Atrum Coal

COAL FOR STEEL

AGM Presentation

27 July 2021

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Important notices

Forward Looking Statements

This presentation includes various forward looking statements which are identified by the use of forward looking words such as “may”, “could”, “will”, “expect”, “believes”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. Statements other than statements of historical fact may be forward looking statements. Atrum believe that it has reasonable grounds for making all statements relating to future matters attributed to it in this presentation.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of resources or reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation. Investors should note that any reference to past performance is not intended to be, nor should it be, relied upon as a guide to any future performance.

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Although the Company attempts to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Actual results, values, performance or achievements may differ materially from results, values, performance or achievements expressed or implied in any forward looking statement. None of Atrum, its officers or any of its advisors make any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any results, values, performance or achievements expressed or implied in any forward looking statement except to the extent required by law.

Forward looking statements in this release are given as at the date of issue only. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Competent Person Statement

Exploration Results and Coal Resources

The results of the Scoping Study and Coal Resources that underpin the production target are based on, and fairly represent, information and supporting documentation compiled by Mr Brad Willis, who is a Member of the Australasian Institute of Mining and Metallurgy (205328).

Brad Willis is Principal Geologist at Palaris Australia Pty Ltd (Palaris). He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Willis has 20 years’ experience in exploration and mining of coal deposits. Mr Willis consents to the inclusion of the Scoping Study results disclosed by the Company in the form in which it appears.

Neither Mr Willis nor Palaris have a direct or indirect financial interest in, or association with Atrum Coal, the properties and tenements reviewed in this statement, apart from standard contractual arrangements for the preparation of this report and other previous independent consulting work. In preparing this Annual Coal Resource and Reserve Statement, Palaris has been paid a fee for time expended on this report. The present and past arrangements for services rendered to Atrum Coal do not in any way compromise the independence of Palaris with respect to this estimate.

The Company confirms that it is not aware of any new information or data that materially affects the Previous Announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the Prior Announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the Prior Announcements

Mr. Willis consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

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Who we are

Building a global, leading-practice company committed to achieving excellence through communication, consultation and collaboration

Environmental Stewardship

Focused on the fundamentals of **responsible development** and incorporation of **Indigenous Peoples' traditional knowledge** to drive key outcomes such as **progressive mine rehabilitation, multi-generational sequential land use** and **management of water quality and quantity**

Community Engagement

Committed to the inclusion, engagement and consultation of all **communities**, **stakeholders** and **Indigenous Peoples** where we operate, to generate beneficial social and economic outcomes

Regulatory Approach

We believe in adopting and continuously evolving **leading practice** approaches to **permitting**, **approvals** and **operational compliance**

Glen Koropchuk
Non-Executive Chair

Andy Caruso
Managing Director, CEO

Bill Fleming
Non-Executive Director

Anita Perry
Non-Executive Director

Charles Fear
Non-Executive Director

Richard Barker
Non-Executive Director

Jeff Gerard
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2020/21 in review

1. Volatile global operating environment stemming from COVID-19
2. Elan Project Scoping Study delivers world-class asset credentials
3. Raised A$22m new equity to fund pathway forward
4. Safe, successful completion of 2020 extensional and infill drilling
5. Substantial resource classification upgrade and total increase
6. Testwork further confirms Tier 1 HCC quality at Isolation South
7. Updated Scoping Study further enhances Tier 1 project status
8. Ongoing Board refresh completed
9. 1976 Coal Policy reinstated with additional directives in Feb 2021

Key 2020 exploration program outcomes

- ✔ Push towards 200Mt total Indicated resources at Isolation South (from 82Mt)
- ✔ Increase total resources at Isolation South (from 230Mt)
- ✔ Increase practical in-pit resources at Isolation South (from 188Mt)
- ✔ Further evidence Tier 1 HCC parameters at Isolation South and deliver sufficient testwork for HCC product(s) specification

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Atrum strategy

Maximize engagement and continue public campaign before expected new coal policy in 2022

