

Atrum Coal Limited

ACN 153 876 861

Notice of Annual General Meeting

11:00 am (AEST)

27 July 2021

By live webinar.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 3 8395 5446.

Time and place of Meeting and how to vote

Time and place of Meeting

Notice is given that the Annual General Meeting will be held at 11:00 am AEST on 27 July 2021.

Due to the current COVID-19 non-essential gathering limits and social distancing requirements the Company will be holding a virtual Annual General Meeting. The Company encourages shareholders to vote on resolutions via proxy form. Proxy forms can be lodged online, by post or in person by following the proxy lodgement instructions on the proxy form, proxy forms must be received by the Company's share registry, Automic, by 11:00 am AEST on 25 July 2021.

If you are a shareholder and you wish to virtually attend the AGM (which will be broadcast as a live webinar), please pre-register in advance for the virtual meeting here: https://us02web.zoom.us/webinar/register/WN_eGu1-TMeToGETIJ5YXY6cA

After registering, you will receive a confirmation containing information on how to attend the virtual meeting on the day of the AGM.

Shareholders will be able to vote and ask questions at the virtual meeting.

Shareholders are also encouraged to submit questions in advance of the Meeting to the Company.

Questions must be submitted in writing to the Company Secretary Justyn Stedwell at jstedwell@atrumcoal.com at least 48 hours before the AGM.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

The health and safety of our staff, shareholders and the general public is a priority of the Company and we appreciate your support and understanding during this time.

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

The Explanatory Statement provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and Proxy Form each form part of this Notice of Meeting.

Voting eligibility

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7:00 pm AEST on 25 July 2021.

Voting at the virtual meeting

Shareholders who wish to vote virtually on the day of the AGM will need to login to the Automic website (<https://investor.automic.com.au/#/home>) with their *username* and *password*.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the Meeting** to avoid any delays on the day of the Meeting.

How do I create an account with Automic?

To create an account with Automic, please go to the Automic website (<https://investor.automic.com.au/#/home>), click on 'register' and follow the steps. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

I have an account with Automic, what are the next steps?

Shareholders who have an existing account with Automic (Note: with a *username* and *password*) are advised to take the following steps to attend and vote virtually on the day of the AGM:

1. Login to the Automic website (<https://investor.automic.com.au/#/home>) using your *username* and *password*.
2. **(Registration on the day)** If registration for the virtual meeting is open, click on 'Meeting open for registration' and follow the steps.

(Live voting on the day) If live voting for the virtual meeting is open, click on 'Meeting open for voting' and follow the steps.

For further information on the live voting process please see the **Registration and Voting Guide** at <https://www.automicgroup.com.au/virtual-agms/>

Shareholders may register to join the online meeting at https://us02web.zoom.us/webinar/register/WN_eGu1-TMeToGETIJ5YXY6cA.

It is recommended that Shareholders wishing to attend the Meeting login from 10.45 am (AEST) on 27 July 2021.

Further details of how to join the online meeting, how to ask questions and how to vote are set in the Online Meeting Guide which can be accessed at: <https://www.automicgroup.com.au/app/uploads/2021/01/Virtual-Meeting-Registration-and-Voting-Shareholder-Guide-V2.pdf>.

The Online Meeting Guide includes details of how to ensure your browser is compatible with the online platform, and a step-by-step guide to logging in, navigating the site and asking questions and voting at the meeting.

Voting by proxy

In accordance with section 249L of the Corporations Act, members are advised that:

- (a) each member has a right to appoint a proxy;
- (b) the proxy need not be a member of the Company; and
- (c) a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form or vote online at <https://investor.automic.com.au/#/loginsah>.

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Shareholders and their proxies should be aware of these sections, as they will apply to this Meeting. Broadly, the sections mean that:

- (a) if proxy holders vote, they must cast all directed proxies as directed; and

- (b) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these legislative requirements are set out below.

Proxy vote if appointment specifies way to vote

An appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (c) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

If:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting;
 - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Undirected vote – Resolutions 2 to 4, and 6

Subject to the voting restrictions set out in the voting exclusion statements in respect of certain of the Resolutions, the Chairperson will vote undirected proxies on, and in favour of Resolutions 2 to 4 and 6.

