

ASX Announcement

7 October 2020

ISOLATION SOUTH TIER 1 HCC

HIGHLIGHTS

- Detailed clean coal and coking characteristics testwork completed from the first three large diameter cored (LDC) holes drilled at Isolation South during the current field program.
- These coal quality results follow those released in early July 2020 from the four LDC holes drilled at Isolation South at the end of the previous field program.
- Results confirm historical testwork and the outcomes from early July 2020; all indicating that Isolation South coal and coke quality is closely correlated to the globally traded Tier 1 Hard Coking Coal (HCC) products produced at the nearby Elk Valley mines.
- Excellent coke hot and cold strength values with a CSR range of 69 – 74%.
- Average clean coal results evidence low ash (7 – 9%), low sulphur (0.38 – 0.88%), highly acidic ash chemistry, extremely low phosphorous (0.006 – 0.027%), low total alkali and low basicity index (0.02 – 0.15); all supportive of favourably high CSR potential (>70%) for coke oven use.
- Further coal characterisation and large-scale carbonisation (+500kg moveable wall oven) tests to be conducted from the total 33 LDC hole drilling program that is approaching completion.
- All coal and coke quality testwork from this program to support the Elan Project Pre-Feasibility Study (PFS), which is on track for completion by mid-2021.

Atrum Coal Limited (ASX: ATU) (**Atrum** or the **Company**) is pleased to advise of further coal quality results, including coke quality and carbonisation testwork outcomes, for the Isolation South deposit at its 100%-owned Elan Hard Coking Coal Project (**Elan Project**) in southern Alberta, Canada.

These results are based on coal characterisation and carbonisation test work conducted on samples obtained from the first three (3) large diameter cored (**LDC**) drill holes completed in Isolation South during the current field program. Complemented by results from the 4 LDC holes drilled in early 2020, and earlier petrographic analysis of 51 RAB samples, the results supplement and bolster the already significant volumes of historical coal quality testwork conducted on the Isolation South deposit by previous owners of the Elan Project tenements¹. They are also additive to the significant coal and coke quality testwork results obtained for the Elan South deposits through the 2018 and 2019 exploration programs.

Commenting on the Isolation South results, Atrum Managing Director and CEO, Andy Caruso, said:
“These new results from this year’s field program have again shown that the coal and coke quality attributes of Isolation South are comparable to some of the best hard coking coal products on the global market today. We now look forward to the substantial volume of pending test results from the full 2020 coal quality drilling program at Isolation South, which includes samples from a total of 33 LDC holes and large-scale movable wall oven testing.”

¹ For details of the coal quality testwork undertaken at IS by prior owners, see Atrum ASX release dated 22 January 2019.

Key conclusions and next steps

Coal quality analyses on more than 400 core samples from the current 33 LDC hole drilling program at Isolation South are ongoing. This release summarises the clean coal and coke quality results from the first three (3) Isolation South LDC holes of the current field program (ISLD20-04, 05 and 11).

This testing was conducted across three different international laboratories. It comprised 28 composite core samples for clean coal quality results and 10 samples across all four (4) proposed production coal seams for the coke quality and carbonisation results.

The results from this testwork are readily comparable to previous coal and coke quality results released for Isolation South, both by Atrium and previous owners. They confirm that Isolation South coal and coke quality is aligned with globally traded Tier 1 HCC products, including close correlation with product characteristics from the nearby Elk Valley HCC production complex.

A comprehensive Isolation South coal-coke quality report is expected to be completed in 4Q 2020, which is planned to incorporate further individual coal seam and typical product blend characterisation and carbonisation testing, including large-scale (500+ kg) moveable wall oven testing.

The results of this comprehensive testwork are planned to feed directly into the Elan Project Pre-Feasibility Study (PFS), which remains on track for completion in mid-2021.