Grassy Decision

NOW

1. **Minimise costs**
2. **Focus on coal policy engagement and public campaign**
   - Deliver facts and science on water quality management and sustainable land use via Responsible Mining website
   - Finalise Coal Policy Committee submission
   - Focus on indigenous engagement with industry partners to obtain their public support for met coal
   - Engage with influential community leaders
2. **Preserve Elan asset value**
   - Environmental baseline studies to ensure continuity
   - Position project for accelerated completion of PFS

New Coal Policy

Anticipate earliest Q1 2022

Prohibitive, restrictive

Conducive, reasonable

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01

CONSULTATION PROCESS

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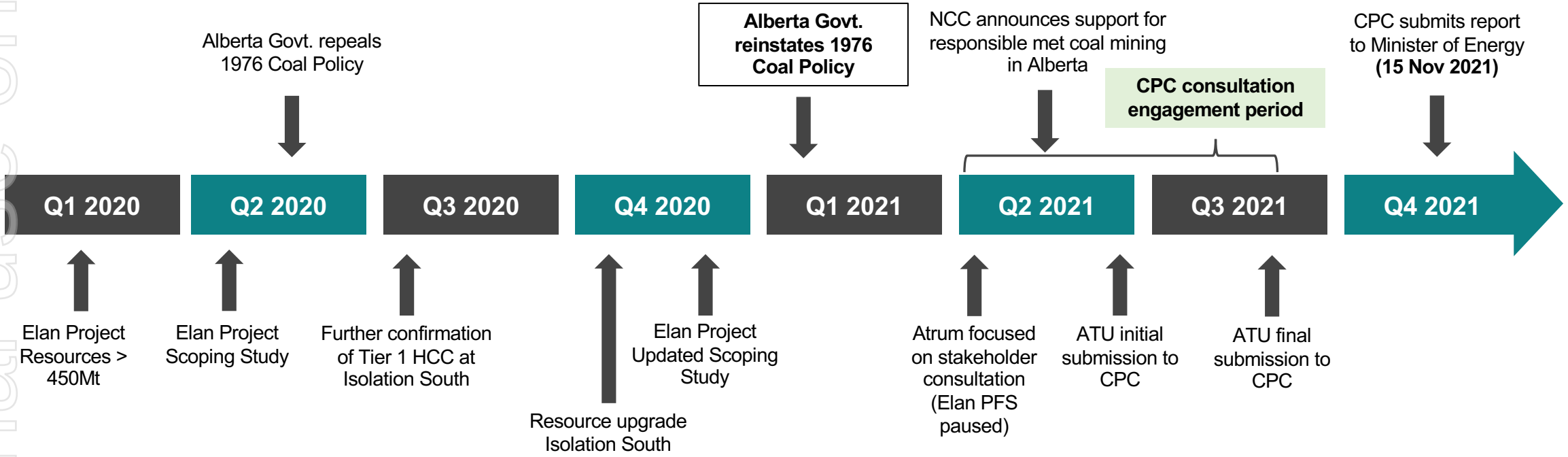
Alberta consultation timeline

Independent Coal Policy Committee (CPC) formed to drive stakeholder consultation



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Refer ASX releases: *Total Elan Project Resources Exceed 450 MT*, 10 February 2020; *Elan Project Scoping Study*, 16 April 2020; *Alberta Government to Repeal 1976 Coal Policy*, 18 May 2020; *Tier 1 HCC at Isolation South*, 1 July 2020; *Isolation South Resource Update*, 25 November 2020; *Elan Project Updated Scoping Study*, 8 December 2020; *Atrum Focused on Stakeholder Consultation*, 26 April 2021; *NCC Support for Responsible Metallurgical Coal Mining*, 3 May 2021; and *Initial Coal Policy Committee Submission*, 17 June 2021.

