

ASX Announcement

28 July 2022

QUARTERLY ACTIVITIES REPORT

For the Quarter Ended 30 June 2022

Atrum Coal Limited (ASX: ATU) (**Atrum** or the **Company**) provides its Quarterly Activities Report for the period ending 30 June 2022.

KEY POINTS

- Atrum's world-class Elan Hard Coking Coal Project continues to remain suspended
- Further cost reductions continue to be implemented
- Ongoing strategic review of options to preserve and optimize shareholder value

Elan Hard Coking Coal Project (100% Atrum)

The Company notes that the Government of Alberta continues to provide no guidance as to the timing or content of a new coal policy. As a result, the Company's world class Elan Hard Coking Coal Project (**Elan**) remains halted and is prohibited from proceeding with any exploration or development activities. Atrum has sought, and continues to seek, meetings with the Government of Alberta. To date, the Company's efforts have resulted in no feedback.

Engagement has also continued with various other stakeholders including First Nations, Indigenous business leaders, the local community, and the public through various channels.

Cost Reductions

The Company has continued during the quarter to further reduce full time staffing levels in order to preserve available capital. In addition, all non-essential activities have been suspended.

During the quarter, Atrum prepared Elan for site care and maintenance activities which are a requirement of maintaining the underlying existing exploration permits. These activities will commence in the third quarter of 2022 and will involve grouting of previously drilled well locations and road maintenance to ensure continuing site safety and environmental compliance.

Preserving and Optimizing Shareholder Value

The Company has continued to review and analyse all of its available commercial options with respect to Elan in order to preserve and to potentially unlock shareholder value. With the lack of constructive engagement and direction from the Government of Alberta over the quarter the Company retains focus on developing its near term strategic objectives.

The Company notes that the adjoining tenement holders to Elan, Cabin Ridge Holdings Limited and Cabin Ridge Project Limited (together, **Cabin Ridge**), announced on 27 June 2022¹ that it had commenced legal proceedings against the Government of Alberta in the Court of the Queen's Bench of Alberta.

Cabin Ridge's states "*The Cabin Ridge companies base their claim on the Government of Alberta's change of position by which the Government substantially and unreasonably interfered with Cabin Ridge's development rights and deprived Cabin Ridge of any reasonable use of the valuable mineral rights that it acquired. Consequently, the Government of Alberta's de facto expropriation of Cabin Ridge's freehold mineral property has prevented Cabin Ridge from continuing to develop its steelmaking coal project and has deprived the Cabin Ridge companies of their substantial investments in Alberta.*"

Atrum continues to monitor this legal process and will consider all legal options available with respect to Elan.

Corporate

Cash and debt position

Atrum held A\$0.9 million cash at 30 June 2022.

The Company has no debt, excluding usual creditors balances.

Cost reduction measures that were implemented to reflect the significantly lower level of site activities in 2021 remain in place. Atrum's management and Board of directors are very mindful of preserving cash while the development of its flagship Elan Hard Coking Coal Project is suspended and remains subject to an indefinite moratorium preventing it from being advanced.

Atrum Non-Executive Chairman, Glen Koropchuk, commented: "The team continues to focus on cost reduction measures while the Elan Project remains subject to an indefinite moratorium on exploration and development and we consider all commercial and legal options available to us. The Board and management of Atrum is focused on optimizing value for Atrum shareholders through exploring and pursuing all available avenues to the company."

ASX additional information

- **ASX Listing Rule 5.3.1:** Exploration and evaluation expenditure during the June 2022 quarter was A\$758k. Details of exploration activity during June 2022 quarter are set out in this report and are mostly associated with pre-existing environmental baseline studies data collection, PFS work and reporting with respect to the Company's Elan HCC Project in Alberta, Canada and payment of annual leases of the Elan HCC Project.
- **ASX Listing Rule 5.3.2:** There were no substantive mining production or development activities during the quarter.
- **ASX Listing Rule 5.3.3:** There have been no tenements acquired or disposed of during the quarter.
- **ASX Listing Rule 5.3.5:** Appendix 5B, Section 6.1 – description of payments: During the June 2022 quarter, the Company paid directors fees totalling A\$49k to non-executive directors and A\$59k to the former Managing Director.

This ASX release was authorised by the Board of Atrum Coal.

