

ASX Announcement

14 August 2020

Tier 1 HCC at Isolation South

Atrum Coal Limited (ASX: ATU) (**Atrum** or **Company**) refers to its Quarterly Activities Report lodged with ASX on 27 July 2020 and the below information relating to Tier 1 HCC at Isolation South included in the Quarterly Activities Report.

For full details on the Isolation South LDC coal quality results, see Atrum ASX release dated 7 July 2020.

The Company confirms it is not aware of any new information or data that materially affects the coal quality results set out in the Company's announcement dated 7 July 2020 and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Tier 1 HCC at Isolation South

Further coal quality results for the Isolation South deposit, including coke quality and carbonisation testwork outcomes, were released in early July 2020.

These results were based on coal characterisation and carbonisation test work conducted on samples obtained from four LDC drill holes completed in Isolation South during early 2020. Complemented by recent petrographic analysis of 51 RAB samples, the results supplement and bolster the already significant volumes of historical coal quality testwork conducted on the Isolation South deposit by previous owners of the Elan Project tenements. They are also additive to the significant coal and coke quality testwork results obtained for Elan South through the 2018 and 2019 exploration programs.

The recent LDC results confirm historical testwork outcomes at Isolation South and indicate that Isolation South coal quality correlates well with globally-traded premium Hard Coking Coal (HCC) products. Clean coal characteristics from the LDC testing include:

- Low ash (7 – 9%) and sulphur (0.38 – 0.94%);
- Favourable rank (RoMax) (1.08 – 1.26%), VM (22 – 28%) and CSN/FSI (4.0 – 9.0) ranges; and
- Highly acidic ash chemistry resulting in low phosphorous, low total alkali and a low basicity index (0.02 – 0.15).

Carbonisation testing of the clean coal samples also confirmed high coke CSR values (CSR: 66 – 70%).

These results are commensurate with the typical ranges observed at Atrum's Elan South deposit as well as Teck Resources' nearby Elk Valley production complex. In aggregate, the outcomes provide strong evidence of Tier 1 HCC quality at Isolation South.

Further coal characterisation and 500kg movable wall oven carbonisation testing is planned to be conducted on representative coal samples from the Isolation South 2020 exploration program. Comprehensive Stage 1 coal characterisation and carbonisation testwork results (from the initial 22 planned LDC holes) are expected in 4Q 2020.

For full details on the Isolation South LDC coal quality results, see Atrum ASX release dated 7 July 2020.

Authorised by:

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On behalf of the Board of Directors
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About Atrum Coal

Atrum Coal (ASX: ATU) is a metallurgical coal developer. The Company's flagship asset is the 100%-owned Elan Hard Coking Coal Project in southern Alberta, Canada. Elan hosts large-scale, shallow, thick, hard coking coal (HCC) deposits with a current resource estimate of 454Mt (142Mt Indicated and 312Mt Inferred). Comprehensive coal quality testing from the 2018 and 2019 exploration programs, combined with review of substantial historical testwork data for the broader Elan Project, has confirmed Tier 1 HCC quality.

Elan is located approximately 13 km from an existing rail line with significant excess capacity, providing direct rail access to export terminals in Vancouver and Prince Rupert. It shares its southern boundary with Riversdale Resources' Grassy Mountain Project, which is in the final permitting stage for a 4.5Mtpa (saleable) open-cut HCC operation. Around 30km to the west, Teck Resources operates four mines (the Elk Valley complex) producing approximately 25Mtpa of premium HCC for the seaborne market.

Atrum completed a Scoping Study in April 2020 which demonstrated the strong technical and economic viability of development of the Elan Project. For full Scoping Study and resource details refer to Atrum ASX release dated 16 April 2020, Elan Project Scoping Study. Atrum confirms that all material assumptions underpinning the production target and forecast financial information within the Scoping Study, and the resource estimate outlined above, continue to apply and have not materially changed.