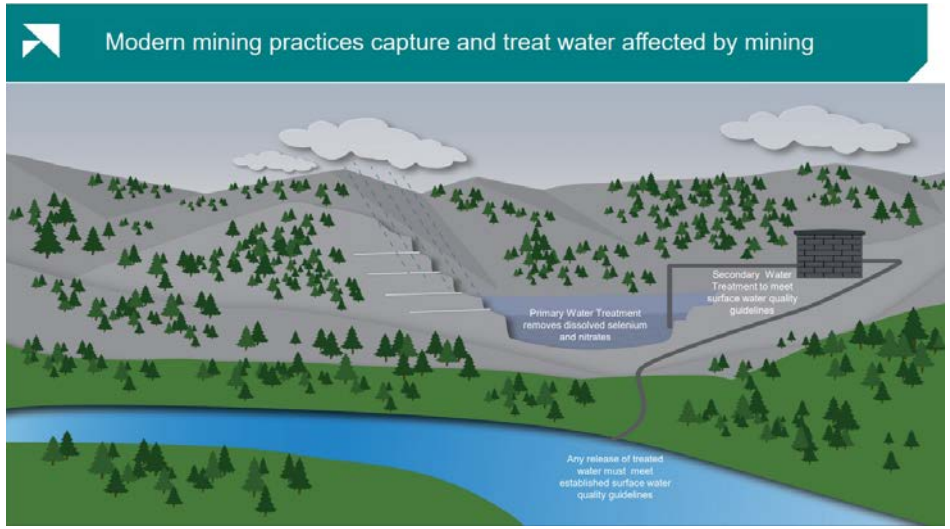
Independent CPC process

Driving the development of a modern coal policy

- Science, technology, and the legislative and regulatory framework have greatly surpassed the intent, purpose and value of the coal categories created in the Alberta Coal Policy (1976)
- Atrum's initial submission to the CPC focussed on:
  - Rigorous protection of water and landscapes, reference to the modern regulatory framework and acknowledgment of industry advancements that support responsible development
  - Establishment of confidence among Albertans that a robust regulatory construct is in place to ensure environmentally responsible development
  - A simplified land category system that can potentially see more, rather than less, lands, protected
- We are seeking a clear distinction that will protect the environment, add clarity, reduce conflict, and leverage science and technology

CPC Consultation Process

Stated objective: To develop a **modern coal policy** that provides **greater certainty for all stakeholders** and considers the potential **development of metallurgical coal resources in a responsible and sustainable manner**



Source: Atrum submission to CPC (refer ASX release 17 June 2021)

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First Nations perspectives

A critical voice that must be heard

- Piikani Nation application to appeal JRP decision on Riversdale's Grassy Mountain Coal Project
- Key grounds cited include Piikani's support for the project and its measures to protect the environment, and economic and social benefits Piikani will gain from development
- Stoney Nakoda Nations have 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 sovereign rights
- Riversdale subsidiary, Benga Mining Limited, development proponent for the Grassy Mountain Project, has also lodged an application to appeal the JRP decision

"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."

Chief Grier and Council of Piikani Nation

June 2021

"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."

Dale Swampy, President of the National Coalition of Chiefs (NCC)

July 2021

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The power of community

Local community now mobilizing with the support of mining companies

- Public meeting on met coal and the Joint Review Panel decision for Grassy Mountain was held at the Hillcrest Miners Club on Thursday 22 July (attended by Atrum CEO and staff)
  - Around 400 people were inside the club for the meeting with several more people spilling into the streets to listen on speakers.
  - Guy Gilron (environmental scientist) spoke on the science of selenium and several community business people spoke passionately about what the decision meant to them
  - Extensive media presence – https://globalnews.ca/news/8056002/supporters-coal-mining-crowsnest-pass-alberta/
  - Organized by a committee ('Citizens supportive of clean coal') who are urging action in the form of letters to Ministers, distributing company fact sheets

