

# **Atrum Coal Limited**

**ACN 153 876 861 (ASX:ATU)**

## **PROSPECTUS**

**Accelerated non-renounceable entitlement offer of 2 New Shares for every 11 Shares held at an issue price of \$0.03 per New Share to raise up to approximately \$3.2 million**

**Retail Entitlement Offer closes at 5.00 pm (Melbourne time) on 30 August 2021 (unless extended). Valid applications must be received before that time**

**Underwritten by Argonaut Capital Limited**

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

**This is an important document which is accompanied by a personalised entitlement and acceptance form and both should be read in their entirety. Please call your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser or the share registry if you have any questions.**

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## IMPORTANT NOTICE

### NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This prospectus relates to the accelerated non-renounceable entitlement offer of New Shares by Atrium Coal Limited can 153 876 861 (**Prospectus**).

#### Lodgement and quotation

This Prospectus is dated 2 August 2021 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. None of ASIC, ASX Limited (**ASX**) or their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The Company has applied to ASX for quotation of the New Shares on ASX. This Prospectus expires on 2 September 2022, the date which is 13 months after the Lodgement Date (**Expiry Date**), and no New Shares will be issued on the basis of this Prospectus after the Expiry Date. No exposure period applies to the Entitlement Offer.

#### Continuously Quoted Securities

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

#### Note to Applicants

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs of any prospective investor. It is important that you read this Prospectus carefully and in full before deciding whether to invest in the Company. In considering the prospects of the Company, you should consider the risks that could affect the financial performance or position of the Company. You should carefully consider these risks in the light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest. Some of the risks that should be considered by prospective investors are set out in Section 5. There may be risk factors in addition to these that should be considered in the light of your personal circumstances.

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the New Shares.

No person is authorised to give any information or make any representation in connection with the Entitlement Offer which is not contained in this Prospectus. You should rely only on information contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company or the directors of the Company (**Directors**).

Your right to acquire New Shares under the Retail Entitlement Offer is not transferrable. Eligible Retail Shareholders should carefully read and follow the instructions in Section 3 and on the back of the accompanying personalised Entitlement and Acceptance Form (as defined below) when making the decision whether to accept your entitlement (and apply for Additional New Shares).

#### Obtaining a copy of this Prospectus

Eligible Retail Shareholders will receive a copy of this Prospectus together with an accompanying personalised Entitlement and Acceptance Form. Eligible Retail Shareholders can also obtain a copy of this Prospectus (free of charge) during the Retail Entitlement Offer period (as defined below) from the Company's website at <https://www.atrumcoal.com/> or by calling the Share Registry on 1 300 288 664 (from within Australia) or +61 2 9698 5414 (from outside of Australia) from 9.00 am to 5.00 pm (AEST), Monday to Friday during the Retail Entitlement Offer period. Shareholders in other jurisdictions (including the United States), or who are, or are acting for the account or benefit of, a person in the United States are not entitled to access the electronic version of this Prospectus. Eligible Retail Shareholders who access the electronic version of this Prospectus on the Company's website should ensure they download and read the entire Prospectus. The electronic version of the Prospectus on the Company's website will not include a personalised Entitlement and Acceptance Form.

#### Statements of past performance

Past performance and pro forma financial information included in this Prospectus is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on its future financial performance or condition. Investors should note that the pro-forma financial information has not been audited and is based on management estimates and not on financial statements prepared in accordance with applicable statutory requirements. Accordingly, investors should treat this information with appropriate caution. Investors should note that past performance, including past Share price performance, of the Company cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including future Share price performance.

Investors should also be aware that certain financial data included in this Prospectus may contain 'non-IFRS financial information' under Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC. The Company believes this non-IFRS financial information provides useful information to users in measuring the financial performance and condition

of the Company. The non-IFRS financial information do not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information and ratios (if any) included in this Prospectus.