Clean coal quality results

Key outcomes from the recent clean coal quality testwork can be summarised as follows:

- Medium to lower volatile coal seams as indicated by a mean maximum vitrinite reflectance (R_o Max) range of 1.08 – 1.18% allowing multiple saleable product alternatives.
- Low to moderate product ash content (7.0 – 9.0%) that fits well with all coke makers while maximising plant yields. Future product / shipment ash content is expected to be in a range of 8 – 9%.
- Low to moderate total sulphur (0.58 – 0.88%).
- Extremely low phosphorous content (0.006 – 0.027%).
- Very low deleterious elements (chlorine and mercury: 0.01 – 0.06% each).
- Typical WC Fluidity range commensurate with the rank range (55 to 1,384 ddpm).
- High reactive maceral content ranging from 63% to 81%.
- Excellent, highly acidic ash chemistry, hence very low basicity index (0.06 – 0.07) supporting high CSRs.
- Excellent seam/blend SHO (volume contraction/expansion) and wall pressure (0.4-0.5 psi).
- Favorable Coke Drum Indices (DI 150/15: 84-85%).

The table below summarises the important chemical, rheological and physical parameters of the coal samples as tested by CoalTech Petrographic Associates, USA (**CoalTech**).

Table 1. Clean coal analysis results and coking properties (ASTM Standards) from CoalTech (composite samples from LDC Holes ISLD20-04, 05 and 11), Air Dry Basis

Property/Seam	Unit / Basis	SEAM 1	SEAM 2	SEAM 3	SEAM 4	Seam 2-3 Blend 1	Seam 2-3 Blend 2
Volatile Matter	(% adb)	27.68	24.53	24.20	23.71	24.23	24.37
Ash	(% adb)	6.92	6.96	8.70	8.89	8.53	7.83
Fixed Carbon	(% adb)	65.1	66.1	66.2	67.2	66.2	66.2
Total Sulphur	(% adb)	0.87	0.67	0.55	0.53	0.56	0.61
LT Oxidation Test	(%)	98.3	97.2	96.6	99.0	96.8	96.8
Chlorine	(% adb)	0.09	0.08	0.03	0.05	0.03	0.03
Mercury	(% adb)	0.09	0.02	0.06	0.04	0.02	0.02
Basicity Index	(%)	0.07	0.04	0.07	0.07	0.06	0.04
Phosphorus	(% adb)	0.027	0.005	0.005	0.014	0.005	0.005
Total Alkali in Coal	(% adb)	0.08	0.06	0.08	0.07	0.08	0.07
Max. Gieseler Fluidity	(ddpm)	1,384	34	208	55	174	178
Plastic Range	(°C)	73	51	49	44	50	51
CSN		9.0	7.0	7.0	5.0	7.0	7.0
HGI	(%)	79.2	83.3	68.9	72.7	75.2	84.8
Vitrinite	(%)	72.4	61.9	54.8	45.2	54.8	59.7
Reactive Semifusinite	(%)	7.4	10.7	13.5	17.6	12.2	11.9
Exinite	(%)	1.2	0.4	1.1	0.4	0.5	0.5
Total Reactive Macerals	(%)	81.0	73.0	68.9	63.2	68.8	72.1
Inert Semifusinite	(%)	7.3	10.7	14.4	17.5	12.2	11.9
Micrinite	(%)	7.0	10.3	12.5	13.0	10.6	10
Fusinite	(%)	0.7	1.8	1.1	1.3	1.4	1.5
Mineral Matter	(%)	4.0	4.2	3.9	5.1	4.8	4.5
Total Inert Macerals	(%)	19.0	27.0	31.1	36.8	29	27.9
Mean Max Reflectance	(%)	1.08	1.17	1.19	1.18	1.18	1.18
Arnu Max. Contraction	(%)	-22	-19	-20	-16	-20	-20
Arnu Max. Dilatation	(%)	141	28	27	-5	24	36
AFT Initial Deformation	(°F)	>2700	>2700	>2700	>2700	>2700	>2700
AFT Softening	(°F)	>2700	>2700	>2700	>2700	>2700	>2700
AFT Hemispherical	(°F)	>2700	>2700	>2700	>2700	>2700	>2700
AFT Fluid	(°F)	>2700	>2700	>2700	>2700	>2700	>2700

Clean coal products

The Isolation South Project mid-volatile hard coking product(s) are expected to be comparable to coking coal products currently produced and exported from the nearby Teck Elk Valley mines as well as all other globally traded Tier 1 HCCs.

Western Canada's Elk Valley coking coals are well renowned for their strong coking propensity, low ash content, low to moderate fluidity, low basicity index and high CSR. The highly refractory nature of these

Mist Mountain formation coals (high in kaolinite and silica) is an important marketing advantage for western Canadian hard coking coal exports.

