

ASX Announcement

3 May 2021

NCC SUPPORT FOR RESPONSIBLE METALLURGICAL COAL MINING IN ALBERTA

KEY POINTS

- National Coalition of Chiefs (**NCC**) publicly expresses its support for responsible metallurgical coal mining in Alberta.

Atrum Coal Limited (ASX: ATU) (**Atrum** or the **Company**) advises that the National Coalition of Chiefs (**NCC**), a body which represents various Indigenous interests with respect to natural resource development in Canada, has written to the recently formed Coal Policy Committee to express its support for responsible metallurgical coal mining in Alberta.

The NCC states that it is *'committed to defeating on-reserve poverty by working with the natural resource industry, speaking out in support of responsible development and by creating a forum for discussion between First Nation Chiefs and leaders from the Natural Resource Industry of Canada.'*

The Coal Policy Committee is the independent body created by the Alberta Government to facilitate the stakeholder consultation policy that is currently underway with respect to development of a new, modern coal policy for Alberta. The final report of the Coal Policy Committee is scheduled to be submitted to the Minister by 15 November 2021.

The publicly available letter sent to the Coal Policy Committee from Mr. Dale Swampy, President of the NCC, is appended to this release.

Atrum notes the final substantive paragraph of the letter: *"As such, the choice here isn't between whether or not coal mining should be allowed in certain areas of the province. It is about ensuring that environmentally responsible resource projects have the framework and certainty to proceed so that Indigenous people can participate in the associated economic opportunities, while ensuring the protection of the environment for generations to come."*

Atrum believes that the ongoing engagement process is an important and necessary step towards achieving greater certainty while also balancing and resolving the views of Albertans with respect to responsible resource development. As a result, Atrum continues to work intensively with all stakeholders to assist in the development of a balanced coal policy that reflects modern and responsible mining practices.

Atrum Managing Director and CEO, Andrew Caruso, commented:

"We see clear opportunity for a consultation process that is rigorous, inclusive and transparent. We believe such a process is how all stakeholders including First Nations, ranchers, local communities, industry and other land users can work towards a balanced, modern policy that maintains Alberta as a global leader in progressive, inclusive and sustainable resource development."

“Our objective is for all parties, including Atrum itself, to be fully informed of key concerns and how the current environmental legislation, practice and process aligns with modern and responsible resource development. We can demonstrate comprehensive planning to protect the surrounding environment, generate meaningful socio-economic benefits, and deliver returns for investors. We now look forward to the opportunity to do exactly that.”

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

Andrew Caruso, Managing Director and CEO

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April 26, 2021

Coal Policy Engagement Committee
c/o Government of Alberta
Department of Energy
Edmonton Alberta CODE
Attn: Mr. Ron Wallace, Chair

Via email: energy.coalpolicy@gov.ab.ca

Dear Mr. Wallace,

Re: Coal Policy Engagement

I am writing to you on behalf of the National Coalition of Chiefs to express our support for metallurgical coal mining in Alberta.

The National Coalition of Chiefs (NCC) was established in 2017 with a mandate to defeat on-reserve poverty through Indigenous participation in Canada's natural resource industry. The NCC provides a forum for pro-development Chiefs to communicate the positive side of resource development while advocating for policies that pave the way for more Indigenous involvement in the industry, as employees, contractors, partners and owners.

While the coal engagement process is welcome, there are many considerations that require careful deliberation. Among these considerations are:

- Modern mining practices are proposed by new industry proponents and are not the same as the legacy mining practices that have contributed to environmental concerns elsewhere;
- Land categories are central to the 1976 Coal Policy but a new, modern coal policy must acknowledge that extensive environmental legislation currently exists to protect air quality, water quality and water quantity. The committee must ensure these existing, stringent environmental protections are understood by all participants and that the guidance under a new, modern coal policy acknowledges that all metallurgical coal projects would be subject to intense scrutiny, regardless of land category.

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- Alberta's foothills are not Alberta's Rocky Mountains. The committee must ensure clear definitions of, and a common understanding for, mining methods and how responsible surface mining progressively rehabilitates and leaves landforms that can be used by the many generations to come
- Economic opportunity is more than just royalties. Significant annual operating costs associated with these projects flow directly to local service providers while taxation (whether property or income related) support local, provincial, and national budgets. Indigenous communities are both direct and indirect beneficiaries of these opportunities in the form of long-term employment, training, business opportunities and community investment.

We know, and have experienced, that there are activist groups that will use any legal tool they can to stop any kind of resource development, be it forestry, hydro, mining or oil and gas, and I fully anticipate that your committee will hear these perspectives. We encourage the committee to receive this feedback, but to also ensure a balanced discussion, including recognition of the above considerations.

First Nations are self-determining nations who require a functioning economy in order to exercise their sovereignty. As entrepreneurs, workers and business men and women, we trust that you understand that Indigenous peoples intend to be project proponents in the future: owners and equity stakeholders that need to go out and attract our own investment, be competitive, and have clear and predictable processes in order to do so.

As such, the choice here isn't between whether or not coal mining should be allowed in certain areas of the province. It is about ensuring that environmentally responsible resource projects have the framework and certainty to proceed so that Indigenous people can participate in the associated economic opportunities, while ensuring the protection of the environment for generations to come.

We look forward to continuing this conversation.

Sincerely,

Dale Swampy
President, National Coalition of Chiefs

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