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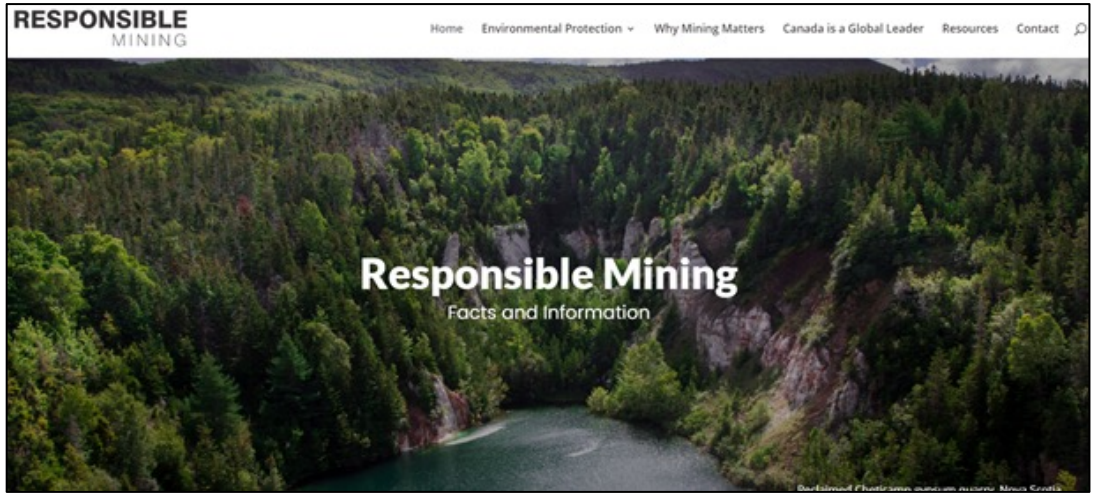
Immediate priorities and focus

Engaging stakeholders and the community on responsible mining

- **Indigenous Engagement**
  - Pursue innovative vision based on partnership, participation, and long-term benefits including environmental protection and mine planning, long term monitoring, and operation of the water treatment facilities
- **Selenium initiative**
  - Providing clear, compelling and consistent facts and information on selenium management
- **Outreach to MLAs and community leaders**
  - Meetings continue after extensive and constructive dialogue with local municipalities
- **Atrum and Industry Collaboration**
  - Ensure consistent regulatory approach along with environmental baseline data sharing



- **Responsible Mining Initiative and Campaign**
  - Focus on land and water with key contributions from experts on selenium (Dr Lisa Kirk) and water quantity (Kim Sturgess)
  - Leverage available selenium management data to educate on commercial viability of passive treatment methods
  - Advertising campaign to refer interested parties to www.responsiblemining.ca for sharing of fact-based information