The primary product(s) from Isolation South are expected to be Tier 1 mid-volatile hard coking coals with favourable coal quality attributes. Based on the existing coal quality results, the expected attributes of a typical Isolation South Medium Volatile Hard Coking Coal product can be summarised as follows:

- Mid volatile coking coal with mean maximum vitrinite reflectance (R_{oMax}) ranging from 1.08 to 1.20% (typical initial average seam/product values: 1.08 – 1.20%).
- Low to moderate ash content (7 – 9%) that fits well with all coke makers, with potential to evaluate optimisation of product yield and ash.
- Property-wide low “average” total sulphur content (0.50 – 0.70%) of almost all organic form, hence lower blast furnace sulphur loading.
- Low phosphorus levels in coal (<0.050%) compared with existing production mines.
- FSI (CSN) expected to be in the range of 7 to 8 in blended product(s).
- In properly formulated blends, good to excellent CSRs.
- All alternative products would be expected to result in low ash, low sulphur, low reactivity and high Coke Strength After-reaction (CSR) for coals of this rank range. These properties contribute to reduction in coke consumption and increased blast furnace productivity.

All ultimate saleable product specifications will be based on final mine plans and coal release as well as prevailing market and customer demands.

Coke quality results

Results of carbonisation tests conducted by DMT GmbH & Co. KG, Essen in Germany on four (4) Isolation South hard coking coal production seams and two (2) mid volatile coal blends are summarized in Table 2 below.

Two (2) samples from each production seam (Seams 1, 2, 3 and 4) and 2 blends of Seams 2 and 3 (which comprise >70% of the overall resource) were carbonized.

All potential production seams resulted in favorable coke quality parameters. The most significant positive attributes of the tested seam samples are related to low ash, low sulphur, very low phosphorous content, low carbonisation pressures, high coke yield and excellent CSR potential.

All carbonization samples resulted in low ash, low sulphur, low reactivity and high Coke Strength After-Reaction (CSR) coke products. These favorable properties contribute to safe coke oven operations and reduction in coke consumption, plus increased blast furnace productivity during iron making operations.

Table 2. Typical Isolation South medium volatile hard coking coal product properties (ISO Standards) and carbonisation test results, DMT GmbH & Co. KG, Air Dry Basis

Property/Seam	Unit / Basis	SEAM 1	SEAM 2	SEAM 3	SEAM 4	Seam 2-3 Blend 1	Seam 2-3 Blend 2
Mean Max Reflectance	(%) ISO	1.06	1.13	1.18	1.18	1.18	1.16
Volatile Matter	(% adb)	26.7	23.6	23.4	22.9	23.4	23.5
Ash	(% adb)	6.5	7.6	7.2	8.2	7.3	7.2
Total Sulphur	(% adb)	0.69	0.59	0.55	0.50	0.56	0.58
Max. Gieseler Fluidity	(ddpm)	175	15	71	17	51	35
Plastic Range	(°C)	52	40	52	48	49	48
Arnu Max. Contraction	(%)	-26.0	-26.0	-24.0	-23.0	-23.0	-25.0
Arnu Max. Dilatation	(%)	50.0	-4.0	8.0	-23.0	4.0	2.0
CSN		7.0	7.0	6.0	4.0	6.0	6.5
Phosphorus	(% adb)	0.065	0.003	0.006	0.018	0.013	0.009
Basicity Index		0.07	0.06	0.07	0.07	0.07	0.06
Coke Yield	%	76.4	75.8	78.6	78.7	78.8	78.5
Coke Ash	% calc	8.6	10.1	9.3	10.5	9.4	9.6
Coke Sulphur	% calc	0.58	0.51	0.48	0.44	0.48	0.50
Coke JIS 15/150	%	84.4	85.2	84.4	82.6	84.0	84.4
M40	%	79.9	80.2	76.8	74.1	76.1	77.6
M10	%	7.0	6.9	8.0	9.0	8.0	7.7
Coke Phos	% calc	0.086	0.004	0.008	0.024	0.017	0.012
Coke CRI	%	17.9	17.4	22.2	23.9	22.5	20.4
Coke CSR	%	71.3	74.0	71.4	69.0	70.8	72.4

This ASX release was authorised on behalf of the Atrum Coal Board by:

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About Atrum Coal

Atrum Coal (ASX: ATU) is a metallurgical coal developer. The Company's flagship asset is the 100%-owned Elan Hard Coking Coal Project in southern Alberta, Canada. Elan hosts large-scale, shallow, thick, hard coking coal (HCC) deposits with a current resource estimate of 454Mt (142Mt Indicated and 312Mt Inferred). Comprehensive coal quality testing from the 2018 and 2019 exploration programs, combined with review of substantial historical testwork data for the broader Elan Project, has confirmed Tier 1 HCC quality.