#### **Financial information and forward-looking statements**

Section 4 sets out the financial information referred to in the Prospectus. All dollar values are in Australian dollars unless noted otherwise (**\$** or **A\$**), rounded to the nearest \$0.1 million and financial data is presented as at or for the year ended 31 December 2020 unless stated otherwise. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

Unless otherwise indicated, the following exchange rates have been used in the preparation of financial information in this prospectus:

- A\$1: CA\$0.94

This Prospectus contains forward looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. Any forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Accordingly, such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and prospective investors are cautioned against placing undue reliance on these forward-looking statements. Forward looking statements should be read in conjunction with, and are qualified by reference to, the risk factors as set out in Section 5, as well as the other information in this Prospectus.

The Company has no intention to update or revise forward looking statements, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

#### **No cooling-off period**

No cooling off rights apply to applications submitted under the Retail Entitlement Offer.

#### **Photographs and diagrams**

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration

purposes only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

#### **Company website**

Any references to documents included on the Company's website at <https://www.atrumcoal.com/> are for convenience only, and none of the documents or other information available on the Company's website are incorporated herein by reference.

#### **Defined terms and time**

Capitalised terms and abbreviations used in this Prospectus have the meanings given to them in the Glossary. Unless otherwise stated or implied, references to times in this Prospectus are to Melbourne, Australia time.

#### **Disclaimer**

Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

As set out in Section 3, it is expected that the New Shares will be quoted on ASX. The Company, the Underwriter and the Share Registry (in each case, as defined below) disclaim all liability, whether in negligence or otherwise, to persons who trade New Shares before receiving their holding statements.

#### **Selling restrictions**

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the New Shares, or the Entitlement Offer, or to otherwise permit a public offering of New Shares, in any jurisdiction outside Australia and New Zealand. The distribution of this Prospectus outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus outside Australia or New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

In particular, the New Shares or Additional New Shares, if any have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States unless the New Shares and Additional New Shares, if any are registered under the US Securities Act, or offered or sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

For further detail please see the Foreign Selling Restrictions set out in Section 6.9.

## Privacy

By filling out the personalised Entitlement and Acceptance Form to apply for New Shares (and Additional New Shares, if applicable), you are providing personal information to the Company through the Company's securities registry, Automic Pty Ltd, which is contracted by the Company to manage applications. The Company, and the Share Registry on its behalf, may collect, hold and use that personal information in order to process your application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration. If you do not provide the information requested in the personalised Entitlement and Acceptance Form, the Company and the Share Registry may not be able to process or accept your application.

Your personal information may also be provided to the Company's members, agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. The members, agents and service providers of the Company may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the register of members;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Company's issued securities and for associated actions.

The information contained in the Company's register of members must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register of members is also used to facilitate dividend payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its members)

and compliance by the Company with legal and regulatory requirements. An Applicant has a right to gain access to the information that the Company and the Share Registry hold about that person, subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing or by telephone call to the Company's registered office or the Share Registry's office, details of which are disclosed in the corporate directory set out on the last page of this Prospectus.

## Enquiries

Before making a decision about investing in the Retail Entitlement Offer, you should seek advice from your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser to determine whether it meets your objectives, financial situation and needs.

If you have any questions on how to:

- (a) complete your personalised entitlement and acceptance form;
- (b) take up the New Shares offered to you under the Entitlement Offer, either in full or in part; or
- (c) take up your full Entitlement and apply for Additional New Shares,

please call the Share Registry between 9.00am and 5.0 pm (AEST) Monday to Friday during the period from and including the date on which the Retail Entitlement Offer opens until and including the date on which it closes:

Within Australia: 1 300 288 664

Outside Australia: +61 2 9698 5414

If you have misplaced your Entitlement and Acceptance Form and would like a replacement form, please call the applicable number above. Alternatively, if you have the Securityholder Reference Number or Holder Identification Number for your holding(s), you can download a replacement form from the Share Registry's secure website at [www.automicgroup.com.au](http://www.automicgroup.com.au)

## Website

To view annual reports, shareholder and other information about the Company, announcements, or background information on the Company's operations and historical information, visit the Company's website at <https://www.atrumcoal.com/>.

