

Accelerated 2019 Field Program at Elan

HIGHLIGHTS

- Expanded and accelerated 2019 field program developed for the Elan South and Isolation South areas of the Elan Hard Coking Coal Project.
- Total 20,000m drill campaign largely focussed on Elan South to expand the existing resource and upgrade its classification.
- Extensive coal quality testing planned for product specification development and advancing coal preparation plant design.
- Environmental baseline study at Elan South now expanded to full-scope, comprehensive environmental data collection and analyses.
- Scoping Study on Elan South development to be completed by 4Q 2019, feeding into a Pre-Feasibility Study (PFS) to be completed by 2H 2020.
- Extension and infill drilling at Isolation South (part of the Elan North tenements) to increase scale and upgrade classification of the existing 120Mt resource.
- Dual area approach reflects strategy to rapidly advance multiple, large Tier 1 hard coking coal developments across the Elan Project.
- Preparation of access roads started to allow drilling to commence as soon as weather and scheduling permit.
- Progress reports, JORC resource updates and coal quality testwork results expected throughout the planned field work program.

Atrum Coal Ltd ("**Atrum**" or the "**Company**") (ASX: ATU) provides an overview of the planned 2019 field program at its 100%-owned Elan Hard Coking Coal Project in southwestern Alberta, Canada ("**Elan Project**"). The 2019 program reflects an expanded and accelerated project advancement strategy following Atrum's recently completed A\$20M institutional equity raising in March 2019.

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Key Projects

Elan Coal	Ownership: 100%
Groundhog	Ownership: 100%
Bowron River	Ownership: 100%

Managing Director, Max Wang, commented: "The 2019 field program announced today is a direct function of the considerable advancement of the Elan Project through last year. The delineation of 298Mt of Indicated and Inferred resources at Elan, combined with detailed coal quality results evidencing premium hard coking coal attributes, has placed Atrum in an enviable position.

"The majority of the planned 20,000m drilling in 2019 will be devoted to the flagship Elan South development area. The focus here will be expanding and upgrading the classification of the existing 97Mt resource in order to support a development Pre-Feasibility Study to be completed by the second half of 2020. Expanded coal quality testing and environmental study activities have been designed to support product specification development and accelerated project permitting.

"Extensional and infill drilling is also planned for the Isolation South area, which is part of the Elan North tenements. The additional effort here reflects our belief that Isolation South is a walk-up proposition for rapid evaluation and feasibility work. Its large existing 120Mt resource, shallow and geologically and geometrically favourable coal seam deposition, and significant body of historical testwork all position it attractively. The decision to concurrently progress Isolation South also reflects Atrum's strategy to rapidly advance multiple, large Tier 1 hard coking coal developments across the Elan Project.

"Stakeholder consultation and contract negotiations in relation to road building, drilling and baseline environmental studies are well underway. The preparation of site access roads for exploration and environmental monitoring has also already started. We look forward to providing further progress updates over the coming weeks and months."

The Elan Potential

The Elan Project hosts multiple, shallow and thick hard coking coal deposits, stretching from Elan South (which borders Riversdale's Grassy Mountain Project) through to Savanna in the north, over an area of approximately 50km long by up to 20 km wide.

Following a significant exploration and field work program in 2018, combined with a detailed geological review of historical exploration data, Atrum announced a total 298Mt Indicated and Inferred JORC resource for the Elan Project in January 2019 (Note 1). Comprehensive quality testing of Elan South coal in recent months, combined with review of substantial historical testwork data for the broader Elan Project, has also confirmed the Tier 1 hard coking coal qualities present at Elan.

As a function of these workstreams and their outcomes, Atrum has progressively formed the view that the total areal footprint of the Elan Project, combined with its thick, shallow and high-quality coal seam depositions, evidences clear potential for it to host multiple, large Tier 1 hard coking coal developments.

1. Atrum confirms that it is not aware of any new information or data that materially affects the information included in its ASX releases dated 8th January 2019 "Elan South Hard Coking Coal Resource Increased by 170% to 97Mt" and 22nd January 2019 "Additional 201Mt JORC Resources defined for Elan Project" and all material

assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

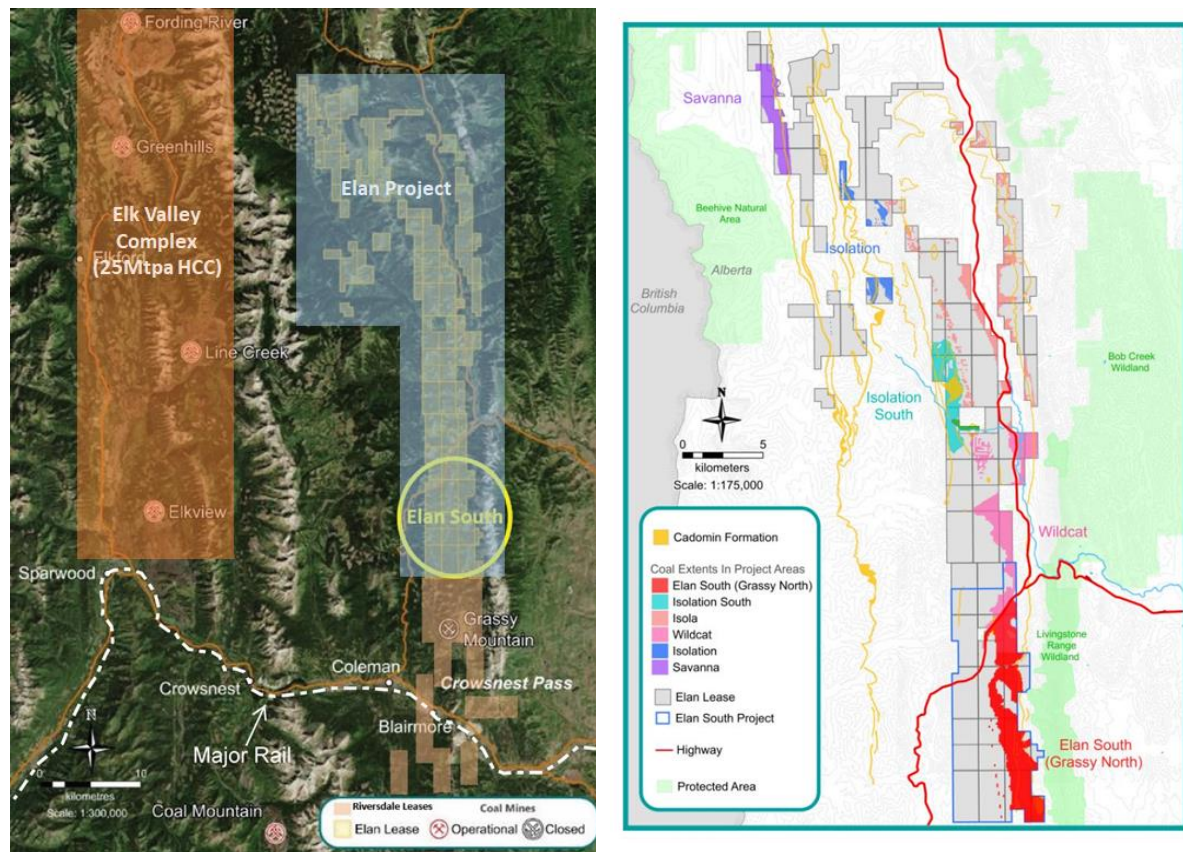


Figure 1. Elan Hard Coking Coal Project tenement base, defined coal deposition areas and scale comparative with Teck's nearby Elk Valley Complex

A project possessing shallow, large-scale, premium quality hard coking coal deposits located in a first-class mining jurisdiction and proximate to critical export rail infrastructure with surplus capacity represents an asset of substantial value. The 2019 field program at Elan is aimed at rapidly unlocking the potential of this asset.

Program Focus Areas and Start Timing

The dual area field approach for 2019 reflects Atrum's strategy to advance multiple, large Tier 1 hard coking coal developments on the Elan Project.

Elan South

Infill drilling at Elan South will target both increases to the current resource base (97Mt total; 31Mt Indicated and 66Mt Inferred) and, critically, upgraded classification of a significant part of the existing estimate into Measured and Indicated categorisation (for the purposes of targeted eventual conversion to Ore Reserves).

Extension drilling will also be undertaken on three identified zones of Elan South that, based on exploration drilling in 2018, have the potential to host shallow emplacements of coal that may present low stripping ratio open cut mining opportunities.

With the road preparation work already started, Atrum is looking to mobilise field work teams to continue environmental monitoring, commence new environmental studies, finalise drilling site locations and complete road designs to facilitate early drilling.

The exact timing of drill commencement will be dependent on multiple factors including weather and optimal sub-contractor scheduling.

Isolation South

Extension drilling at Isolation South (part of the Elan North tenements) is targeted to increase the currently delineated resource (120Mt total; 39Mt Indicated and 81Mt Inferred). Infill drilling is also planned to upgrade a significant part of the existing resource into Measured and Indicated resource classification.

Field and Testwork Logistics

As with the 2018 program at Elan South, drilling and field work has been planned to occur in several stages. A phased drilling campaign will be interspersed with geological review and analysis, coal quality testing and JORC resource estimate updates. Such an approach maximises drilling efficiency and economics, while also allowing a measured, progressive and gated approach to assessment of various sub-areas of coal deposition.

The program has also been developed such that phases of large diameter core drilling are set to be undertaken throughout the field season. This enables Atrum to better understand the geology and update coal quality parameters regularly as the drilling progresses. It will also considerably reduce exposure to any late season lab congestion and testing delays.

Project Advancement Strategy

A Scoping Study to evaluate development of Elan South is set to be commenced in 2Q with completion expected in 4Q 2019. This work is planned to feed into completion of a Pre-Feasibility Study (PFS) by 2H 2020.

The Baseline Environmental Study commenced at Elan in 2018 has now been expanded to a full-scope, comprehensive environmental data collection and analyses. This accelerated work is targeted to support the finalisation of an Environmental Impact Assessment (EIA) in 2H 2020. This approach is naturally aimed at achieving permitting of an Elan South development as rapidly as possible.

The decision to concurrently progress evaluation of Isolation South, alongside acceleration of Elan South, reflects Atrum's strategy to rapidly advance multiple, large Tier 1 hard coking coal developments across its highly endowed and 100%-owned Elan Project.

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