Elan's southern boundary is located approximately 13 km from an existing rail line with significant excess capacity, providing direct rail access to export terminals in Vancouver and Prince Rupert. It shares its southern boundary with Riversdale Resources' Grassy Mountain Project, which is in the final permitting stage for a 4.5Mtpa (saleable) open-cut HCC operation. Around 30km to the west, Teck Resources operates four mines (the Elk Valley complex) producing approximately 25Mtpa of premium HCC for the seaborne market.

Atrum completed a Scoping Study in April 2020 which demonstrated the strong technical and economic viability of development of the Elan Project. For full Scoping Study and resource details refer to Atrum ASX release dated 16 April 2020, Elan Project Scoping Study. Atrum confirms that all material assumptions underpinning the production target and forecast financial information within the Scoping Study, and the resource estimate outlined above, continue to apply and have not materially changed.

Competent Persons Statement

Exploration Results

The information in this document that relates to laboratory testing results (Exploration Results) for the Isolation South project area is based on, and fairly represents, information and supporting documentation prepared by Mr Brad Willis, who is a Member of the Australasian Institute of Mining and Metallurgy (#205328) and is a full-time employee of Palaris Australia Pty Ltd.

Mr Willis has read and understands the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). Mr. Willis is a Competent Person as defined by the JORC Code, 2012 Edition, having twenty years' experience that is relevant to the style of mineralisation and type of deposit described in this document.

Neither Mr. Willis nor Palaris Australia Pty Ltd has any material interest or entitlement, direct or indirect, in the securities of Atrum or any companies associated with Atrum. Fees for the preparation of this report are on a time and materials basis. Mr. Willis has visited the Elan project site with Atrum coal personnel during the exploration programs in 2018 and 2019.

The JORC Code (2012)

Table 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. 	<ul style="list-style-type: none"> A total of 33 large diameter cored (LDC) drillholes have been completed between February and October 2020 at Isolation South for the collection of coal core samples which were logged and sampled for coal quality testwork Sampling has been undertaken on LD (150mm or 6" diameter) cored holes and this announcement relates to the results from holes ISLD20-04, 05 and 11. Samples are taken on ply intervals and are manually composited in the laboratory after results for raw light transmittance (LT) ash, ARD and IM are received from grab samples (sub-samples) Atrum Coal provides the instructions to the laboratory for manually compositing individual ply samples In order to ensure representivity, coal seams sampled with <80% linear core recovery are not tested at the laboratory
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> The three LDC holes (ISLD20-04, 05 and 11) were drilled and sampled between June and July 2020 The LDC holes are drilled with PDC or tungsten bits and use double tube core barrels (triple tube core barrels for LD coring is uncommon in Canada) The LD holes were geophysically logged to total depth in the open hole, with seam and sample intervals adjusted to the geophysical log depths where necessary
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> The LD cored boreholes were geophysically logged and cored seam intervals have compared to the geophysical log data Core recoveries were recorded and cumulative tallies kept. The LDC programs at Elan have generally achieved better core recoveries than smaller diameter (PQ or HQ) cores, and appears to be a more suitable coring technique for this type of coal Core recoveries were recorded and cumulative tallies kept. Any samples from seams with less than 80% linear recovery (relative to geophysical log depths) are not tested by the laboratory Cored boreholes were geophysically logged to ensure recovered core lengths are representative of the full seam
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in 	<ul style="list-style-type: none"> Core samples were logged in detail including lithology, brightness, sedimentary features and defects The LDC holes were geophysically logged with geophysical sondes including density, caliper and gamma, deviation and dipmeter