## KEY ENTITLEMENT OFFER DATES

Event	Date
Institutional Entitlement Offer opens	2 August 2021
Institutional Entitlement Offer closes	3 August 2021
Announcement of results of Institutional Entitlement Offer and trading resumes on ex-entitlement basis	4 August 2021
Record Date for the Entitlement Offer	7.00 pm on 4 August 2021
Retail Entitlement Offer opens	9 August 2021
Despatch of personalised Entitlement and Acceptance Forms and this Prospectus to Eligible Shareholders	9 August 2021
Institutional Entitlement Offer settlement date	11 August 2021
Issue and quotation of New Shares under Institutional Entitlement Offer	12 August 2021
Retail Entitlement Offer closes	5.00 pm on 30 August 2021
Issue of New Shares under the Retail Entitlement Offer	6 September 2021
Dispatch of holding statements for New Shares	7 September 2021
Quotation of New Shares under the Retail Entitlement Offer	7 September 2021
Settlement of New Shares under the Shortfall Offer	10 September 2021

Dates and times in this Prospectus are indicative only and subject to change. All times and dates refer to Melbourne time. The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer without prior notice, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms as soon as possible. The commencement of quotation of New Shares is subject to confirmation from ASX.

## CHAIRMAN'S LETTER

2 August 2021

Dear Shareholder,

On behalf of Atrium Coal Limited, I am pleased to invite you to participate in a 2 for 11 accelerated non-renounceable entitlement offer of new fully paid ordinary shares (**New Shares**) in the Company at an offer price of A\$0.03 per New Share (**Offer Price**) to raise up to approximately A\$3.2 million (**Entitlement Offer**).

The Offer Price for the Entitlement Offer represents a discount of approximately 42.3% to the closing price of ordinary shares in the Company (**Shares**) on ASX on 30 July 2021 (being the last trading day before announcement of the Entitlement Offer), and a 38.3% discount to the TERP of A\$0.049<sup>1</sup>.

The Entitlement Offer comprises:

- an institutional component (**Institutional Entitlement Offer**); and
- a retail component (**Retail Entitlement Offer**).

The Institutional Entitlement Offer will close on 3 August 2021 and is expected to raise gross proceeds of at least approximately A\$0.6 million.

Under the Entitlement Offer, Eligible Shareholders are entitled to acquire 2 New Shares for every 11 Shares held at 4 August 2021 (**Record Date**) (**Entitlement**). In addition, via a top-up facility there is the opportunity for Eligible Retail Shareholders to apply for additional New Shares at the same Offer Price to increase their holdings at an attractive price (refer to Section 3.4) (**Top-Up Facility**). Your Entitlement is set out in your personalised Entitlement and Acceptance Form which accompanies this Prospectus. It is important that you determine whether to take up in whole or part, or do nothing, in respect of your Entitlement (see Section 3).

Entitlements under the Entitlement Offer are non-renounceable and will not be tradeable on ASX or otherwise transferable. If you do not take up your Entitlement in full, you will not receive any value in respect of that part of the Entitlement that you do not take up.

New Shares issued under either component of the Entitlement Offer will rank equally with existing Shares.

The Retail Entitlement Offer closes at 5.00pm (Melbourne time) on 30 August 2021.

The Entitlement Offer is fully underwritten by Argonaut Capital Limited (**Underwriter**). The Underwriter has also entered into sub-underwriting arrangements with certain existing substantial Shareholders of the Company as detailed in Section 4.4.

### Background and reasons for the Entitlement Offer

In February this year, the Alberta Government announced the reinstatement of the Alberta 1976 Coal Policy, which had been rescinded in mid-2020. It also announced the commencement of a stakeholder consultation process via an independent Coal Policy Committee with the stated objective of developing a new, modern coal policy. Key aims of

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<sup>1</sup> The TERP is the theoretical price at which Shares should trade immediately following 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 Shares trade immediately following the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP. The TERP is calculated by reference to the Company's closing price of A\$0.052 per Share on 30 July 2021, being the last trading day prior to the announcement of the Entitlement Offer.

the new policy include providing greater certainty and facilitating development of metallurgical coal resources for steel-making in a responsible and sustainable matter. In addition to the reinstatement, the Alberta Energy Regulator has been directed that no mountaintop removal will be permitted on Category 2 lands and all future coal exploration approvals will be prohibited on these lands, pending widespread consultations on a new coal policy. The Company's Elan Hard Coking Coal Project (**Elan**) is located on Category 2 lands.