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02

DRILL PROGRAM & TESTWORK

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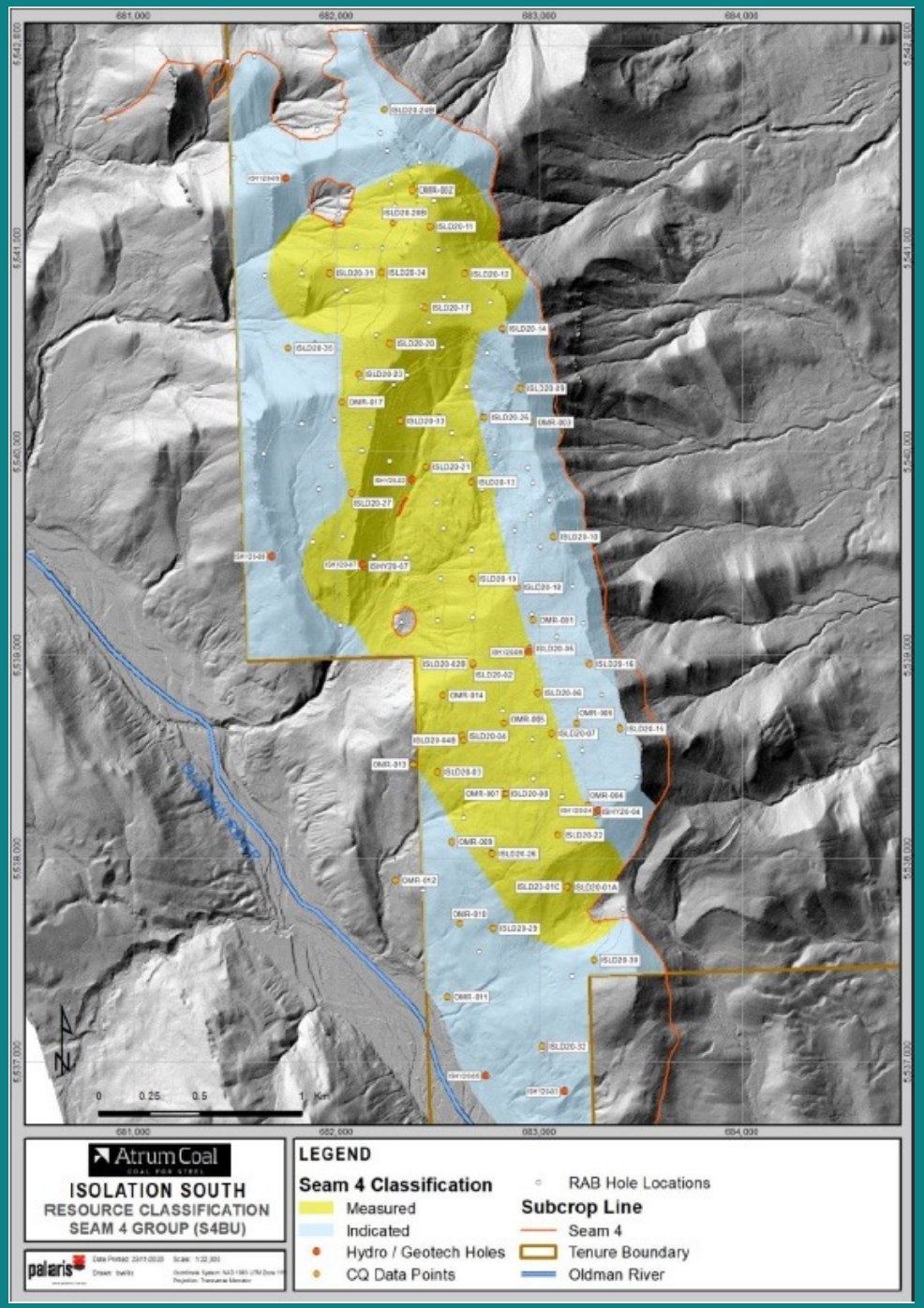
Successful exploration: Isolation South

Isolation South 2020 program

Successful in delineating structure and demonstrating seam continuity

- Extensive drilling totalling 21,500m:
  - 125 rotary air blast holes
  - 33 large diameter core holes
  - 5 HQ geotechnical / hydrogeological holes
- Shallow (as low as 3m) and thick (up to 100m) coal deposition, averaging 30m in thickness
- Results led to significant classification upgrades and increase in overall Elan Project Resources[1]



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[1] See total Elan Project Coal Resource estimate disclosures in Appendix

Resource upgrade

Highlights scale and quality

Isolation South infill and extension objectives satisfied:

1. **Substantial upgrade to resource classification[1]**
   - Measured + Indicated (M+I) increased 113% to 175 Mt
2. **Expansion of Isolation South resource base**
   - Total Isolation South resource increased 32 Mt to 262 Mt (+14%)

- Elan Project total resource now 486 Mt

Upgrade of large portions of previously Inferred resources at Isolation South delivered substantial improvement to LOM production target and forecast base case project economics

Tier 1 Hard Coking Coal

- Isolation South testwork samples further confirmed[2]:
  - Close correlation to globally traded Tier 1 HCC
  - Strong coke propensity, low ash and sulphur content, and low basicity index
- Potential to drive higher efficiency downstream use through reduction of coke consumption and safer oven operation

	Elan Project (Atrum) (adb)	Elk Valley (Teck Premium)[A]	Grassy Mount. (Riversdale)[B]	Platts Premium Low Vol Index[C]	Platts Peak Downs Index[C]
CSR	**69 – 71**	70	65	71	74
Coal Rank R_oMax (%)	**1.16 – 1.20**	1.14	1.18 - 1.20	1.35	1.42
Yield (%)	**60**	(est 60 – 70)	55	-	-
Ash Content (%)	**8 - 9**	8.8	9 - 9.5	9.3	10.5
Volatile Matter (%)	**22 – 26**	25.5	23.5	21.5	20.7
Total Moisture (%)	**10**	10	10	9.7	9.5
Total Sulphur (%)	**~ 0.60**	0.65 – 0.70	0.50	0.50	0.60
Phosphorus (%)	**< 0.050**	0.075	0.040	0.045	0.03
CSN	**7 - 8**	7.5	-	8	8.5
Fluidity (ddpm)	**100 – 300**	200 – 500	150	500	400