Criteria	JORC Code explanation	Commentary
	<p>nature. Core (or costean, channel, etc) photography.</p> <ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffling, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> All core sampled is sent to the testing lab (no slabbing or splitting of core is undertaken) The LD cores are subject to drop shatter testing, sizing analysis and subjected to float sink testing by size fraction (31.5mm x 1mm, 1.0mm x 0.25mm and -0.25mm), with raw coal analysis being undertaken after completion of the initial drop shatter and dry sizing. Clean coal composites are typically prepared at selected cut-points for each size fraction as directed by Atrum Coal, for detailed coal quality and carbonisation testing. Carbonisation samples are generally seam blend composites, with varying proportions of each seam group, as directed by Atrum Coal The LD core provides a much better representation of size fractions relative to smaller diameter core samples and is preferred for coal preparation design
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Analytical testwork (raw, washability and initial clean coal testing) undertaken by nationally accredited laboratory GWIL Birtley of Calgary, generally to ASTM standards. The lab participates in International Canadian Coal Laboratories Round Robin series (CANSPEX) and test results are consistently ranked in preferred groupings. The Competent Person undertook a site visit and tour of the GWIL Birtley laboratory in 2018 Drop shatter, sizing analysis and float sink testing is undertaken on LDC samples according to testing protocols designed by Atrum Coal Clean coal composites are prepared by Birtley and forwarded to COALTECH Petrographic Associates, USA (for clean coal characterisation tests) Blended products are designed by Atrum and prepared by Birtley for delivery to two world-class coal carbonisation laboratories in Europe; DMT Coal Coke Group (Germany) and INCAR (Spain)
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Geological data is collected in line with Atrum Coal's exploration procedures and guidelines Sample interval depths are as measured by the field geologist (drillers depths), and adjusted to align with geophysical log depths, while measured sample interval thicknesses are retained GWIL Birtley undertakes preliminary checks of assay data using regression analysis, and the data is checked by Atrum Coal and Palaris geologists All data has been encoded, collated and cross checked by Atrum Coal, and later by Palaris Twinning of existing rotary air blast (RAB) structure holes is used for targeted coring of coal seams in the LDC holes. The twinned cored holes are also geophysically logged Reported results in this announcement have not been adjusted in any way, shape or form
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> The collar locations of the LD boreholes have been surveyed using DGPS (Trimble) The co-ordinate system is UTM projected grid NAD83 Zone 11N The topographical surface is sourced from a LiDAR survey and has a reasonable correlation with borehole collars
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> The four LD holes at three sites presented in this announcement are located on Cabin Ridge, the dip slope of Isolation South, located north of Oldman River Resource classification and estimation will be revisited at the end of this year's drilling program Sample compositing (into seam intervals) is generally manually undertaken in the laboratory after instructions are provided by Atrum Coal.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> Additional compositing is undertaken in Minex software and requires 80% linear recovery as specified in the Minex BHDB settings, while composite values are mass weighted using both thickness and true RD as weighting variables
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> The three LD holes summarised in this announcement have been drilled vertically, twinning existing vertical RAB holes Electronic deviation data from each hole is imported into the Minex borehole database. The geological modelling software captures the downhole inclination and deviation, and structural modelling assists in correcting the apparent seam thicknesses to true thicknesses in model grids
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> The LD core was photographed, sampled, labelled and bagged before being submitted to the testing laboratories Samples have a unique sample number that is provided on tags in the bag, outside the bag and in separate digital and hard copy sample advice. Each item of advice lists project name, borehole, top and base of sample and sample number The laboratory records provided include sample identification numbers and weighed sample mass All measures are taken to ensure sample security represents best practice by industry standards
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Palaris representatives visited the site in 2018 and 2019 to oversee the drilling program, and ensure a high standard of geological data is provided by Atrum Coal's geologists Processing consultants Sedgman have reviewed and provided input into the sizing and washability components of the sample preparation and testing program