The Company halted exploration activities at its Elan Hard Coking Coal Project prior to April 2021 in order to direct maximum focus, effort and good faith to the stakeholder consultation process.

The Government of Alberta appointed the independent Coal Policy Committee with a mandate to deliver reports on:

- Albertan's understanding of coal development (due October 15); and
- Their recommendations with respect to a new Coal Policy (due November 15).

The Minister will then present a modern Coal Policy that we anticipate will outline the requirements and guidelines for responsible coal development in Alberta.

Science, technology, and the legislative and regulatory framework have greatly surpassed the intent, purpose and value of the coal categories created in the original Coal Policy about 45 years ago. In recognition of this dynamic, our initial submission to the Committee outlined the view that a new coal policy should be targeted to deliver three key aims:

- Rigorous protection of water and landscapes, reference to the modern regulatory framework and acknowledgment of industry advancements that support responsible development of resources.
- Establishment of confidence among Albertans that a robust regulatory construct is in place to ensure environmentally responsible development; and
- A simplified land category system that can potentially see more, rather than less lands, protected and fits more effectively into the current land use planning processes.

During the first half of 2021, we have focused our communications and efforts on informing the voices who have driven public opinion and on providing the facts about modern mining and environmental protection to interested Albertans. We believe this aligns well with the stated objective of developing a new, modern coal policy

Currently, we are focused on providing information on key issues such as water management and land reclamation so that we can present a clear, compelling and consistent voice in our fact-based campaign. We intend to maximise the use of scientific evidence and indigenous knowledge in presenting this information.

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

Having considered a number of different funding options and structures, the Company is now seeking to raise capital to fund key activities over the next 12 months.

We believe the Elan Project holds substantial long-term value given its significant resource of high quality hard coking coal which is a critical ingredient in making steel, something that all societies need to function, grow and prosper, as well as a vital component of our global transition to a greener economy.



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; 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

Funds raised will also enable the continuation of activities to preserve the value and integrity of the asset including ongoing Elan environmental baseline studies, and to provide working capital and pay the costs of the offer.

The key risks facing the Company in the short to medium term are described in more detail in Section 5.

#### **Further information**

Further information on the Entitlement Offer and the Company's business is detailed in this Prospectus. You should read the entirety of this Prospectus carefully before deciding whether to participate in the Entitlement Offer. An investment in the Company and the New Shares, is speculative and subject to a range of risks, which are more fully detailed in Section 5. If any of these risks or other material risks eventuate, it will likely have a material adverse impact on the Company's future financial performance and position.

On behalf of the Directors and management team of Atrum Coal Limited, I invite you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely

**Glen Koropchuk**  
Chairman

## 1 INVESTMENT OVERVIEW

The purpose of this Section 1 is to give Shareholders an investment overview that helps them make an informed investment decision by highlighting key information. It is an introduction to the Entitlement Offer and is not intended to replace the other sections of this Prospectus, which Shareholders should read in full.

