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ASX Announcement

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ALBERTA EXTERNAL AFFAIRS UPDATE

KEY POINTS

Atrum:

- Proactive outreach to stakeholders, and participation in consultation processes continues. Ongoing roll-out of modern mining information to inform public opinion putting facts and science up front for decision making.
- Positive and constructive discussions ongoing with First Nations leaders.
- Alberta's Coal Policy Committee visited Elan Project site. Atrum's final written submission to the Committee on track to be delivered in the current quarter. Recommendations of the Committee scheduled to be delivered to the Minister by 15 November 2021.
- All activities highlight Atrum's priority on the environment and intention to deliver a responsible mining project meeting the high standards of provincial and federal regulators.

Industry:

- Piikani and Stoney Nakoda First Nations make clear their support for met coal projects.
- Both Nations have applied to appeal the JRP decision on Riversdale's Grassy Mountain Coal Project. Each argue the JRP erred in law by not considering the economic and social benefits they were to receive through impact-benefits agreements.
- Riversdale subsidiary, Benga Mining Limited, development proponent for the Grassy Mountain Coal Project, has also applied to appeal the JRP decision.
- Atrum strongly supports the right of First Nations to have their voices heard with respect to decisions and policy that impact on their lands and economic interests.

Atrum Coal Limited (ASX: ATU) (**Atrum** or the **Company**) provides an update on recent events with respect to regulatory decision making and metallurgical coal development policy in Alberta.

Ongoing outreach and consultation activities

Atrum continues its constructive outreach and consultation activities with First Nations, broader community leadership and key local stakeholders. The intensive activities over the course of this year build on the significant baseline stakeholder engagement work that Atrum has undertaken over the last few years. The Company continues to be pleased with the level of engagement and the nature of the responses that it is receiving through this process.

Atrum continues its efforts to engage and inform Albertans. This is focused on increasing overall community understanding of modern mining practices and the global need for ethical sourcing of high-quality metallurgical coal for steelmaking. The program is targeted at maximising the number of views formed, and decisions taken, based on facts and science.

Atrum is also part of the broader industry education initiative with respect to the evolution and proven effectiveness of modern selenium mitigation methods.

Independent CPC consultation process

Atrum's participation in the independent Coal Policy Committee (**CPC**) consultation process continues, targeted at ensuring development of a modern coal development policy for Alberta that balances environmental protection with responsible development.

Atrum presented its initial submission to the CPC in mid-June (see Atrum ASX release dated 17 June 2021, *Initial Coal Policy Committee Submission*). This initial submission acknowledges Atrum's overriding responsibility to protect the environment in which it operates and welcomes the opportunity to provide economic opportunities for all Albertans. It also continues to emphasize the need for ethical sourcing/production of metallurgical coal that is critical for ongoing and increasing steel demand, which assists in lifting the developing world out of poverty and transitioning the global economy to green energy technologies.

Following its initial submission, Atrum has since hosted the CPC members on a visit to the world-class Elan Project for a physical fact-finding trip. This involved a tour of various sites across the Elan Project area, including exploration areas from the 2020 field program. The Company believes that the visit was a highly constructive exercise and appreciates the willingness of the CPC to physically visit the sites and meet the core personnel attached to major potential hard coking coal projects in Alberta.

Atrum's final written submission to the CPC is set to be informed by its extensive stakeholder interaction activities over the course of this year (and for the multi-year period preceding that). This submission remains on track to be delivered in 3Q 2021. The final CPC report is scheduled for completion by 15 November 2021.

The ongoing process of the Government of Alberta to develop a modern mining policy is set to provide greater clarity and certainty on the standards and expectations that the Elan Project must be designed to meet. Atrum welcomes further understanding of these requirements and, when requested, will continue to engage with the Alberta Government to support the creation of a policy that balances environmental protection with responsible development.

Piikani Nation application to appeal Grassy Mountain decision

Atrum notes the recent application by the Piikani Nation (Piikani) for permission to appeal to the Alberta Court of Appeal on the recent Joint Review Panel (**JRP**) decision for Riversdale Resources' Grassy Mountain Coal Project in the Crowsnest Pass area.

The JRP, comprised of the Alberta Energy Regulator (**AER**) and the Canadian Environmental Assessment Agency, ruled that development of the Grassy Mountain Coal Project is not in the public interest (see Atrum ASX release dated 22 June 2021, *Regulatory Decision on Grassy Mountain Project*). It concluded that the expected adverse environmental impacts on water and fish from development and operation of Grassy Mountain would outweigh the projected positive economic impacts.

However, in an official statement released only a month ago, Chief Grier and Council of Piikani Nation noted: *"The Piikani Nation has worked for over five years to be confident that the Grassy Mountain mine will pose a minimal risk to its lands, waters, culture and traditional way of life. Through agreement with the project proponent, it has created strict legal obligations for the mine to protect the environment and its sacred sites."*

President of the National Coalition of Chiefs (NCC), Dale Swampy, also stated: *"The NCC acknowledges the appeal submitted by the Piikani Nation in relation to the AER decision on the*

Grassy Mountain Project, which states that Piikani do not oppose the project and would benefit economically from it proceeding. The NCC believes that modern metallurgical coal projects can protect water and the environment while creating many ongoing business opportunities for indigenous people and companies. The NCC is supportive of any action and effort which would reconsider the ability for First Nations to receive such benefits.”

Atrum notes that Stoney Nakoda Nations have also applied to appeal the JRP decision with respect to Grassy Mountain.

Atrum strongly supports the right of Piikani Nation, Stoney Nakoda Nations, and other First Nations, to have their voices heard with respect to regulatory decision-making and policy development that impact on their lands and economic interests.

Both applications are grounded in principles confirmed by Canada’s Federal Court. On July 19, the Court quashed a federal order designating the Vista Mine in Hinton, Alberta for a federal impact assessment because the Minister failed to consult with the Ermineskin on an impact-benefits agreement the Nation has in place with Coalspur.

Benga Mining Limited, a subsidiary of Riversdale Resources Limited and development proponent for the Grassy Mountain Coal Project, has also applied to appeal the JRP decision.

As previously expressed, Atrum seeks to develop the world-class Elan Hard Coking Coal Project (**Elan Project**) in a highly responsible manner that comprehensively satisfies the robust environmental framework prevailing across the combination of Alberta provincial and Canadian federal permitting processes, while offering significant participation and delivering substantial employment and economic benefits to First Nations’ peoples and the broader local and Albertan communities. It is Atrum’s expectation that the Elan Project will be judged on its own merits, by all parties.

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

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