an appropriate securities exchange, including in North America, to enable liquidity for the shareholder securities.

For further information on the Company, our assets and development plans, please visit our websites:

www.montem-resources.com

www.tentmountain-rex.com

You may further reach the Company by sending an email to shareholder@montem-resources.com

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 renewable energy and steelmaking coal development company that owns freehold surface land and coal rights and leases coal tenements in the Canadian provinces of Alberta and British Columbia. The Company’s primary objective is to advance its Tent Mountain



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Renewable Energy Complex (“**TM-REX**”) in the Crowsnest Pass, Alberta. The proposed TM-REX development includes three primary elements: a 320 MW / 4,800 MWh Pumped Hydro Energy Storage, a 100 MW offsite Green Hydrogen Electrolyser, and a 100 MW offsite Wind Farm. The Company is progressing studies to support development of the TM-REX, including a feasibility study.

Montem had previously planned an integrated mining complex in the Crowsnest Pass, focusing on the low-cost development of open-cut operations that leverage central infrastructure. This was centered around the Tent Mountain Mine Redevelopment Project, and the Chinook Project. In 2020, Montem completed a Definitive Feasibility Study for the Tent Mountain Steelmaking Coal Mine and since then has continued to advance through the regulatory process to re-start the mine. In 2021, the project was designated for Federal review by the Impact Assessment Agency of Canada, which resulted in regulatory delays for the mine re-start. Considering these delays, Montem identified alternate development pathways for Tent Mountain, including transitioning the project to a renewable energy complex. In early 2023, Montem signed an agreement to sell 50% of the TM-REX to TransAlta. At the completion of this transaction, the parties will form a partnership to jointly manage the development of the project. Following the completion of the sales agreement with TransAlta, Montem will forgo previous plans to re-start coal mining operations at Tent Mountain and proceed with plans to permanently close the mine.

Montem also owns four other steelmaking coal development projects in the Crowsnest Pass, namely, the Chinook Project, the 4-Stack Project, the Isola Project, and the Oldman Project. These projects remain suspended due to regulatory conditions imposed by the Alberta Government in 2022.