

ASX Announcement

18 December 2023

ENTITLEMENT OFFER TO RAISE A\$5.0M

KEY POINTS

- Fully underwritten accelerated non-renounceable 1-for-1.11 entitlement offer at A\$0.004 per share to raise gross proceeds of approximately A\$5.0 million
- Atrum intends to use Entitlement Offer proceeds to fund litigation efforts against the Government of Alberta and to meet ongoing operational expenses
- Atrum's major shareholders have committed to take up their entitlements and provide sub-underwriting support
- Top-Up facility available for Eligible Retail Shareholders

Atrum Coal Limited (ASX: ATU) (**Atrum** or the **Company**) is offering Eligible Shareholders the opportunity to participate in an underwritten accelerated non-renounceable entitlement issue of 1 new Atrum share (**New Share**) for every 1.11 existing Atrum shares held by eligible shareholders on the Record Date at an issue price of A\$0.004 per New Share (**Offer Price**) to raise approximately A\$5.0 million (before costs) (**Entitlement Offer**).

The Offer Price represents:

- a ~20% discount to TERP¹ of A\$0.005
- a ~20% discount to the last closing price of Atrum shares on 9 March 2023 of A\$0.005; and

New Shares issued under the Entitlement Offer will rank equally with existing shares on issue. Trading in the Company's shares has been suspended since 9 March 2023 as the ASX determined that the Company's operations were not adequate to warrant continued trading. Any New Shares issued under the Entitlement Offer will not be tradeable on ASX following issue.²

The proceeds of the Entitlement Offer will be applied towards litigation costs associated with the Claim Atrum filed against the Government of Alberta (**GoA**), and for ongoing corporate and operational expenses.

Atrum's major shareholders, who in aggregate hold approximately 45% of Atrum's shares, have committed to take up their entitlements and provide sub-underwriting support.

The Entitlement Offer is fully underwritten and managed by Bell Potter Securities Ltd. The terms and conditions of the underwriting agreement and sub-underwriting agreements are set out in the prospectus which will be made available at <https://www2.asx.com.au/> today (**Prospectus**). The offer of the New Shares will be made in or accompanied by the Prospectus which should be considered in deciding whether to acquire those shares.

¹ The TERP is a theoretical price at which Atrum shares would trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer. The TERP is a theoretical calculation only, trading in Atrum shares has been suspended since 9 March 2023. Atrum is not able to predict when its shares will recommence trading on the ASX, and there is a risk that its shares may never recommence trading on the ASX.

² Refer to the risk factors section of the Prospectus for further information.

Anyone who wants to acquire the New Shares should consider the Prospectus carefully when determining whether to apply for the New Shares and will need to complete the entitlement and acceptance form that will be in or accompany the Prospectus.

Atrum Non – Executive Chairman, Glen Koropchuk, commented:

“Atrum and its wholly owned subsidiary Elan Coal Limited (“Elan”) filed a claim (“Claim”) against the Government of Alberta for de facto expropriating Elan’s coal leases and are also seeking monetary compensation pursuant to the doctrines of private nuisance and unjust enrichment. While Atrum and Elan are doing work to quantify the claim, the anticipated value could potentially be in the range of A\$0.3 billion to A\$3.9 billion. There is the potential, however, that Atrum will not be successful in its claim against the Alberta Government and receive no compensation.”

The Claim is proceeding under case management in the Court of King’s Bench of Alberta, Canada. In November 2023, the Case Management Judge ordered the trial of the Claim which shall commence at the earliest available date on or after 31 March 2025 (the November 2023 Order). The key dates set down are as follows:

- Questioning to be completed: Quarter 1, 2024;
- Responses to undertakings: Quarter 2, 2024;
- Questioning on undertaking responses to be completed: Quarter 2, 2024;
- Plaintiffs’ experts reports: Quarter 3, 2024;
- Defendants’ expert reports: Quarter 4, 2024; and
- Plaintiffs’ reply to expert reports: Quarter 1, 2025.

Atrum is raising funds that will enable the Company to fund the costs of the Claim, and provide funding for ongoing company operating and project development costs while the litigation continues. Atrum intends that the proceeds of the Entitlement Offer will cover the costs of the Claim for, at the very least, the period to 31 December 2024. Through the litigation, Atrum seeks to recover the losses suffered by Atrum Shareholders and the Company, though a damages award to Atrum and/or Elan.

Entitlement Offer Details

Eligible institutional shareholders will be invited to participate in the accelerated institutional component of the Entitlement Offer (**Institutional Entitlement Offer**), which is expected to close on Wednesday, 20 December 2023. Entitlements not taken up by eligible institutional shareholders will be offered to eligible institutional investors at the Offer Price.

