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Montauk Metals Provides Update on Arbitration Process

(Toronto, Ontario, September 1, 2023) – Montauk Metals Inc. (TSX-V: MTK) (the “**Company**” or “**Montauk**”) today announces that further to its news releases of March 27, 2018, February 25, 2019, February 10, 2020, and November 23, 2021, the arbitration brought by the Company against the Republic of Colombia (the “**Arbitration**”) to enforce the Company’s rights to compensation under the Canada-Colombia Free Trade Agreement (the “**FTA**”) has been suspended pending a resolution of funding the costs of the arbitration panel.

The Arbitration is being conducted in two phases. Phase One is a determination of jurisdiction and liability issues. Phase Two is a determination of damages, discovery jurisdiction and liability as found. Montauk contends that Colombia breached its obligations owed to Montauk, including specific obligations under the FTA. The claims include Colombia’s refusal or failure to compensate the Company for the losses incurred as a consequence of Colombia’s prohibition of mining in the páramos (high altitude ecosystems).

Montauk is currently reviewing the status of the Arbitration and the merits of pursuing further funding to recommence the Arbitration. The final outcome of the Phase One Arbitration and the eventual outcome of the Phase Two Arbitration cannot be predicted at this time. Certain costs of the proceedings including legal and arbiter costs have exceeded the original estimates and the Company has also had to pay Colombia's half of the arbiter fees. The total cost to obtain a final resolution to the Arbitration is unknown at this time; however, the Company expects that the cost would be a minimum of US\$400,000 to conclude the Phase One jurisdiction and liability ruling. The Company has a cash balance of approximately \$100,000 and is contesting \$473,000 in legal fees representing a portion of the legal fees it has paid to date.

The Company is very mindful of balancing the potential for reward against the cost of share dilution arising pursuant to a financing. There can be no assurance that the Company will proceed with the Arbitration at this time given the need for a financing. Management of the Company has not been successful in sourcing funding from institutional, individual or litigation funding investors. In particular, several litigation funding groups have been approached and there has been no interest to support the Arbitration at this time. The Arbitration will be dismissed by November 9, 2023, if no decision is made to proceed and to continue funding the costs. The Company will continue solicit funding, but there can be no guarantee that the Company will be able to obtain funding on commercially attractive terms or at all. Management of the Company will continue to provide updates on material developments of the status of the Arbitration.

Montauk Metals Inc.

Robert Suttie

Chief Financial Officer

416-848-6865

www.montaukmetalsinc.com (<http://www.montaukmetalsinc.com>)

Cautionary Note Regarding Forward-Looking Statements: *This News Release includes certain "forward-looking statements" which are not comprised of historical facts. Forward-looking statements include estimates and statements that describe Montauk's future plans, objectives or goals, including words to the effect that Montauk or management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties.*