A. S&P Global Platts Coal Trader International (pg8), 3 August 2018.
B. Riversdale Resources Targets Statement, Grassy Mountain Technical Report by RPM Global (pg21), 28 March, 2019.
C. S&P Global Platts. Specifications Guide, Metallurgical Coal, April 2020.

1. See Appendix for Elan Project Coal Resource estimate disclosures
2. Refer ASX release 7 October 2020, '*Isolation South Tier 1 HCC*'

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03

UPDATED SCOPING OUTCOMES

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Updated Scoping Study: Physical outcomes

Further strengthening of operational base

21 years — Initial mine life (+6 yrs)

10 Mtpa — Nameplate ROM capacity

3.1:1 — ROM strip ratio (-28% LOM; -44% 1st 10 yrs)

60% — Processing yield

6.0 Mtpa — Nameplate HCC capacity

76 Mt — Total HCC product (+36Mt)

- Elan Project ***product*** LOM strip ratio of 5.2 bcm / tonne HCC (prev. 7.2 bcm/t)
- Compares with Elk Valley at 11.4 (2019 average)[1] and Grassy Mountain at 9.2 (LOM forecast)[2]

	Unit	Updated Study (Nov 2020)	Scoping Study (Apr 2020)	Change	
Total ROM coal mined	Mt ROM	**187**	126	**+ 61 Mt**	✓
Annual throughput	Mtpa ROM	**10**	10		
Initial life-of-mine	years	**21**	15	**+ 6 years**	✓
Average strip ratio (ROM)	bcm:t	**3.1**	4.2	**- 28%**	✓
Average strip ratio (ROM) – first 10 years	bcm:t	**2.3**	4.0	**- 44%**	✓
Processing yield	%	**60**	60		
Nameplate HCC production	Mtpa saleable	**6.0**	6.0		
Total product coal (HCC)	Mt saleable	**112**	76	**+ 36 Mt**	✓
Resultant clean coal strip ratio (HCC)	bcm:t	**5.2**	7.2	**- 28%**	✓
Pre-production capital expenditure	US$M	**773**	683	**+ US$90 M**	
Cash operating cost (FOB Vancouver)	US$/t saleable	**75**	81	**- 7%**	✓
HCC price (Elan MV HCC FOB Vancouver)	US$/t saleable	**138**	138		
$NPV_{9\%}$ (post-tax, real basis, ungeared, Y-1)	US$M	**1,395**	860	**+ US$535 M**	✓
IRR (post-tax, real basis, ungeared, Y-1)	%	**28.8**	25.0	**+ 43.8%**	✓
Project net cashflow (post-tax)	US$M	**4,580**	2,610	**+ US$1,970 M**	✓

For full details refer to Atrum ASX release dated 8 December 2020, *Elan Project Updated Scoping Study*. Atrum confirms that all material assumptions underpinning the production target and forecast financial information within the Scoping Study continue to apply and have not materially changed.

1 Teck Resources Q4 2019 Financial Report (pg46), 20 February 2020.
2 Riversdale Resources Targets Statement, Grassy Mountain Technical Report by RPM Global (pg8), 28 March, 2019.

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The Scoping Study mine schedule and production target contain approximately 82% Indicated Resources and 14% Inferred Resources. There is a low level of geological confidence associated with Inferred Resources and there is no certainty that further exploration work will result in the determination of Indicated Resources or that the production target itself will be realised. Atrum confirms that the financial viability of the Elan Project is not dependent on the inclusion of Inferred Resources in the mine schedule.

Updated Scoping Study: Financial outcomes

Excellent projected economic returns

US$138/t
Realised HCC price (FOB Vancouver)

+62%
US$1,395
Post-tax $NPV_{9\%}$

-US$6/t
US$75/t
Cash opex (FOB Vanc.)