¹ <https://www.cabinridgecoal.com/cabin-ridge-statement/>

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APPENDIX A: TENEMENTS LIST

Tenure Number	Owner	Business Unit	Tenure Type	Area (Ha)
394847	Atrum Coal Groundhog Inc.	Groundhog	Licence	259
417080	Atrum Coal Groundhog Inc.	Groundhog	Licence	565
417081	Atrum Coal Groundhog Inc.	Groundhog	Licence	636
417082	Atrum Coal Groundhog Inc.	Groundhog	Licence	212
417084	Atrum Coal Panorama Inc.	Panorama North	Licence	708
417085	Atrum Coal Groundhog Inc.	Groundhog	Licence	1,031
417086	Atrum Coal Panorama Inc.	Panorama North	Licence	142
417088	Atrum Coal Groundhog Inc.	Groundhog	Licence	777
417089	Atrum Coal Groundhog Inc.	Groundhog	Licence	142
417094	Atrum Coal Groundhog Inc.	Groundhog	Licence	71
417095	Atrum Coal Groundhog Inc.	Groundhog	Licence	425
417096	Atrum Coal Groundhog Inc.	Groundhog	Licence	71
417098	Atrum Coal Groundhog Inc.	Groundhog	Licence	1,204
417292	Atrum Coal Panorama Inc.	Panorama North	Licence	279
417296	Atrum Coal Panorama Inc.	Panorama North	Licence	71
417297	Atrum Coal Groundhog Inc.	Groundhog	Licence	918
417298	Atrum Coal Groundhog Inc.	Groundhog	Licence	1,059
417299	Atrum Coal Panorama Inc.	Panorama North	Licence	779
417520	Atrum Coal Groundhog Inc.	Groundhog	Licence	212
417521	Atrum Coal Groundhog Inc.	Groundhog	Licence	142
417525	Atrum Coal Panorama Inc.	Panorama North	Licence	425
417526	Atrum Coal Panorama Inc.	Panorama North	Licence	707
417527	Atrum Coal Panorama Inc.	Panorama North	Licence	71
417528	Atrum Coal Groundhog Inc.	Groundhog	Licence	142
418587	Atrum Coal Groundhog Inc.	Groundhog	Licence	1,411
418588	Atrum Coal Groundhog Inc.	Groundhog	Licence	1,412
418589	Atrum Coal Groundhog Inc.	Groundhog	Licence	1,273
418953	Atrum Coal Panorama Inc.	Panorama North	Licence	1,346
418955	Atrum Coal Groundhog Inc.	Groundhog	Licence	1,265
418957	Atrum Coal Panorama Inc.	Panorama North	Licence	1,415
418958	Atrum Coal Panorama Inc.	Panorama North	Licence	1,345
418961	Atrum Coal Panorama Inc.	Panorama North	Licence	71
1320080043	Elan Coal Ltd.	Elan	Coal Lease	1,616
1320080044	Elan Coal Ltd.	Elan	Coal Lease	1,536

1320080045	Elan Coal Ltd.	Elan	Coal Lease	1,724
1320080046	Elan Coal Ltd.	Elan	Coal Lease	1,694
1320080047	Elan Coal Ltd.	Elan	Coal Lease	2,304
1320080048	Elan Coal Ltd.	Elan	Coal Lease	2,165
1320080049	Elan Coal Ltd.	Elan	Coal Lease	1,952
1320080050	Elan Coal Ltd.	Elan	Coal Lease	1,840
1320080051	Elan Coal Ltd.	Elan	Coal Lease	1,024
1320080052	Elan Coal Ltd.	Elan	Coal Lease	1,664
1320080053	Elan Coal Ltd.	Elan	Coal Lease	112
Tenure Number	Owner	Business Unit	Tenure Type	Area (Ha)
1320080054	Elan Coal Ltd.	Elan	Coal Lease	272
1320080055	Elan Coal Ltd.	Elan	Coal Lease	1,726
1320080056	Elan Coal Ltd.	Elan	Coal Lease	1,936
1320080057	Elan Coal Ltd.	Elan	Coal Lease	48
1320080058	Elan Coal Ltd.	Elan	Coal Lease	822
1320080059	Elan Coal Ltd.	Elan	Coal Lease	256