Topic	Summary	For more information
<b>The Company and its business model</b>		
Who is the issuer of the New Shares?	Atrum Coal Limited ACN 153 876 861	
What is the Company's business?	Coking coal exploration and mine development at the 100% owned Elan Hard Coking Coal Project (Elan Project) in Alberta, Canada	Section 2
What is the Company's strategy?	<p>The Company seeks to:</p> <ul style="list-style-type: none"> <li>engage communities through extensive stakeholder consultation and public awareness on responsible mining; and</li> <li>contribute to the Alberta Government's objective of designing a new coal policy that we believe can promote responsible development through the application of modern mining practices that promote the highest standards of environmental protection and sustainable land use</li> </ul> <p>in order to ultimately obtain a mining permit for the Elan Project.</p>	Section 2.1
<b>The Entitlement Offer and the New Shares</b>		
What is the Entitlement Offer?	<p>The Entitlement Offer which consists of:</p> <ul style="list-style-type: none"> <li>an Institutional Entitlement Offer; and</li> <li>a Retail Entitlement Offer,</li> </ul> <p>is an accelerated pro-rata non-renounceable entitlement offer of New Shares in the Company.</p> <p>Under the Entitlement Offer, Eligible Shareholders will be given an Entitlement to subscribe for Two (2) New Shares for every eleven (11) Shares held as at the Record Date of 7.00 pm (Melbourne time) on 4 August 2021.</p> <p>Eligible Retail Shareholders can also apply for Additional New Shares in excess of their Entitlement under the Top-Up Facility, subject to any required scale back.</p>	Section 3.1
What is the purpose of the Entitlement Offer	The purpose of the Entitlement Offer is to fund ongoing stakeholder engagement efforts and community awareness initiatives associated with the Elan project,	Section 3.1

Topic	Summary	For more information
and what will the proceeds be used for?	<p>and to maintain the integrity and value of its core assets.</p> <p>Proceeds raised from the Entitlement Offer will be used to fund stakeholder consultation, continue environmental baseline studies, provide working capital and pay the costs of the Entitlement Offer.</p>	
How much is the Company seeking to raise under the Entitlement Offer?	<p>The Company is seeking to raise approximately A\$3.2 million under the Entitlement Offer. Of this:</p> <ul style="list-style-type: none"> <li>approximately A\$0.6 million will be raised under the Institutional Entitlement Offer; and</li> <li>approximately A\$2.6 million is expected to be raised under the Retail Entitlement Offer.</li> </ul> <p>The amount raised under the Institutional Entitlement Offer may vary and the final amount will be announced at the completion of the Institutional Entitlement Offer on 4 August 2021.</p>	Section 4.1
What is my Entitlement?	<p>Your Entitlement is the right granted to you under the Entitlement Offer to subscribe for two (2) New Shares at the Offer Price for every eleven (11) Shares you hold as at the Record Date. Your Entitlement will be noted on your personalised Entitlement and Acceptance Form.</p>	Section 3.8
What can I do with my Entitlement?	<p>As an Eligible Retail Shareholder, you may do any one of the following:</p> <ul style="list-style-type: none"> <li>take up all or part of your Entitlement (i.e. acquire two New Shares at the Offer Price for every 11 Shares you hold as at the Record Date);</li> <li>take up all of your Entitlement and apply for Additional New Shares under the Top-Up Facility; or</li> </ul> <p>do nothing, in which case your Entitlement will lapse and your shareholding will be diluted if Shares are issued under the Entitlement Offer.</p>	Section 3.12
Who can participate in the Retail Entitlement Offer?	<p>Eligible Retail Shareholders, being Shareholders on the Record Date with a registered address in Australia and New Zealand, may participate in the Retail Entitlement Offer.</p>	Section 3.13
Can I apply for New Shares in excess of my Entitlement?	<p>Yes, you can apply for New Shares in excess of your Entitlement under the Top-Up Facility.</p>	Section 3.4
How much will I pay per New Share?	<p>\$0.03 (three cents) per New Share (i.e. the Offer Price).</p>	Section 1

