

ASX Announcement

2 August 2021

ENTITLEMENT OFFER TO RAISE A\$3.2M

KEY POINTS

- Fully underwritten accelerated non-renounceable 2-for-11 entitlement offer at A\$0.03 per share to raise gross proceeds of approximately A\$3.2 million
- Entitlement Offer proceeds will be applied towards continuing stakeholder consultation efforts and public fact-based campaign, baseline environment studies, general working capital and offer costs
- Atrum's largest shareholder, Warburton (19.6% interest) has committed to take up its entitlement and provide sub-underwriting, for an aggregate commitment of A\$2 million
- Top-Up facility available for Eligible Retail Shareholders

Atrum Coal Limited (ASX: ATU) (**Atrum** or the **Company**) is offering Eligible Shareholders the opportunity to participate in an underwritten accelerated non-renounceable entitlement issue of 2 new Atrum shares (**New Shares**) for every 11 existing Atrum shares held by eligible shareholders on the Record Date at an issue price of A\$0.03 per New Share (**Offer Price**) to raise approximately A\$3.2 million (before costs) (**Entitlement Offer**).

The Offer Price represents:

- a 38.3% discount to TERP¹ of A\$0.049
- a 42.3% discount to the last closing price of Atrum Shares on 30 July 2021 of A\$0.052; and
- a 20.9% discount to the 30-day VWAP of Atrum Shares of A\$0.038.

New Shares issued under the Entitlement Offer will rank equally with existing shares on issue and the Company will apply for official quotation of the New Shares.

The proceeds of the Entitlement Offer will be applied towards continuing stakeholder consultation efforts and public fact-based campaign, baseline environment studies, general working capital and offer costs.

Atrum's largest shareholder, Warburton (19.6% interest) has committed to take up its entitlement and provide sub-underwriting, for an aggregate commitment of A\$2 million.

Each Director with an interest in the issued securities of the Company has indicated that they intend to take up their Entitlements under the Entitlement Offer.

The Entitlement Offer is underwritten by Argonaut Capital Limited. The terms and conditions of the Underwriting Agreement are set out in the prospectus which will be made available on ASX's website today (**Prospectus**).

¹ The TERP is a theoretical price at which Atrum shares trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Atrum shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP.

Atrum Managing Director and CEO, Andy Caruso, commented:

“While the current Albertan consultation process in pursuit of a new, modern coal policy has created uncertainty, we are optimistic that in the end it will actually deliver greater metallurgical coal development certainty than might have existed previously. The Elan Project is a world-class hard coking coal resource and we are raising funds to ensure that we can both allocate the appropriate resources to community engagement, stakeholder consultation and the independent Coal Policy Committee Process (which is due to conclude with recommendations to the Minister in November this year) and be in a position to recommence study work and site-based activity rapidly for the Elan project should that opportunity be available post the current process.

“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.

“We have been greatly encouraged by the support of First Nations groups and communities that are proximate to the Elan project site who support responsible coal development that promotes environmental protection under the existing rigorous regulations and will result in the flow of significant benefits to all stakeholders.”

Entitlement Offer Details

Eligible institutional investors will be invited to participate in the accelerated institutional component of the Entitlement Offer (**Institutional Entitlement Offer**), which is expected to close on Tuesday, 3 August 2021.

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) will be open from Monday, 9 August 2021 to 5.00pm (Sydney time) on Monday, 30 August 2021 to eligible retail shareholders on the record date, being Wednesday, 4 August 2021 at 7.00pm (Sydney time) (**Record Date**) (unless extended by the Board).

Participation in the Entitlement Offer will be open to Atrum shareholders who are registered holders of Atrum Shares on the Record Date and who have a registered address in Australia or New Zealand, and to investors in other jurisdictions who Atrum determines are eligible to participate, subject to restrictions under and in accordance with applicable securities laws (**Eligible Shareholders**).

The Retail Entitlement Offer will include a \$500,000 top-up facility under which Eligible Retail Shareholders who take up their entitlement in full under the Retail Entitlement Offer will be invited to apply for additional New Shares not taken up by the Closing Date (**Top-Up Facility**). There is no guarantee that applicants under this Top-Up Facility will receive all or any of the additional New Shares that they apply for under the Top-Up Facility.

Any Entitlements not taken up pursuant to the Institutional Entitlement Offer or the Retail Entitlement Offer, and not otherwise allocated to an Eligible Retail Shareholder under the Top-Up Facility (**Shortfall Shares**), will form the Shortfall (**Shortfall Offer**).

The Shortfall Offer is currently scheduled to close on or around 3 September 2021 but the Directors (subject to the agreement of the Underwriter) reserve the rights to extend that date that the Shortfall Offer closes by up to three months after the closing date of the Entitlement Offer, without prior notice.

The Shortfall Offer will involve a bookbuild process to place the Shortfall Shares to Eligible Institutional Shareholders and other institutional and professional investors as agreed by the Company and the Underwriter (**Shortfall Investors**). Warburton and Directors (and their associates) of the Company will not be permitted to participate in the Shortfall Offer.

If there is a still a Shortfall remaining after the Shortfall Offer, the unallocated Shortfall Shares will then be allocated to the Underwriter.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable on ASX or otherwise transferable. Eligible Shareholders who do not take up their entitlements will not receive any value for those entitlements that they do not take up.

Further information in relation to the Retail Entitlement Offer will be sent to Eligible Shareholders in the Prospectus and accompanying personalised entitlement and acceptance form, which are expected to be dispatched on 9 August 2021.

Indicative timetable

The indicative timetable below outlines the key dates for the Entitlement Offer:

Event	Date
Announcement of the Entitlement Offer	2 August 2021
Institutional Entitlement Offer opens	2 August 2021
Results of Institutional Entitlement Offer announcement and trading halt lifted	4 August 2021
Record date for eligibility in the Entitlement Offer (7:00pm Sydney time)	4 August 2021
Prospectus and personalised Entitlement and Acceptance Form dispatched	9 August 2021
Retail Entitlement Offer opens	9 August 2021
Settlement of Institutional Entitlement Offer	11 August 2021
Last day to extend Retail Entitlement Offer close date	25 August 2021
Retail Entitlement Offer closes (5.00pm Sydney time time)	30 August 2021
Results of Retail Entitlement Offer announcement	2 September 2021
Shortfall Offer Bookbuild (if any)	3 September 2021
Issue of New Shares under the Retail Entitlement Offer	6 September 2021
Dispatch to shareholders of confirmation of issue under the Retail Entitlement Offer	7 September 2021
Settlement of Shortfall (if any) taken up from Bookbuild and sub-underwriters	10 September 2021

All dates are indicative only and subject to change. Atrum reserves the right to withdraw the Entitlement Offer or vary the above timetable without notice.

The information in this announcement does not constitute financial product advice and does not take into account the financial objectives, personal situation or circumstances of any shareholder. If you are in any doubt as to how to proceed, please contact your financial, tax or other professional adviser.

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

Andrew Caruso, Managing Director and CEO

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