Direction to Chairman for Resolutions 1 and 5

If the proxy is the Chairman, the Chairman can also vote undirected proxies on Resolutions 1 and 5 provided that proxy form expressly authorises the Chairman to vote on Resolutions 1 and 5 even though Resolutions 1 and 5 are connected with the remuneration of Key Management Personnel.

The Chairman will not vote any undirected proxies in relation to Resolutions 1 and 5 unless the Shareholder expressly authorises the Chairman to vote in accordance with the Chairman's stated voting intentions in their proxy form. Subject to the voting restrictions set out in the voting prohibition statements in respect of Resolutions 1 and 5, the Chairman intends to, and, if so authorised by a Shareholder, will, vote undirected proxies on, and in favour of Resolutions 1 and 5.

To be valid, your proxy form (and any power of attorney under which it is signed) must be received at an address given below by 11:00 am (AEST) on 25 July 2021. Any proxy form received after that time will not be valid for the scheduled meeting.

By hand: Share Registry – Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

By mail: Share Registry – Automic, GPO Box 5193, Sydney NSW 2001

By email: meetings@automicgroup.com.au

Online: <https://investor.automic.com.au/#/loginsah>

Defined terms and glossary

Capitalised terms and certain abbreviations used in this document have the defined meanings set out in the Glossary.

Enquiries

Shareholders are requested to contact the Company Secretary on +61 3 8395 5446 if they have any queries in respect of the matters set out in this Notice of Meeting or the accompanying Explanatory Statement.

Business of the Annual General Meeting

ANNUAL REPORT

To receive the Annual Report of the Company and its controlled entities for the financial year ended 31 December 2020, which includes the Financial Report, the Directors' Report comprising the review of operations and the Remuneration Report, and the Independent Auditor's Report.

Note: there is no requirement for shareholders to approve the Annual Report.

RESOLUTIONS

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **non-binding resolution**:

“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Report for the financial year ended 31 December 2020.”

Voting prohibition statement

In accordance with the Corporations Act the Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) by any member of the Company's Key Management Personnel, or a Closely Related Party of such a member, regardless of the capacity in which the vote is cast; and
- (b) as a proxy by a member of the Company's Key Management Personnel, or a Closely Related Party of such a member unless the vote is cast as a proxy for a person who is entitled to vote on this Resolution:
 - (i) in accordance with their directions of how to vote set out in the relevant Proxy Form; or
 - (ii) by the Chair of the Meeting pursuant to an express authorisation set out in the relevant Proxy Form.

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Resolution 2 – Election of Jeffrey Gerard as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, Jeffrey Gerard who retires as a Director, and offers himself for re-election, be elected as a Director.”

Resolution 3 – Election of Anita Perry as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, Anita Perry who retires as a Director, and offers herself for re-election, be elected as a Director.”

Resolution 4 – Re-election of Richard Barker as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, Richard Barker who retires as a Director by rotation, and offers himself for re-election, be elected as a Director.”

Resolution 5 – Approve Employee Share Option Plan

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.2 (Exception 13) and for all other purposes, approval is given for to establish and administer the Company’s Employee Share Option Plan and for the issue of Options pursuant to the Plan as an exception to ASX Listing Rule 7.1.”

Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- a) a person who is eligible to participate in the employee incentive scheme; or
- b) an associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- c) a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the shareholder votes on the resolution in accordance with directions given by the beneficiary to the shareholder to vote in that way

Resolution 6 – Approval of 10% Placement Capacity

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution**:

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- a) any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- b) an associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or

- c) a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- the beneficiary provides written confirmation to the shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the shareholder votes on the resolution in accordance with directions given by the beneficiary to the shareholder to vote in that way

Dated: 24 June 2021.

By order of the Board

A handwritten signature in black ink, appearing to read 'J. Stedwell', written over a light blue horizontal line.

Justyn Stedwell
Company Secretary

Explanatory Statement

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

ANNUAL REPORT

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. The Annual Report is available on the Company's website **www.atrumcoal.com** and on the ASX website **www.asx.com.au** (ASX code: ATU) or by contacting the Company on +61 3 8395 5446.

