

ASX Announcement

28 October 2022

QUARTERLY ACTIVITIES REPORT

For the Quarter Ended 30 September 2022

Atrum Coal Limited (ASX: ATU) (**Atrum** or the **Company**) provides its Quarterly Activities Report for the period ending 30 September 2022.

KEY POINTS

- Fully underwritten accelerated non-renounceable 1 for 1 entitlement offer at A\$0.006 per share to raise gross proceeds of approximately A\$4.15 million successfully completed
- Atrum intends to use entitlement offer proceeds to fund litigation efforts against the Government of Alberta and to meet ongoing operational expenses
- Evaluating Groundhog advancement options; Environment and regulatory permitting pathway report
- Ongoing review of options to preserve and optimize shareholder value

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. While Atrum and Elan are doing work to quantify the claim, the anticipated value could potentially be in the range of A\$0.3B to A\$3.9B. There is the potential, however, that Atrum will not be successful in its claim against the Alberta Government and receive no compensation.

Cost Reductions

The Company has further reduced staffing levels to 2.4 full-time equivalents as of May 2022. In addition, all non-essential activities have been suspended pending certain direction from the Government of Alberta.

During the quarter, Elan completed site care and maintenance activities, which are a requirement of existing exploration permits. These activities involved grouting of previously drilled well locations and road maintenance to ensure site safety and environmental compliance. Elan also commenced a review of future rehabilitation and reclamation work.

Groundhog and Panorama Anthracite Projects (100% Atrum)

Atrum and its wholly owned subsidiary Atrum Coal Groundhog Inc. (“Groundhog”) continued to evaluate options for the Groundhog project to further define the regulatory pathway to commence mining. These activities will commence in the fourth quarter and will be reimbursed by the joint venture (JV) partner Japan Oil, Gas and Metals National Corporation (“JOGMEC”). Atrum also intends to commence a Scoping Study in Q4 2022 on the Groundhog project to further refine development options and mining scenarios.

Atrum and its partially owned subsidiary Atrum Coal Panorama Inc (65% Atrum; 35% JOGMEC) will benefit from the environmental and regulatory permitting pathway report as the Panorama project is close to the Groundhog project.

Corporate

Cash and debt position

In September 2022, Atrum launched a 1 for 1 accelerated entitlement offer to eligible shareholders at an issue price of 0.6 cents per share to raise total proceeds before costs of A\$4.15 million. The equity raising has been a success with support from the major shareholders and a good take up by retail shareholders. The Atrum Board thanks all those shareholders that participated in the raising for their continued support.

Atrum held A\$1.375 million cash at 30 September 2022, after receipt of the proceeds from the institutional component of the Entitlements Issue. The retail component of the Entitlements Issue closed on 18 October 2022, and the proceeds (net of costs) of A\$998k were received by the Company after quarter end on 24 October 2022. A further A\$1.843 million (net of costs) is expected to be received by the Company on or before 31 October 2022. These funds are currently held in trust for the Company by the Company's share registry.

The Company has no debt, excluding usual creditors balances.

Cost reduction measures that were implemented to reflect the significantly lower level of site activities in 2021 remain in place. Atrum's management and Board of directors are very mindful of preserving cash while the claim against the Government of Alberta proceeds.

Atrum Non-Executive Chairman, Glen Koropchuk, commented: "We are very thankful to shareholders that participated in the entitlement offer for their support. The new equity funding will allow the Company to continue to focus on optimizing the value of the Company's assets for Atrum's shareholders.

"The team continues to focus on cost reduction measures whilst we proceed with our claim. Engagement efforts continued with various stakeholders including the Government of Alberta, First Nations, Indigenous business leaders, the local community, and the public through various channels."

ASX additional information

- **ASX Listing Rule 5.3.1:** Exploration and evaluation expenditure during the September 2022 quarter was A\$337k. Details of exploration activity during the September 2022 quarter are set out in this report and are mostly associated with environmental baseline studies, PFS work and reporting with respect to the Company's Elan HCC Project in Alberta, Canada and payment of annual leases of the Elan HCC Project.
- **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 the September 2022 quarter, the Company paid directors fees totalling A\$27k to non-executive directors.

This ASX release was authorised by the Atrum Coal Board.

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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
417098	Atrum Coal Groundhog Inc.	Groundhog	Licence	1,204
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
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