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) will be open from Friday, 22 December 2023 to eligible retail shareholders on the record date, being Thursday, 21 December 2023 at 7.00pm (Sydney time) (**Record Date**) (unless extended by the Board).

Participation in the Entitlement Offer will be open to Atrum shareholders who are registered holders of Atrum Shares on the Record Date and who have a registered address in Australia or New Zealand, and to investors in other jurisdictions who Atrum determines are eligible to participate, subject to restrictions under and in accordance with applicable securities laws (**Eligible Shareholders**).

The Retail Entitlement Offer will include a top-up facility under which Eligible Retail Shareholders who take up their entitlement in full under the Retail Entitlement Offer will be invited to apply for additional New Shares not taken up by the Closing Date (**Top-Up Facility**). There is no guarantee that applicants under this Top-Up Facility will receive all or any of the additional New Shares that they apply for under the Top-Up Facility.

Entitlements not taken up by eligible retail shareholders will be allocated to the Underwriter or sub-underwriters.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable on ASX or otherwise transferable. Eligible Shareholders who do not take up their entitlements will not receive any value for those entitlements that they do not take up.

Further information in relation to the Retail Entitlement Offer will be sent to Eligible Shareholders in the Prospectus and accompanying personalised entitlement and acceptance form, which are expected to be available on 22 December 2023.

Indicative timetable

The indicative timetable below outlines the key dates for the Entitlement Offer:

Event	Date
Announcement of the Entitlement Offer	Monday, 18 December 2023
Institutional Entitlement Offer opens	Tuesday, 19 December 2023
Institutional Entitlement Offer closes (5.00pm Sydney time)	Wednesday, 20 December 2023
Results of Institutional Entitlement Offer announcement and trading halt lifted	Thursday, 21 December 2023
Record date for eligibility in the Entitlement Offer (7:00pm Sydney time)	Thursday, 21 December 2023
Institutional Entitlement Offer settlement date	Friday, 22 December 2023
Prospectus and personalised Entitlement and Acceptance Form dispatched	Friday, 22 December 2023
Issue New Shares under Institutional Entitlement Offer	Friday, 22 December 2023
Retail Entitlement Offer opens	Friday, 22 December 2023
Retail Entitlement Offer closes (5.00pm Sydney time)	Wednesday, 31 January 2024
Retail Entitlement Offer settlement date	Wednesday, 7 February 2024
Issue of New Shares under the Retail Entitlement Offer	Wednesday, 7 February 2024

All dates are indicative only and subject to change. Atrum reserves the right to withdraw the Entitlement Offer or vary the above timetable without notice.

Not an Offer of Securities

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

Forward-looking statements

This announcement may contain certain forward-looking statements, forecasts, estimates, projections, beliefs and opinions (**Forward Statements**). Forward Statements can be identified by the use of 'forward looking' terminology, including, without limitation, the terms 'believes', 'estimates', 'anticipates', 'expects', 'projects', 'predicts', 'intends', 'plans', 'propose', 'goals', 'targets', 'aims', 'outlook', 'guidance', 'forecasts',

'may', 'will', 'would', 'could' or 'should' or, in each case, their negative or other variations or comparable terminology, and include financial outlook information as defined below.

Forward Statements involve elements of subjective judgment and analysis, and are subject to known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future, assumptions which may or may not prove correct, and may be beyond Atrum's ability to control or predict. Investors should note that the financial information may not be indicative of actual performance in the future. Investors should be aware that the timing of actual events, and the magnitude of their impact might differ from that assumed in preparing the financial outlook information, which may have a material negative effect on actual future financial performance, financial position and cash flows. You are strongly cautioned not to place undue reliance on Forward Statements. Any such statements, opinions and estimates in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward Statements including projections, guidance on future earnings and estimates are by their very nature subject to significant uncertainties and contingencies and are not reliably predictable. They are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Atrum.

No representation or guarantee is made by Atrum, the Underwriter or any other person that any of these Forward Statements (including the financial outlook information) will be achieved or proved to be correct. Readers are cautioned not to place undue reliance on Forward Statements and Atrum assumes no obligation to update such statements (except as required by applicable regulations or by law).

The information in this announcement does not constitute financial product advice and does not take into account the financial objectives, personal situation or circumstances of any shareholder. If you are in any doubt as to how to proceed, please contact your financial, tax or other professional adviser.

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

Glen Koropchuk, Non-Executive Chairman

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