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will have the opportunity to:

- (a) discuss the Annual Report for the financial year ended 31 December 2020;
- (b) ask questions or make comment on the management of the Company; and
- (c) ask the Company's auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's office of Suite 103, Level 1, 2 Queen Street, Melbourne VIC 3000.

RESOLUTIONS

Resolution 1 – Adoption of Remuneration Report

General

In accordance with Section 300A(1) of the Corporations Act the Remuneration Report is included in the Directors Report for the financial year ended 31 December 2020.

The Remuneration Report sets out details of the remuneration received by the directors and key Company executives, in addition to describing Board policy in respect of remuneration. Resolution 1 seeks shareholder approval of the adoption of the Remuneration Report by the Company. The Chair of the Meeting must allow a reasonable opportunity for Shareholders to ask questions about or make comments on the Remuneration Report at the Meeting.

The outcome of this resolution is not binding on the Company or the Board. However, sections 250U to 250Y of Corporations Act provide for a 'two strikes and re-election' process in relation to the shareholder vote on the Remuneration Report. Those sections provide that:

- A 'first strike' will occur if this Remuneration Report resolution receives a 'no' vote of 25% or more. If this occurs, the Company's subsequent remuneration report will contain an

explanation of the Board's proposed action in response to the 'no' vote or an explanation of why no action has been taken by the Board.

- A 'second strike' will occur if the resolution to adopt the Remuneration Report at the following annual general meeting also receives a 'no' vote of 25% or more. If this occurs, shareholders will vote at that annual general meeting to determine whether the Directors will need to stand for re-election at a separate, subsequent meeting (the 'spill resolution'). If the spill resolution passes with 50% or more of eligible votes cast, the spill meeting must take place within 90 days.

The Board believes the remuneration of the Company's Key Management Personnel is appropriate and in line with market rates. The Remuneration Report is set out in the Company's 2020 Annual Report.

Shareholders entitled to vote on Resolution 1, who appoint as their proxy, a member of the Company's Key Management Personnel or a Closely Related Party (other than the Chair), should direct their proxy as to how to vote by marking either "For", "Against" or "Abstain" on the Proxy Form for Resolution 1. Failing to direct such a proxy will result in that Shareholder's vote on Resolution 1 being disregarded.

Resolution 2 – Election of Jeffrey Gerard as a Director

Background

Jeffrey Gerard having been appointed as a Director of the Company since the last Annual General Meeting retires at the close of this Annual General Meeting and, being eligible for re-election offers himself for re-election as a Director pursuant to Clause 11.4 of the Company's Constitution.

Candidate profile

Jeff has over 40 years in the global resource industry in various technical, operational, commercial, and executive management roles.

He has extensive industry experience across many geographies including Australia, Africa, North and South America, and China / Mongolia. This is coupled with an ability to develop, articulate and implement strategy based on sound analytical, technical and operational and project management expertise.

Throughout his career he has completed multiple greenfield and brownfield due diligence and feasibility studies with extensive experience in dealing with multiple joint venture partners, governments / regulatory environments, and the banking and investment community.

Jeff worked for Xstrata/Glencore for over 20 years, including extensive experience within their respective coal businesses. He retired from his final senior role at Glencore in February 2020. Jeff resides in Australia.

Board recommendation and Chair's vote

The Directors, with Mr Gerard abstaining, recommend that Shareholders vote in favour of Resolution 2. The Chair intends to vote all available proxies in favour of this Resolution 2.

Resolution 3 – Election of Anita Perry as a Director

Background

Anita Perry having been appointed as a Director of the Company since the last Annual General Meeting retires at the close of this Annual General Meeting and, being eligible for re-election offers herself for re-election as a Director pursuant to Clause 11.4 of the Company's Constitution.

Candidate profile

Anita is a senior executive in government relations, strategic stakeholder engagement and regulatory affairs. She has gained over 30 years of professional expertise in these areas.

Anita's experience includes approximately 15 years at global energy major, BP. There she held various executive and project management roles across a variety of business matters focused on leading and advising on government advocacy, regulatory strategies, best practice employee communications and stakeholder relations.

Anita's final role at BP was Vice President, Communications and External Affairs, where she was responsible for the direction of all public and government relations for BP in Canada. She finished her career at BP in 2019.

