

ASX Announcement

7 March 2022

COAL POLICY COMMITTEE REPORTS RELEASED BY ALBERTA GOVERNMENT

Atrum Coal Limited (ASX: ATU) (**Atrum** or the **Company**) confirms that the Alberta Coal Policy Committee (CPC) reports and a resulting Ministerial Order were made public on Friday 4 March.

The release follows nine months of work by an independent five-member panel who consulted widely across the province.

Ministerial Order

The [Ministerial Order](#) put in place by Energy Minister Sonya Savage - described as a “Coal Development Direction” - establishes an interim framework for the coal industry as government continues to work towards a new provincial coal policy. The Minister:

- Reaffirms Alberta’s 1976 Coal Policy
- Continues the suspension of coal exploration and development in the Eastern Slopes until “sufficient land use clarity has been provided through a planning activity.”

The Order includes specific instructions to the Alberta Energy Regulator:

- Category 1 – no coal exploration or commercial development is permitted
- Category 2 – approvals in the Eastern Slopes remain suspended and no new applications will be accepted until written notice is provided by the Minister of Energy and / or the Minister of Environment and Parks.
- Categories 3 and 4 – Advanced and Active coal mine projects can continue. All other approvals are suspended and no new applications will be accepted until written notice is provided by the Minister of Energy and / or the Minister of Environment and Parks.
- Abandonment, reclamation, security and safety activities can be undertaken at Active coal mines and Exploration sites.

The status of Alberta based mines is defined as follows:

- Advanced coal projects are those for which a project summary has been submitted to the Alberta Energy Regulator for determination of whether an environmental impact assessment is required. These are - Grassy (Benga), Tent (Montem) and Vista (Bighorn / Coalspur).
- Active coal mines are those for which a license has been received under the Coal Conservation Act.
- The Elan Project (100% Atrum), situated in Category 2, is considered to be Exploratory. Others in this classification include Cabin Ridge, Aries (Ram) and Blackstone (Valory / Black Eagle).

Coal Policy Committee Recommendations

The CPC reports provide the basis for the Ministerial Order. The reports document the outcomes of the [engagement](#) with Albertans and provide [recommendations](#) on future coal development in Alberta.

The CPC concludes that if Alberta chooses to supply coal to international markets there is a need to review and update legislation associated with coal management. Citing a host of changes since Alberta's Coal Policy was put into place in 1976, the CPC says the report "offers innovative recommendations needed to complete a responsible, modernized policy for Alberta coal."

The report puts forward eight major recommendations:

1. Modernize Alberta's coal policy - The CPC recommends decisions about potential coal development projects be guided by regional and subregional land use plans. Consideration of cumulative effects and integration of economic, environmental and social pillars by these plans are key actions recommended by the CPC.
2. Meaningfully involve Alberta's Indigenous communities in the land use planning process.
3. Make regional provisions for coal development legally binding on government.
4. Review Alberta's coal tenure and royalty regimes.
5. Address private lands and freehold mineral rights - The CPC recommends a new coal policy provide clarity on how it applies to freehold mineral rights and to have the capacity to provide compensation using legislated mechanisms.
6. Assess new coal projects with a net benefits test and public consultation.
7. Resolve uncertainty concerning responsibility for reclamation liabilities.
The CPC recommends consideration of putting in place a reclamation security program specifically for coal mines.
8. Address reclamation liabilities for legacy coal mines.

News Release

The Government of Alberta's accompanying [news release](#) highlights protecting Alberta's Eastern Slopes as the reason for developing a new modern coal policy. In the release, the province accepts the findings of the CPC and commits to addressing its recommendations by "updating, strengthening or reinforcing existing regulations and legislation in the future."

The Company notes that the Government has not provided any guidance as to the timing of a new coal policy. As a result, the Company's Elan Project remains on pause.

Atrum Non-Executive Chairman, Glen Koropchuk, commented: *"Atrum is reviewing the Ministerial Order and CPC reports to confirm their impact on future plans for the Elan project and will advise shareholders in due course. We will consider our plans in partnership with our Indigenous and local community stakeholders to ensure that the Elan Project can be positioned for any potential future opportunity to collaboratively build a responsible mining project delivering a strategic resource needed by the world for the enduring interests of our shareholders and the people of Alberta."*

This ASX release was authorised on behalf of the Atrum Board by:

Glen Koropchuk, Non-Executive Chairman

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