Topic	Summary	For more information
Can I sell or transfer my Entitlement under the Entitlement Offer?	No.	Section 3.10
How do I accept the Entitlement Offer?	<p>If you are within Australia or New Zealand and you have an account with an Australian financial institution that supports BPAY payments, you may pay your Application Monies via BPAY.</p> <p>Alternatively, you may complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies, by following the instructions set out on the personalised Entitlement and Acceptance Form.</p>	Section 3.15
Can I withdraw my Application?	To the extent permitted by law, Applications are irrevocable.	Section 3.19
Is the Entitlement Offer underwritten?	<p>Yes. The Entitlement Offer is fully underwritten by Argonaut Capital Limited.</p> <p>The Underwriter has also entered into sub-underwriting arrangements with certain existing Shareholders and Directors in relation to the Entitlement Offer.</p>	Section 3.7 and 4.4
Are the major shareholders supporting the Entitlement Offer?	Yes, the Company's major institutional shareholder, representing an aggregate of approximately 19.62% of the Company's existing Shares has indicated to the Company that they intend to take up their Entitlements in full as well as provide sub-underwriting, for an aggregate commitment of \$2 million	Section 3.2
What are the key terms of the New Shares?	<p>The New Shares are fully paid ordinary shares in the equity capital of the Company.</p> <p>New Shares will rank equally in all respects with existing Shares on issue from their issue date.</p>	Section 3.3
What is the effect of the Entitlement Offer on the Company?	<p>The maximum number of New Shares that will be issued under the Entitlement Offer is 105,805,755 New Shares, representing 15.38% of the Shares of the Company on completion of the Entitlement Offer.</p> <p>The effect of the Entitlement Offer on the control and financial position of the Company, including the maximum increase in shareholdings of the parties sub-underwriting the Entitlement Offer is set out in Section 4.</p>	Section 4.5
Is the Entitlement Offer subject to Shareholder approval?	No, shareholder approval is not required for the Entitlement Offer.	Section 6.14

Topic	Summary	For more information
<b>Debt facilities</b>		
Does the Company have any debt facilities?	The Company does not have any debt as at the Record Date.	Section 4.6
<b>Key risks</b>		
What are the key risks associated with New Shares and the Company?	<p>An investment in the New Shares or the Company is subject to significant risk. Some of the 'key risks' are summarised below:</p> <ol style="list-style-type: none"> <li>1. New Coal Policy <p>The Government of Alberta is working on a new Coal Policy that will impact directly on the Elan Project. There is no indication whether the New Coal Policy will be more advantageous than the previous policy, or if it will allow Atrum Coal to continue its activities at the Elan Project either in part or at all. There is no indication as to the content or when the new coal policy will be implemented.</p> </li> <li>2. Regulatory process <p>The development of coal resources in Alberta is already subject to a robust regulatory process that is administered by respective Provincial and Federal agencies, namely the Alberta Energy Regulator and the Impact Assessment Agency (Canada) and begins before a mine is built and continues after mining is complete.</p> <p>Even if a new Coal Policy allows Atrum Coal to continue its exploration and development activities at the Elan Project, a positive regulatory outcome cannot be guaranteed with respect to gaining a permit to mine.</p> </li> <li>3. Additional requirements for capital <p>The Company's ongoing activities and growth through development will require substantial expenditures. There can be no guarantee that the Company will be able to access the funds necessary to finance its future activities and successfully achieve all the objectives of the Company's overall business strategy on terms acceptable to the Company, or at all. Any equity financing may be dilutive to shareholders and any debt financing, if available, may involve restrictive covenants, which may limit the Company's operations and business strategy. The Company's failure to raise capital, if and when needed, could delay or suspend the Company's business strategy</p> </li> </ol>	Section 5.2

Topic	Summary	For more information
	<p>and could have a material adverse effect on the Company's activities.</p> <p>4. Coronavirus (COVID-19)</p> <p>The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>5. Going concern risk</p> <p>The last audited Financial Report of the Company, being for the year ended 31 December 2020, has been prepared on a going concern basis. The audit report to the annual financial statements for 31 December 2020, lodged with ASX on 30 March 2021, included a "Material uncertainty related to going concern", without qualification, in respect of the going concern disclosures included in Note 1(b) to the financial statements.</p> <p>6. Exploration</p> <p>There can be no assurance that exploration of the Company's tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p>7. Pre-Feasibility Study</p> <p>The Company was undertaking a Pre-feasibility study program for its 100% owned Elan Coal Project until its pause earlier this year due to the coal policy consultation process. Pre-feasibility studies are an early stage analysis of a potential mining project. They typically give an overview of a mining project's logistics, capital requirements, key challenges and other information deemed important to the decision-making process. Many factors are involved in the analysis, including the achievement of satisfactory mineral resource estimates, the level of estimated metallurgical coal recoveries, capital and operating cost estimates and the estimate of future metallurgical coal prices. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected</p>	