Table 1 – Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Isolation South coal agreements were granted to Elan Coal Ltd in 2012/13, Elan Coal was acquired by Atrum Coal in March 2018. Coal Lease agreements provide the right to exclusively explore the land within the boundaries of the lease and are granted for a term of 15 years (with an option to extend at expiry) The Property falls within the Rocky Mountain Forest Reserve, which is managed by the Alberta Government A Coal Exploration Permit (CEP) for Isolation South was granted to Atrum Coal by the Alberta Energy Regulator (AER) covering exploration activities undertaken in February 2020 (as reported to the ASX on 29 July 2019) and in September 2020
Exploration by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Scurry-Rainbow Oil Limited (Scurry) undertook exploration of the Isolation South area in the 1970s, then referred to as the Oldman River prospect. Exploration activities included bulldozer assisted trenching, establishment of access roads, numerous adits and 19 HQ size fully cored holes for a total of 3,286m of coring. The cored holes were accompanied by geophysical logging and seam intervals interpreted from geophysical log depths
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Atrum Coal's Elan project is located in the province of Alberta, in the Crowsnest Pass area of the Crowsnest Coalfield, on the Front Ranges of the Canadian Rocky Mountains Coal-bearing sedimentary sequences occur within the Mist Mountain Formation of the Late Jurassic to Early Cretaceous aged Kootenay Group, which was strongly deformed during the Late Cretaceous Laramide Orogeny. This resulted in the development of north to northwest-trending folds and steeply dipping reverse faults. The project is located within the Rocky Mountain Thrust Belt, west of the Livingstone Thrust fault and the project extent encompasses the McConnell thrust sheet Major folds regionally trend in a northerly direction. Secondary local thrusts typically occur within the area,

Criteria	JORC Code explanation	Commentary																												
		generally determining the distribution and outcrop of coal seams along the thrust fault zones. In many areas of the Crownest Coalfield, structure is principally the controlling factor in resource development.																												
Drill hole information	<ul style="list-style-type: none"> ▪ A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. 	<ul style="list-style-type: none"> ▪ This information is provided for the three LD boreholes completed in February 2020 at Isolation South as summarised below and shown in Figure 1. <table border="1"> <thead> <tr> <th>Drillhole ID</th> <th>Easting</th> <th>Northing</th> <th>Elevation</th> <th>Total Depth</th> <th>Azi</th> <th>Dip</th> </tr> </thead> <tbody> <tr> <td>ISLD20-04</td> <td>682,620</td> <td>5,538,602</td> <td>1,848</td> <td>152.27</td> <td>0</td> <td>-90</td> </tr> <tr> <td>ISLD20-05</td> <td>682,953</td> <td>5,539,030</td> <td>1,989</td> <td>163.15</td> <td>0</td> <td>-90</td> </tr> <tr> <td>ISLD20-11</td> <td>682,462</td> <td>5,541,109</td> <td>1,899</td> <td>261.49</td> <td>0</td> <td>-90</td> </tr> </tbody> </table>	Drillhole ID	Easting	Northing	Elevation	Total Depth	Azi	Dip	ISLD20-04	682,620	5,538,602	1,848	152.27	0	-90	ISLD20-05	682,953	5,539,030	1,989	163.15	0	-90	ISLD20-11	682,462	5,541,109	1,899	261.49	0	-90
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Data aggregation methods	<ul style="list-style-type: none"> ▪ In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. ▪ Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. ▪ The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> ▪ No cut-off grades were applied to the exploration results in this announcement ▪ Coal quality results presented in this announcement are laboratory results for clean coal composites (combined samples) and blended seam composites for carbonisation testing ▪ The seam blends are not intended to be weighted according to the contribution of each seam to the resource tonnes 																												
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> ▪ These relationships are particularly important in the reporting of Exploration Results. ▪ If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. ▪ If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> ▪ The results tabulated in this announcement are apparent thicknesses as recorded in drill holes and may be different to the true thickness of the seams, although seam dips are generally moderate (25 degrees) at Isolation South 																												
Diagrams	<ul style="list-style-type: none"> ▪ Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> ▪ Previous ASX announcements have provided progressive updates on Exploration Results and Coal Resources at Isolation South 																												
Balanced reporting	<ul style="list-style-type: none"> ▪ Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> ▪ To ensure balance reporting of Exploration Results, the coal quality results include averages of all clean coal composite results from ISLD20-04, 05 and 11. 																												
Other substantive exploration data	<ul style="list-style-type: none"> ▪ Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> ▪ Previous ASX announcements have provided progressive updates on Exploration Results and Coal Resources at Isolation South 																												
Further work	<ul style="list-style-type: none"> ▪ The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). ▪ Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> ▪ The drilling of LD cored holes is part of the current PFS exploration program, with 33 LDC holes completed at Isolation South in 2020 ▪ The cores will be subjected to detailed raw quality, sizing and washability test work, including comprehensive testing of clean coal composites ▪ The laboratory testing program is ongoing and additional results will be reported in subsequent announcements ▪ LDC boreholes have been a priority in 2020 to provide coal quality and washability requirements to support the PFS ▪ Palaris continues with the interpretation of data and updating 3D geological models of Isolation South, with an update to the resource estimate planned for Q4 2020. 																												

