



## Montem Resources

*On the Miners' Path*

### About Montem

Montem Resources is a steelmaking coal development company with assets in the Crowsnest Pass, Alberta, Canada.

The company has two main assets, the Tent Mountain mine, capable of producing approximately 1.2Mtpa of steelmaking coal for export, and the Chinook Project, which is a multi-mine development with the potential to produce in excess of 5Mtpa.

The primary focus is to restart mining at the Tent Mountain mine as soon as practical. Once updated permits are in place, all processing and coal loading will occur at Tent Mountain, away from Coleman. It is estimated there is 64Mt of steelmaking coal within the mine permit boundary. Once mined, coal will be transported via rail to Vancouver for export.

### Economic benefits

There are a range of economic benefits that will result from the construction and operation of Montem's projects. Wherever possible, our aim is to support and invest in the communities in which we operate.

This means providing jobs as well as opportunities for local suppliers and service providers to support our operations.

### Community Engagement Centre

Drop into our Community Engagement Centre located on 17th Street in Coleman between 9am and 5pm, Monday to Friday. The Community Liaison Team is here to provide information and answer questions about our projects and our company.

## THE CHINOOK PROJECT

### Overview

The Chinook Project is located near the town of Coleman, in the Crowsnest Pass of southern Alberta. The project is made up of two areas, Chinook South (south of Coleman) and Chinook Vicary (north of Coleman).

The main rail line, operated by Canadian Pacific Railway, travels through the project and provides direct access to coal export terminals in Vancouver, and at Ridley Terminals in Prince Rupert. The Chinook Project is made up of both Alberta Leasehold Tenements and Alberta Freehold Tenements and covers a large area of approximately 10,000 ha.

Coal was first discovered and mined at Chinook in the early 1900s. Over the years, both underground and surface mining methods were used, with the last mine suspending operations in the late 1970s.

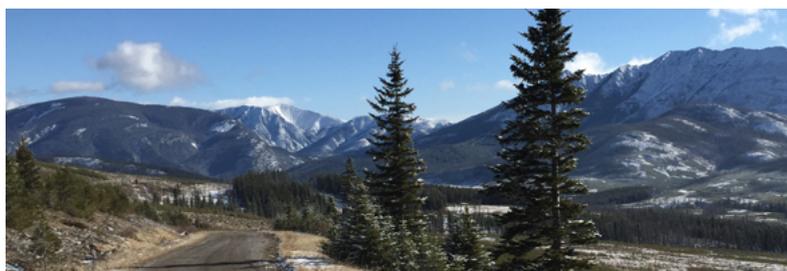


Image: The Chinook Project site

### Exploration and environmental program

Montem Resources purchased the Chinook Project in 2016 and is currently working on updating historic coal resource estimates. Exploration drilling is planned for the next two years in both Chinook South and Chinook Vicary. Exploration provides information to help understand the coal deposits and improve the understanding of the local geology. Once drilling activities are complete, rehabilitation of the land takes place in accordance with appropriate government guidelines.

Engineering and environmental studies are also underway and will guide the strategic development of the project. Baseline studies provide a thorough understanding of the existing environmental conditions of the project. These studies include the following assessments: air quality, noise, surface and ground water, local vegetation, soil, land resources, recreational infrastructure and opportunities. Local fish and wildlife and their habitats are part of the focus, including sensitive species such as Westslope Cutthroat Trout, Whitebark pine, and native fescue grasslands, among others.

### Timeline

If there is an economically viable resource at the Chinook Project, work will commence on obtaining the appropriate government approvals and permits. The exploration, environmental monitoring and permitting process is anticipated to take between five to ten years.

FAQs

**What is coal exploration?**

Exploration helps to define coal deposits in an area. It involves a range of activities from drilling to aerial and ground surveys. Montem will employ modern techniques to attain samples of coal for testing to establish the quantity and quality of coal within the Chinook Project.

Historical information from previous mining and exploration has been used to produce current resource estimates across the Chinook Project. Through exploration drilling, we will be able to update the resource estimates and better understand if the deposits are economic for extraction.

**What is exploration drilling?**

In general, two methods of drilling are used during exploration, these are “open-hole” or “core” drilling. Open-hole drilling means rock chips are brought to the surface using pressurized air or water. With core drilling, drillholes are typically 10-20cm in diameter and allow intact sections of the rock strata to be brought to the surface. It helps to give a more accurate geological analysis of the rock and coal seams.



Image: Exploration drilling

**How long does exploration take?**

The Chinook Project covers a large area, and Montem plans to fully explore this area over the coming 2-3 years.

Exploration does not permit mining; it provides information to help determine if there is an economically viable project. If we progress beyond exploration, the federal and provincial regulatory approval process to permit mining involves a large scale and detailed environmental impact assessment (EIA).

**What rehabilitation takes place after drilling?**

The aim of rehabilitation after exploration drilling is to return the land to its original form and productivity. Each drillhole is plugged at the surface. Topsoil is placed over the top of the

plugged drillhole and the drill site is allowed to re-vegetate naturally. Any pre-existing trails or infrastructure degraded from the drilling activities will be repaired or improved. Selected drillholes may be converted to piezometers to monitor water as part of the environmental studies.

Exploration and environmental studies will help to identify the possible impacts of the proposed Chinook Project and guide ways to mitigate them. This information will help plan how the site will be mined and how to manage the project during operation. Our priority is to minimize potential impacts on the local environment.

**The Chinook Project location**

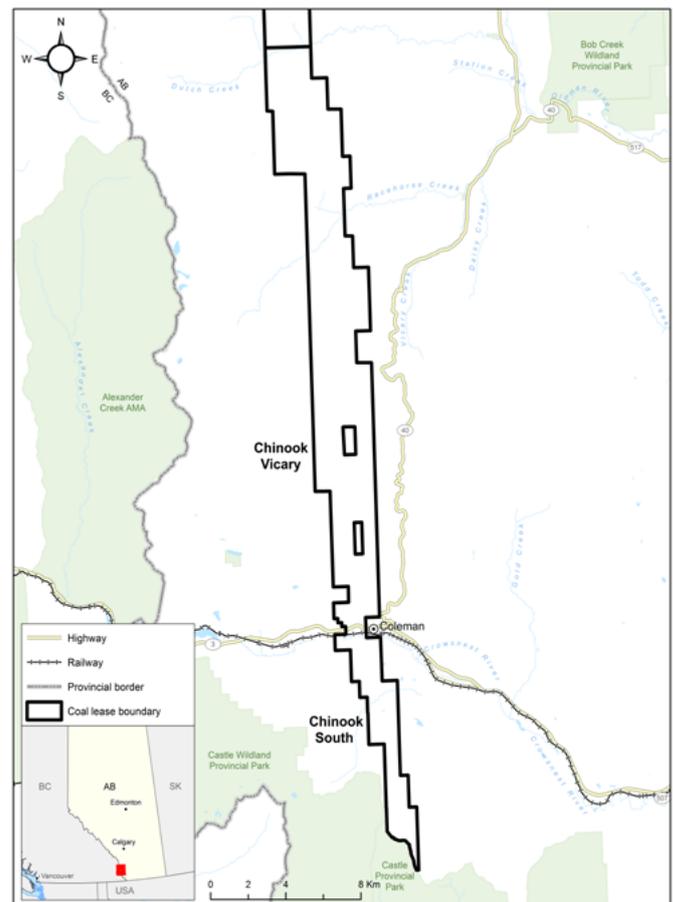


Image: Map of the Chinook Project - Chinook South and Chinook Vicary