Anita is currently a non-executive director of NorZinc Limited (TSX:NZC) and resides in Alberta.

Board recommendation and Chair's vote

The Directors, with Ms Perry abstaining, recommend that Shareholders vote in favour of Resolution 3. The Chair intends to vote all available proxies in favour of this Resolution 3.

Resolution 4 – Re-election of Richard Barker as a Director

Background

Richard Barker, a director of the Company, retires by rotation in accordance with the requirements of Clause 11.2 of the Constitution and, being eligible, offers himself for re-election as a director.

Candidate profile

Mr Barker has more than 35 years' experience in metals and mining industry financing, investment banking and M&A advisory. He is currently the Managing Director of Mosaic Capital Pty Ltd, a corporate finance advisory firm, and a non-executive director and founding director of Australian Future Energy Pty Ltd, an emerging Queensland-based "blue" hydrogen energy company. Among other senior management and executive roles, Mr. Barker was previously a non-executive director of ASX-listed Silver Heritage (ASX: SVH), a non-executive director and founding director of Batchfire Resources Pty Ltd, which owns and operates a 12Mtpa thermal coal mining operation in Queensland, Australia, a managing director of RBC Capital Markets and co-head of its Australian Metals & Mining Investment Banking division, chief executive officer of ASX-listed Betcorp Ltd, and executive director of NM Rothschild & Sons (Australia) Ltd's Corporate Advisory Division.

Board recommendation and Chair's vote

The Directors, with Mr Barker abstaining, recommend that Shareholders vote in favour of Resolution 4. The Chair intends to vote all available proxies in favour of this Resolution 4.

Resolution 5 – Approve Employee Share Option Plan

Background

The purpose of Resolution 5 is to seek shareholder approval to establish and maintain the Company's Employee Share Option Plan ("the Plan") to provide ongoing incentives to employees and consultants of the Company. If this Resolution is passed, the Plan will enable the Company to issue options to subscribe for shares in the Company (and to issue Shares upon exercise of such Options) from time to time to employees and consultants as part of a performance-based incentive program. The Options will be granted and issued under the Plan at the discretion of the Board.

The Company wishes to exempt issues of securities under the Plan from contributing towards the rolling annual limit of 15% of issued ordinary shares prescribed by Listing Rule 7.1 (i.e. the 15% placement capacity). This limit otherwise applies to all new issues of equity securities made without Shareholder approval.

The purpose of the Plan is to:

- Assist in the reward, retention and motivation of eligible employees;
- Link the reward of eligible employees to shareholder value creation; and
- Align the interests of eligible employees with Shareholders by providing an opportunity to eligible employees to receive an equity interest in the form of Options.

The Company has issued 14,495,000 options under the Plan since it was last approved by Shareholders at the Company's 31 May 2018 Annual General Meeting.

Resolution 5 seeks Shareholders approval for the adoption of the Plan for the purposes of:

- (a) ASX Listing Rule 7.2 (Exception 13(b)) as an exception to ASX Listing Rule 7.1 (whereby Shareholders may approve in advance the issue of securities made under the Plan as an exception to the limit under Listing Rule 7.1);
- (b) section 259B(2) of the Corporations Act (which relates to the Company taking security over its own shares); and
- (c) section 260C(4) of the Corporations Act (which relates to the Company or a subsidiary giving financial assistance to employees to acquire shares under the Share Plan).

As at the date of this Notice, the Company proposes to issue a maximum of 30,000,000 options under the Plan within the three year period following approval of this Resolution. It is however noted that this maximum number is not intended to be a prediction of the actual number of securities to be issued under the Plan, but is instead a ceiling for the purposes of ASX Listing Rule 7.2 Exception 13(b).

The significance of these approvals is discussed below.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.2 (Exception 13(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to issue Options under the Plan (Plan Options) to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

In the event that Shareholders do not approve Resolution 5, the Company will not be able to issue Plan Options to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without seeking Shareholder approval in any 12 month period.

