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ASX: ATU

ASX Announcement

31 October 2023

QUARTERLY ACTIVITIES REPORT

For the Quarter Ended 30 September 2023

Atrum Coal Limited (ASX: ATU) (**Atrum** or the **Company**) provides its Quarterly Activities Report for the period ending 30 September 2023.

KEY POINTS

- In September 2022, Atrum and Elan Coal Limited (“Elan”) brought a 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. Atrum’s claim is proceeding under case management. The case management process in Alberta exists to facilitate the efficient advancement of complex claims under the oversight of a single judge with powers to impose deadlines and make procedural orders.
- The next step in the legal proceeding is an application hearing to determine the process that will apply to Elan’s claim and three similar claims commenced by other coal companies. The Government of Alberta is proposing that all four claims be consolidated or heard consecutively by a single judge while Elan is supporting an application by Cabin Ridge for a sequenced proceeding with an earlier hearing on liability.
- Atrum retained an asset sale manager for the sale of the Groundhog and Panorama assets. This process has been mutually terminated between Atrum and the asset sale manager. Atrum continues to pursue potential asset disposal workflows.

Elan Hard Coking Coal Project (100% Atrum)

Atrum and its wholly owned subsidiary Elan Coal Limited (“Elan”) have commenced a 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.

Atrum’s claim against the Government of Alberta for de facto expropriating its Elan Coal assets is proceeding under case management. The case management process in Alberta exists to facilitate the efficient advancement of complex claims under the oversight of a single judge with powers to impose deadlines and make procedural orders. The Atrum claim is being case managed alongside similar claims.

The first case management meeting was held on July 21, 2023. At that meeting the case management judge directed a schedule for next steps in the court actions, including:

(1) A hearing on November 7, 2023, to determine whether the four claims will be consolidated or heard together by the same judge or whether an alternative process will be ordered.

(2) The completion of pre-trial questioning by no later than February 29, 2024. The questioning process allows Atrum and the Government to ask questions of each other’s representatives to learn more about the facts of the other’s case. The first questioning has been tentatively scheduled for December 2023.

Groundhog and Panorama Projects (100% and 65% Atrum)

Atrum retained an asset sale manager for the sale of the Groundhog and Panorama assets. This process has been mutually terminated between Atrum and the asset sale manager. Atrum continues to pursue potential asset disposal workflows. Atrum owns 100% of the Groundhog project and 65% of the Panorama project (35% JOGMEC).

Corporate

Cash and debt position

Atrum held A\$1.983M cash at 30 September 2023 and has no debt. Any liabilities outstanding are trade in nature and due to activities taken in the normal course of business.

Atrum's management and Board of directors are very mindful of preserving cash while the claim against the Government of Alberta proceeds.

ASX additional information

- **ASX Listing Rule 5.3.1:** Exploration and evaluation expenditure during Q3 2023 was A\$534k. Details of exploration activity during Q3 2023 quarter are set out in this report and are mostly associated with tenement costs, site care and maintenance, employee salaries, as well as general expenses and other administrative costs.
- **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 Q3 2023, the Company paid directors fees totalling ~A\$97k to non-executive directors (annualized ~A\$308k).

This ASX release was authorised by the Atrum Coal Board.

For further information, contact:

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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
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
419192	Atrum Coal Groundhog Inc.	Groundhog	Application	600
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

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Atrum Coal Limited

ABN

27 153 876861

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (Nine months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	510
Contribution from JOGMEC	-	510
1.2 Payments for		
(a) exploration & evaluation (see footnote)	(220)	(1,389)
- Elan Projects	(98)	(189)
- Panorama & Groundhog projects	(122)	(1,200)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	(11)
(e) administration and corporate costs	(386)	(973)
1.3 Dividends received	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (GST received)	49	102
1.8 Other (METC)	6	6
1.8 Other (Sale of Kubota)	17	17
1.9 Net cash from / (used in) operating activities	(534)	(1,738)

1.2(a) Expenditure on exploration activities with respect to Panorama & Groundhog projects include:
(i) desk work and geological desk work carried out on the project.

Expenditures on exploration activities with respect to Elan projects include \$93k (C\$82k) of tenement costs.

1.2(e) Administration and corporate costs include \$85k of insurance for Directors and Officers, \$84k of legal fees with respect to the litigation case with the Government of Alberta on the Elan Project, \$48k of advisory fees related to the potential sale of Panorama & Groundhog projects and \$24k of audit fees related to the half year review and preparation of tax return.

1.8 A Kubota ATV held by the Elan project was sold for proceeds of \$17k (C\$15k).

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (Nine months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	-	-
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	9
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	9

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (Nine months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,511	3,686
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(534)	(1,738)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	9
4.5	Effect of movement in exchange rates on cash held	6	26
4.6	Cash and cash equivalents at end of period	1,983	1,983

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	1,983	2,511
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,983	2,511

6. Payments to related parties of the entity and their associates

6.1	Aggregate amount of payments to related parties and their associates included in item 1	97
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

**Current quarter
\$A'000**

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

6.1 An amount of \$97k (annualized ~ \$308k) was paid as directors fees to non-executive directors.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(534)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(534)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,983
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,983
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.71

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **31 October 2023**

Authorised by: **The Board of Directors**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.