

ATRUM COAL NL

ABN 27 153 876 861

SOCIAL & ENVIRONMENTAL SUSTAINABILITY POLICY

VERSION 1.1

Approved on 29 November 2013

ASX:ATU - Share Information

Issued Shares: 162.2m

Registered Office

Ground Floor, 510 Hay Street,
Subiaco WA 6008

T +61 9388 3131 • E info@atrumcoal.com

www.atrumcoal.com

Board of Directors

Non Executive Chairman
Executive Director
Executive Director
Managing Director
Company Secretary

J. Chisholm
R. Moran
G. D'Anna
E. Lilford
G. D'Anna

Key Projects

Groundhog
Peace River
Naskeena
Bowron River

Ownership: 100%
Ownership: 100%
Ownership: 100%
Ownership: 100%

SOCIAL & ENVIRONMENTAL SUSTAINABILITY POLICY

Environmental Sustainability

Atrum Coal is committed to operating in a responsible manner which minimises its impact on the environment.

Throughout all phases of its activities, Atrum Coal personnel and contractors will give due and appropriate consideration to the care of flora, fauna, land, air, water and the community.

To fulfil this commitment, Atrum Coal will:

- **Develop** best practice procedures that promote the importance of the environment and sustainability to the Company's operating philosophy;
- **Assess and monitor** the potential environmental effects of its activities and manage environmental risk;
- **Comply** with and adopt the spirit of all applicable environmental laws, regulations and standards;
- **Implement** and maintain effective environmental management systems;
- **Integrate** environmental factors into decision-making throughout project life-cycles;
- **Communicate** openly with stakeholders including government and First Nations Communities in an open and timely manner;
- **Promote** environmental awareness amongst its personnel and contractors to increase understanding of their roles and responsibilities in relation to environmental management; and
- **Ensure** that employees, contractors, suppliers and customers are aware of the Company's commitment to environmental sustainability and its expectations that they will comply with and promote this culture and behaviour.

Guidelines and Principles

Atrum Coal subscribes to the exploration practices as outlined in the Prospectors and Developers Association of Canada ("**PDAC**") Environmental Excellence in Exploration ("**e3**"). A consortium of leading mining companies conceived the e3 project. They approached the PDAC to coordinate the project on behalf of the global mining industry.

e3 seeks to support environmental stewardship in the exploration stage of global mineral development by encouraging the implementation of sound environmental management practices by the exploration community, its contractors and subcontractors, and by promoting the awareness of all stakeholders.

The PDAC believes that exploration crews act as ambassadors for the global mining community. Thus, it is imperative to manage the environmental aspects of exploration properly in order to demonstrate the international mining sector's commitment to environmentally responsible exploration and mining.

Atrum Coal believes adopting e3's good practices will promote goodwill between it and the local communities, reducing the potential for disagreements and encouraging workable solutions for all parties.

Further information on e3 can be found on the PDAC Website at: www.e3mining.com.

In May 2011, the Mining Association of British Columbia became the first provincial association to adopt the Mining Association of Canada's Towards Sustainable Mining Initiative.

Atrum Coal has adopted the Mining Association of Canada's "Towards Sustainable Mining, Guiding Principles", as part of its overall Social and Environmental Sustainability Policy.

The principles are outlined below:

Atrum Coal will demonstrate leadership worldwide by:

- Involving communities of interest in the design and implementation of the "Towards Sustainable Mining" initiative;
- Proactively seeking, engaging and supporting dialogue regarding its operations;
- Fostering leadership throughout the Company to achieve sustainable resources stewardship wherever it operates;
- Conducting all facets of its business with excellence, transparency and accountability;
- Protecting the health and safety of its employees, contractors and communities;
- Contributing to global initiatives to promote the production, use and recycling of metals and minerals in a safe and environmentally responsible manner;
- Seeking to minimize the impact of its activities and operations on the environment and bio diversity, through all stages of development, from exploration to closure;
- Working with its communities of interest to address legacy issues, such as orphaned and abandoned mines;
- Practicing continuous improvement through the application of new technology, innovation and best practices in all facets of its operations.

In all aspects of its business and operations, Atrum Coal will:

- Respect human rights and treat those with whom it deals fairly and with dignity;
- Respect the cultures, customs and values of people with whom its operations interact;
- As applicable, recognize and respect the unique roles, contributions and concerns of Aboriginal peoples (First Nations, Inuit and Métis) and indigenous peoples worldwide.
- Obtain and maintain business through ethical conduct;
- Comply with all laws and regulations in each country where it operates and apply the standards reflecting its adherence to these Guiding Principles and its adherence to best international practices;
- Support the capability and capacity of communities to participate in opportunities provided by new mining projects and existing operations;
- Be responsive to community priorities, needs and interests through all stages of mining exploration, development, operations and closure; and
- Provide lasting benefits to local communities through self-sustaining programs to enhance the economic, environmental, social, educational and health care standards they enjoy.

Social Sustainability

Atrum Coal sets out to build lasting relationships with its neighbours that are founded on mutual respect, active partnership and long term commitment.

Good management of community relationships is critical to Atrum Coal's operations. Sustained success requires Atrum Coal to accept responsibility for community relationships.

Mutual respect revolves around understanding the issues that are important to the

Company's neighbours and communicating to its neighbours that which is important to the Company.

Through Atrum Coal's presence in Canada, do its best to accommodate the different cultures, lifestyles, heritage and preferences of its neighbours. The Company seeks to actively engage with indigenous groups as a priority when considering any operations that may affect local individuals or communities.

Whilst Atrum Coal's social sustainability responsibilities and involvement is coordinated by its Chief Relationships Officer, and the environmental sustainability work is coordinated by its Chief Environmental Officer, the Company's combined staff and management team is encouraged to take account of the consequences of its activities.

Atrum Coal believes that engagement with stakeholders based on mutual commitment, trust and openness will make a difference in a sustainable way without creating dependency. Atrum Coal assists in regional development, training and employment and small business opportunities.

This policy is reviewed **annually**.