The Company taking security over its own shares under the Share Option Plan

The Company is generally prohibited by the Corporations Act from taking security (for example, a mortgage or charge) over its own shares. However, under section 259B(2) of the Corporations Act, the Company is permitted to take security over its own shares under an employee share scheme (such as the Plan) which has been approved by Shareholders.

Taking security over Plan Options issued under the Plan is designed to protect the Company if a participant is, or becomes, insolvent. For this reason, approval is being sought under section 259B(2) of the Corporations Act.

Employee Share Option Plan

The objective of the Plan is to attract, motivate and retain key employees and consultants and it is considered by the Company that the adoption of the Plan and the future issue of Plan Options will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Plan Options to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained, will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Plan is set out below. In addition, a copy of the Plan is available for review by Shareholders upon request to the Company Secretary (Mr Justyn Stedwell). Shareholders are invited to contact the Company if they have any queries on +61 3 8395 5446.

Material terms and conditions of the Plan

The key terms of the Plan are as follows:

- (a) **Eligibility:** Participants in the Scheme may be Directors, full-time and part-time employees, consultants or independent contractors of the Company or any of its subsidiaries whom the Directors decide are eligible (Participants).
- (b) **Administration of Plan:** The Plan will be administered by the Board or a committee appointed by the Board in its absolute discretion with such powers and duties as are conferred upon it.
- (c) **Offer:** The Board may issue an offer to a Participant to participate in the Plan. The offer (among other things):
 - (i) will invite application for the number of Options specified in the offer;
 - (ii) will specify the exercise price;
 - (iii) will specify the designated exercise period;
 - (iv) will specify any designated performance hurdles applying to the Options;
 - (v) will specify an acceptance period; and

- (vi) specify any other terms and conditions attaching to the Options.
- (d) **Exercise price:** the exercise price of Options issued pursuant to the Plan will be, at the discretion of the Board, equal to or greater than the market price on the grant date.
- (e) **Exercise conditions:** Plan Options may be subject to exercise conditions (such as performance criteria as determined by the Board) which must be satisfied before the Plan Options can be exercised or transferred.
- (i) **Plan limit:** The Company must take reasonable steps to ensure that the total numbers of Shares which are the subject of unexercised Options granted under this Plan, when aggregated with:
 - (i) the Shares which have been issued on exercise of the Options granted under the Plan, during the three years preceding the date on which an Option is issued, do not exceed fifteen per cent (15%) percent of the total number of issued Shares in the capital of the Company at the date of issue of any Option; and
 - (ii) The number of Shares which are the subject of unexercised Options granted under the Plan when aggregated with the number of Shares which are the subject of unexercised Options granted under the Plan in the preceding 5 years (or any other employee share plan extended only to Eligible Employees) and the number of Shares that would be issued if each unexercised Option granted under the Plan or under any other employee incentive scheme of the Company were to be exercised or accepted, does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or options to acquire Shares that can be disregarded pursuant to the Class Order).
- (j) **Quotation on ASX:** After Shares have been allocated pursuant to exercise of Plan options, if the Company's Shares are listed on the Exchange at the date of allotment, the Company will apply for listing of the Shares on the exchange.

Board recommendation and Chair's vote

Consistent with ASIC guidance in Regulatory Guide 76 the Directors abstain from making a recommendation in relation to this resolution in accordance with good corporate governance practice and a potential conflict of interest (given their eligibility to participate in the Plan). The Chairman of the Meeting intends to vote available proxies in favour of this resolution.

Resolution 6 – Approval of 10% Placement Capacity

General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

Resolution 6 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 6 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 6 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being Shares (ASX Code: ATU).

The exact number of Equity Securities that the Company may issue under an approval under ASX Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

- I. plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- II. plus the number of partly paid shares that became fully paid in the previous 12 months;
- III. plus the number of Shares issued in the previous 12 months with approval of holders of Shares under ASX Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the Company's 15% placement capacity without Shareholder approval; and
- IV. less the number of Shares cancelled in the previous 12 months.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary securities under ASX Listing Rule 7.1 or 7.4.

Information required by ASX Listing Rule 7.3A

In accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 6:

Minimum Price

Pursuant to ASX Listing Rule 7.1A.3, the minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date in paragraph (i), the date on which the Equity Securities are issued.

Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the annual general meeting at which the approval is obtained and expiring on the first to occur of the following:

- (i) The date that is 12 months after the date of the annual general meeting at which the approval is obtained.
- (ii) The time and date of the entity's next annual general meeting.
- (iii) the time and date of approval by Shareholders of any transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or ASX Listing Rule 11.2 (disposal of the Company's main undertaking) after which date an approval under ASX Listing Rule 7.1A ceases to be valid.

Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Equity Securities under the issue.

If Resolution 6 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)*	Dilution			
	Issue Price (per Share)	0.024 50% decrease in Issue Price	0.047 Issue Price	0.094 100% increase in Issue Price
581,931,653 (Current Variable A)	Shares issued - 10% voting dilution	58,193,165 Shares	58,193,165 Shares	58,193,165 Shares
	Funds raised	\$1,367,539	\$2,735,079	\$5,470,158
872,897,480 (50% increase in Variable A)	Shares issued - 10% voting dilution	87,289,748 Shares	87,289,748 Shares	87,289,748 Shares
	Funds raised	\$2,051,309	\$4,102,618	\$8,205,236
1,163,863,306 (100% increase in Variable A)	Shares issued - 10% voting dilution	116,386,331 Shares	116,386,331 Shares	116,386,331 Shares
	Funds raised	\$2,735,079	\$5,470,158	\$10,940,315

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer), or that are issued with Shareholder approval under ASX Listing Rule 7.1.

The table above uses the following assumptions:

- (i) There are currently 581,931,653 Shares on issue.
- (ii) The issue price set out above is the closing price of the Shares on the ASX on 17 June 2021.
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (iv) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- (v) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- (vi) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

- (vii) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- (viii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (ix) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Risk of economic and voting dilution

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- a) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets including Elan and Groundhog projects, general working capital and administration.

Allocation policy under the 10% Placement Capacity

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities which may be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- I. the purpose of the issue;
- II. alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- III. the effect of the issue of the Equity Securities on the control of the Company;
- IV. the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- V. prevailing market conditions; and
- VI. advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

Previous approval under ASX Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 29 June 2020.

The Company has not issued any Equity Securities pursuant to the Previous Approval.

Voting exclusion statement

As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 6.

Board recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

Glossary

In this document the following definitions apply:

\$	means Australian dollars unless otherwise indicated.
AEST	means Australian Eastern Standard Time.
Annual General Meeting, General Meeting or Meeting	means the meeting convened by this Notice.
Annual Report	means the Directors' Report, Financial Report and Independent Auditor's Report in respect of the six months ended 31 December 2020.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or, as the context requires, the Australian Securities Exchange operated by ASX Limited.
ASX Listing Rules	means the Listing Rules of ASX.
Board	means the board of directors of the Company.
Business Day	means a day other than a Saturday, Sunday or public holiday in Victoria.
Closely Related Party	of a member of the Key Management Personnel means: <ul style="list-style-type: none">(a) a spouse or child of the member;(b) a child of the member's spouse;(c) a dependent of the member or the member's spouse;(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;(e) a company the member controls; or(f) a person prescribed by the <i>Corporations Regulations 2001</i> (Cth).

Company or Atrum Coal or Atrum	means Atrum Coal Limited ACN 153 876 861.
Constitution	means the Company's constitution.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Directors	means the current directors of the Company.
Equity Securities	includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.
Explanatory Statement	means the explanatory statement accompanying this Notice.
Financial Report	means the financial report of the Company and its controlled entities prepared under Chapter 2M of the Corporations Act in respect of the financial ended 31 December 2020.
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group named in the Remuneration Report.
Notice or Notice of Meeting	means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.
Option	means an option to acquire a Share.
Proxy Form	means the proxy form accompanying this Notice.
Remuneration Report	means the remuneration report of the Company set out in the Directors' Report section of the Annual Report.
Resolutions	means the resolutions to be considered by Shareholders at the Annual General Meeting, as set out in this Notice of Meeting.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a registered holder of one or more Shares.



Atrium Coal Limited | ABN 27 153 876 861

Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Your proxy voting instruction must be received by 11.00am (AEST) on Sunday, 25 July 2021, being not later than 48 hours before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at
<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