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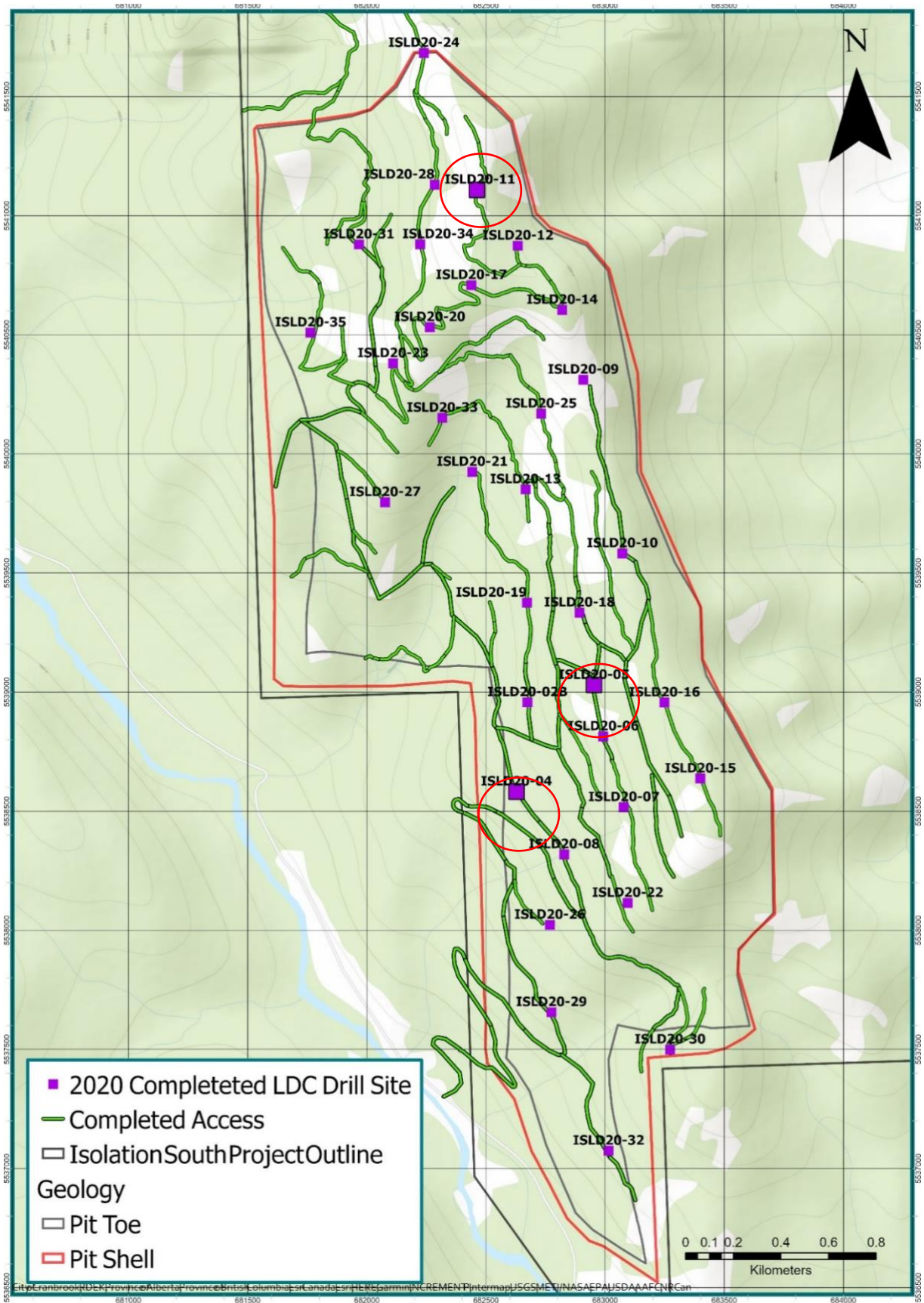


Figure 1: Isolation South LDC drilling location plan