

## ASX Announcement

30 May 2022

# Chair's AGM Address

Dear Shareholders,

After a challenging, and in the main, disappointing year where progressing our project has been impacted by factors external to the company, it is my honour to address you, our valued Shareholders, on behalf of the Atrum team and to provide an update on the Company's activities and achievements.

The past year has been mostly one of care and maintenance and broad situational assessment for Atrum and its flagship Elan Hard Coking Coal Project. Despite the exploration and development moratorium imposed by the Government of Alberta in early 2021, Atrum achieved its engineering and stakeholder engagement milestones.

In the fall of 2020, Elan initiated a Pre-Feasibility Study (PFS). In February 2021, the Government of Alberta re-instated the historical 1976 Coal Policy, and along with that reinstatement, paused any further regulatory applications on lands which host the Elan tenements and established the Coal Policy Committee (CPC) to consult with Albertans to update and reinstate the policy.

This decision to pause future applications did not align with the JORC requirement for a clear path to regulatory applications, stopping the timely release of the PFS.

During 2021, Atrum engaged with CPC established to consult with Albertans on the future of the province's coal development policy. Our engagement with the CPC involved an initial presentation, a site visit to Isolation South and final submissions that outlined Atrum's thoughts on a balanced and responsible approach to metallurgical coal development.

Atrum continues to emphasize the need for ethical sourcing of metallurgical coal which is critical for ongoing steel demand to meet world-wide societal needs and for the transition to a greener economy. This discussion is gaining some momentum in Canada in the context of 'critical minerals' especially with the ongoing supply chain issues, some of which have been more recently exacerbated by the Russian invasion of Ukraine and the on-going war and sanctions. Atrum is taking every opportunity to elevate the discussion in Alberta with key stakeholders including Indigenous business leaders.

To this end, Atrum implemented a campaign in 2021 to provide fact-based information to interested parties. This campaign involved websites, social media and direct discussions with Alberta municipalities and other interested parties. Unfortunately, with Covid restrictions, face to face engagement was limited for most of the year but now, that has been resolving.

Recently in March of 2022, Alberta's Minister of Energy released the CPC's reports that accepted the principal recommendations, which included the extension of the exploration and development moratorium until direction on coal activity can be embedded into updated land use plans. Of note, the Government though has not provided any guidance as to the timing of a new Coal Policy.

The team has thus tightened the belt appropriately and curtailed non-required regulatory, site and project development activities whilst we pursue insights into time-lines and details on the land-use planning and consultation processes.

We believe that land-use planning processes are important in order to provide clarity for developments that focus on ethical sourcing of strategic minerals such as metallurgical coal

Stakeholders rightly expect that project proponents demonstrate their comprehensive plans to protect the surrounding environment, generate meaningful socio-economic benefits for First Nations, local communities and Government alongside delivering returns for investors.

Atrum can still do exactly this and thus engagement efforts continue with various stakeholders including First Nations, Indigenous business leaders, the local community, the general public and Government representatives. There are political changes afoot in Alberta that may alter the situation however

All options are being progressed by the team to further the project in the best interests of Shareholders. The next year will be critical in determining a satisfactory and responsible path forward for the development, preservation and realisation of the value of the Elan asset.

The project team and directors continue to work diligently despite these many uncertainties and challenges. The Board and Management team has reduced whilst preserving the corporate knowledge and drive to focus on the continued progression of the project. I would like to express my gratitude to the remaining team members for continuing the mission as well as those that have departed, including CEO Andy Caruso. I also offer my great appreciation to retired director Bill Fleming. His vast coal operational and project experience will be missed as well as his steady guidance and sound challenging opinions

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

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