

Montem Resources launches Prospectus to raise \$20 million

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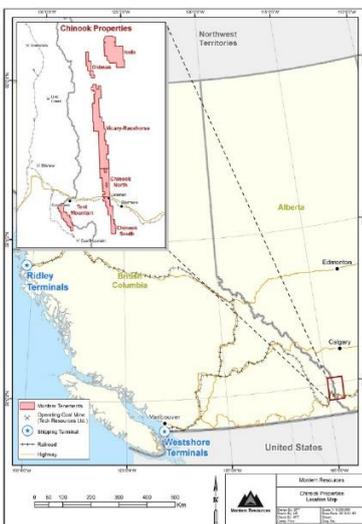


Image of Tent Mountain courtesy of Montem Resources Limited

Metallurgical coal development company, Montem Resources Limited, has lodged its Prospectus with the Australian Securities and Investments Commission (ASIC) to raise up to \$20 million and list on the Australian Securities Exchange via an Initial Public Offering (IPO). Following a successful capital raising and listing, Montem is likely to have a market cap in the range of \$50 million to \$55 million.

The Prospectus offers up to 40 million new ordinary shares at an issue price of \$0.50 per share to raise up to \$20 million, with capital raising expected to close in early October, and trading of Montem shares expected to commence mid-October.

The company has multiple properties covering 220 square kilometres, including four metallurgical coal projects that have been mined previously. These brownfield projects, known as the Chinook Properties, are said to contain an estimated 163 Million tonnes of high quality, metallurgical coal. The Chinook Properties are located in the Crowsnest Pass region of Alberta, Canada, adjacent to the major production zone of hard coking coal in Canada, which includes five large open-cut mines operated by Teck Resources.



Map of The Chinook Properties courtesy of Montem.

The company's most advanced project is the restart of the Tent Mountain mine, where Montem's Board believes existing permits provide a significant timing advantage, whilst three additional brownfield projects (Chinook South, Chinook North and Vicary-Racehorse) create scope to expand further on Montem's existing asset base.

The funds raised through the Prospectus will be used to prepare Tent Mountain for construction, including the completion of engineering studies and necessary permit amendments to allow the restart of mining. Montem will also use the IPO funds to conduct additional exploration on brownfield Chinook Properties, to provide information to support preliminary feasibility studies for new mines. Further to this, production from Tent Mountain is expected to start production within two years of the IPO.

Peter Doyle, Montem Resources' Managing Director and Chief Executive Officer said that the company is 'enthusiastically focused' on completing the listing on the ASX.

"The company's Chinook Properties contain large volumes of low strip-ratio metallurgical coal adjacent to rail, and alongside some of the major producing coking coal mines in Canada," Mr Doyle said.

"Hancock Prospecting Pty Ltd last month invested in our neighbours Riversdale Resources Limited, at a reported company valuation of \$500m, and the Crowsnest Pass region – where the Chinook Properties are located – is expected to be Canada's next major production zone of coking coal."

"Coking coal prices are again reaching toward historic highs, with forecasters continuing to expect robust pricing for hard coking coal as China and India continue to lift imports of this essential ingredient for their steelmaking," he explained, "the macro environment for metallurgical coal remains strong, as steel margins continue to build, with US steel (and coal) prices lifting markedly."

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