



Management Update

30 May 2022

- **Elan Project**
 - Status of Activities
 - Coal Policy and Land Use
 - Provincial Politics
 - Federal Politics
 - Outreach and Engagement Activities
- **Regulatory Requirements**
 - Elan Project
 - Groundhog and Panorama Projects



Elan Project

Preserve Value - Care and Maintenance Activities

Minimum requirements to be implemented in 2022 to ensure compliance and data continuity until clarity emerges via a new coal policy

■ **Elan South and Isolation South Site Care & Maintenance**

- Primary objective is to preserve the value of the Elan HCC Project and ensure compliance with regulations
- Ensure mitigation of erosional events
- Additional grouting required at Elan South to stop flowing wells in goat and sheep zone

■ **Environmental Baseline Data Collection**

- Continuation of humidity cell testing
- Collection of data from various loggers (completed as required by staff)
- All other activity on hold

■ **PFS Activities Substantially Completed**

- PFS was well underway by the time policy changes were announced; subsequently completed
- High value, low cost 'Value Engineering' completed to refine key development parameters – e.g. regarding coal transport, waste, water management

■ **Substantial Cost Reductions Implemented**

- Staffing costs reduced 75% from 2021 levels
- Key consultant fees reduced 75% from 2021 levels
- Key personnel on reduced work week schedules



■ **Coal Policy Committee**

- In early March 2022, Energy Minister Savage released the CPC reports; one summarizing the feedback received from Albertans and one summarizing the CPC's recommendations to government
- Continues the suspension of coal exploration and development until “sufficient land use clarity has been provided through a planning activity.”

■ **Land Use Plan**

- The South Saskatchewan Regional Plan (SSRP), is a comprehensive, 50-year plan that was issued in 2014 and clearly identifies coal mining as an activity permissible under the plan. The SSRP is reviewed every 10 years, with the first such review to commence in 2023 (post-election expected in May 2023)
- Met with Executive Director of Land Use Secretariat on May 12, 2022 to seek clarity on process and timeline for completion of the review(s) affecting the suspension of coal exploration and development:
 - Eastern Slopes Policy (1984) to be updated in 2022 to ensure consistency with other policy documents
 - Review of the overarching SSRP to begin in 2023
 - SSRP review process may require additional consultation if changes are made



- **Leadership Review**

- Voting rights extended to all UCP members (some 60,000)
- Premier Kenney has resigned following achieving a 51.4% approval rating

- **Leadership Contest Underway**

- UCP caucus continues to be divided
- New leader expected to be in place September/October to ready the party for the general election (no formal timeline currently in place)
- As-scheduled general election in May 2023 likely to exacerbate policy delays, regardless of leader
- UCP continues to signal support for responsible resource development, but a formal position is unlikely prior to election of a new leader



- **Conservative Party of Canada**

- Leadership contest underway
- 5 contenders

- **Coal Mining Effluent Regulations**

- An additional consultation on the proposed regulations will be held late in 2022 and the final regulations will be put in place late in 2023.

- **Developments in Ukraine**

- Western reprioritization of energy and materials/commodities supply chain security supports argument for Canada to permit further responsible strategically and socio-economically critical minerals development.
- This is an area that Atrium has been strongly focused on and is a communications priority.

- **Currently no Issues on the Federal Front**

- Trudeau government has executed a cooperation agreement with the federal NDP party that all but assures the current minority government will remain in place until the next federal election in 2025.

Regulatory Requirements

Elan

- Annual lease fees due in September 2022
- Care and maintenance activities to ensure site safety and to address seasonal environmental issues (e.g. stormwater management, sedimentation)
- Reclamation remains an obligation of our existing Coal Exploration Permits

Groundhog and Panorama

- Increased reclamation bond requirement for 2022
- Atrum reviewing all options with respect to BC assets



Elan Project

Key Activities – Preserving all options

Ongoing stakeholder meetings and maintenance of communication platforms

Outreach & Advocacy

- Key municipalities and stakeholder groups
- UCP leadership candidates (B. Jean and D. Smith)
- Indigenous business leaders

Content/Messaging

- Water quality and Mining can co-exist
- Selenium can be and is being managed
- High quality of Alberta metallurgical coals – highly preferable to lower quality HCC from politically difficult jurisdictions

Capital Raising to Preserve Options

- Ongoing outreach and care & maintenance activities
- Identify and pursue options to unlock shareholder value

Summary of Social Media Accounts

- LinkedIn: ARMI Alberta Responsible Mining Initiative
 - Facebook: Responsible Mining
 - Instagram: @ResponsibleMiningAB
 - Twitter: @Responsiblemng

ARMI Alberta Responsible... · 1st · ...
 RESPONSIBLE Providing facts and information regarding modern responsible mining
 2w · 🌐

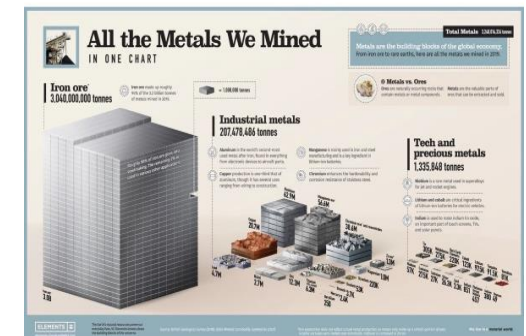
Water allocation in Alberta is strongly protected by regulation. The AER has an excellent site to better understand how water is allocated and regulated. Along with the AER's annual industry water use report they also have an excellent site mapping the water availability versus allocations throughout the province, we encourage you to check it out here: <https://lnkd.in/gXR6pR9Z>

Alberta Energy Regulator... + Follow
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Did you know, despite being one of Alberta's biggest industries, oil and gas development accounts for just 0.22% of Alberta's ...see more



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responsibleminingab Curious about the metals needed for our global economy in one year? Here are the metals mined in 2019 alone. Most significantly iron ore made up ~94% of the total metals mined, and 98% of that iron ore, combined metallurgical coal goes into steelmaking. This graphic shows just how critical steel is to our global economy, and the need to be able to produce steel at such a large scale requires iron ore and metallurgical coking coal.

#abcoal #coalmining #steel #responsiblemining #metals #miningmatters #miningindustry