-0.7 yrs
3.7 years
Payback (post-tax)

US$773M
Pre-production capex

+3.3%
28.8%
Post-tax IRR

Key financial outcomes	Unit	Updated Study (Nov 2020)	Scoping Study (Apr 2020)
Price inputs (LOM average)			
C$/US$ (long term forecast)	USc	**0.79**	0.79
HCC price (Platts Premium LV FOB Queensland)	US$/t	**141**	141
HCC price (Elan MV HCC FOB Vancouver)	US$/t	**138**	138
NPV, returns and key metrics			
$NPV_{9\%}$ (post-tax, real basis, ungeared, Y-1 basis)	US$M	**1,395**	860
$NPV_{9\%}$ (pre-tax, real basis, ungeared, Y-1 basis)	US$M	**1,880**	1,180
IRR (post-tax, real basis, ungeared, Y-1 basis)	%	**28.8**	25
IRR (pre-tax, real basis, ungeared, Y-1 basis)	%	**32.9**	29
Payback period (post-tax, from first production)	years	**3.7**	4.4
Payback period (pre-tax, from first production)	years	**3.4**	4.0
Capital efficiency (post-tax NPV / PP capex)	x	**1.8**	1.3
Pre-production capital expenditure	US$M	**773**	683
LOM sustaining capital expenditure	US$ / ROM t	**1.7**	1.7
Project net cashflow (post-tax)	US$M	**4,580**	2,610
Project net cashflow (pre-tax)	US$M	**5,968**	3,400
Unit cash operating costs			
Mining	US$/t ROM	**18**	23
Processing	US$/t ROM	**4**	4
Free on Rail (FOR) cash cost	US$/t ROM	**22**	27
	US$/t saleable	**37**	44
Rail transport and port	US$/t saleable	**29**	29
Marketing, commissions and corporate	US$/t saleable	**2**	2
Royalties	US$/t saleable	**8**	6
Total cash operating cost - Free on Board (FOB)	US$/t saleable	**75**	81

- Attractive ***upfront capital intensity*** of US$130/t of annual HCC capacity
- Cash operating cost estimates place Elan in the upper first quartile / lower second quartile of the global export coking coal cash cost curve

For full details refer to Atrum ASX release dated 8 December 2020, *Elan Project Updated Scoping Study*. Atrum confirms that all material assumptions underpinning the production target and forecast financial information within the Scoping Study continue to apply and have not materially changed.

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The Scoping Study mine schedule and production target contain approximately 82% Indicated Resources and 14% Inferred Resources. There is a low level of geological confidence associated with Inferred Resources and there is no certainty that further exploration work will result in the determination of Indicated Resources or that the production target itself will be realised. Atrum confirms that the financial viability of the Elan Project is not dependent on the inclusion of Inferred Resources in the mine schedule.

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Authorised on behalf of the Atrum Board by Andrew Caruso, Managing Director and CEO

Appendix slide

Elan Project total Resource estimate

PROJECT	PROJECT AREA	MEASURED (Mt)	INDICATED (Mt)	MEASURED + INDICATED (Mt)	INFERRED (Mt)	TOTAL (Mt)	DATE REPORTED
ELAN NORTHERN TENEMENTS	ISOLATION SOUTH	7	168	175	88	262	25-Nov-20
	ISOLATION	-	-	-	51	51	22-Jan-19
	SAVANNA	-	-	-	30	30	22-Jan-19
ELAN SOUTH	SOUTH EAST CORNER	-	16	16	22	38	10-Feb-20
	FISH HOOK	-	15	15	11	26	10-Feb-20
	OIL PAD RIDGE	-	29	29	50	80	10-Feb-20
TOTAL		**7**	**228**	**235**	**252**	**486**	

Atrum confirms that it is not aware of any new information or data that materially affects the information included in its ASX release dated 25 November 2020 (*Isolation South Resource Update*). All material assumptions and technical parameters underpinning the estimates in these releases continue to apply and have not materially changed.

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