Topic	Summary	For more information
	<p>recovery rates from the ore and anticipated environmental and regulatory compliance costs.</p> <p>Each of these factors involves uncertainties and as a result, the Company cannot give any assurance that its development or exploration projects will become operating mines. If a mine is developed, actual operating results may differ from those anticipated in the pre-feasibility study.</p> <p>8. Resource estimation</p> <p>Resource estimates are expressions of judgement based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Additionally, resource estimates may change over time as new information becomes available. Should the Company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.</p> <p><b>Other risks</b></p> <p>More detail on these and other risks are outlined in Section 5, including risks relating to the Group's other operations as well as risks specific to the jurisdictions in which the Group operates.</p> <p>The above risk factors ought not be taken as an exhaustive list of the risks faced by the Company or by investors in the Company's securities (including the New Shares). The above factors, and others not specifically referred to in Section 5, may in the future materially affect the financial condition or prospects of the Company and therefore the value of the New Shares offered under this Prospectus. Therefore, the New Shares to be issued under this Prospectus, carry no guarantee with respect to their value or price.</p>	

## 2 BACKGROUND TO AND REASONS FOR THE ENTITLEMENT OFFER

### 2.1 Update on operations of the Company

In February this year, the Alberta Government announced the reinstatement of the Alberta 1976 Coal Policy, which had been rescinded in mid-2020. It also announced the commencement of a stakeholder consultation process with the stated objective of developing a new, modern coal policy. Key aims of the new policy include providing greater certainty and facilitating development of metallurgical coal resources for steel-making in a responsible and sustainable matter.

In addition to the reinstatement, the Alberta Energy Regulator has been directed that no mountaintop removal will be permitted on Category 2 lands and all future coal exploration approvals will be prohibited on these lands, pending widespread consultations on a new coal policy. The Company's Elan Hard Coking Coal Project (**Elan**) is located on Category 2 lands.

The Company halted exploration activities at its Elan Hard Coking Coal Project prior to April 2021 in order to direct maximum focus, effort and good faith to the stakeholder consultation process. There is no indication as to when the stakeholder consultation process will be completed.

The Company has appointed an integrated team of employees and external advisors to focus on and execute the planned activities with respect to the stakeholder consultation process. Proactive outreach to stakeholders and participation in the consultation process continues. Information concerning modern mining practices is being rolled out to the public. In addition, a visit to the Elan Project site has been completed by members of the independent Coal Policy Committee after Atrum's initial submission on its vision for a new Coal Policy.

The objective of the Company is to be heard at all possible hearings and throughout the consultation process that the Alberta Government is organising. In addition, the Company is proactively raising awareness on responsible mining methods and evidence within communities and First Nations Groups

Having considered a number of different funding options and structures, the Company is now seeking to raise capital to fund the stakeholder consultation process, continue the Elan environmental baseline study, provide working capital and pay the costs of the offer.

The key risks facing the Company in the short to medium term are described in more detail in Section 5.



### 3 DETAILS OF THE ENTITLEMENT OFFER AND HOW TO APPLY

#### 3.1 Entitlement Offer

The Entitlement Offer is an offer of approximately 105.8 million New Shares at the Offer Price of A\$0.03 per New Share, to raise up to approximately A\$3.2 million. All Eligible Shareholders are entitled to subscribe for 2 New Shares for every 11 Shares held at the Record Date, being 4 August 2021.

The proceeds of the Entitlement Offer will be applied principally to pursue external relations efforts, continue baseline environment studies, provide working capital and to pay the costs of the Entitlement Offer.

The Entitlement Offer has two components, namely:

- the **Institutional Entitlement Offer** – being an offer to Eligible Institutional Shareholders; and
- the **Retail Entitlement Offer** – being an offer to Eligible Retail Shareholders.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on ASX nor can they be sold, transferred or otherwise disposed of. New Shares issued under the Retail Entitlement Offer are to be issued at the same price as New Shares to be issued under the Institutional Entitlement Offer. In addition, Shareholders' Entitlements under the Institutional Entitlement Offer and the Retail Entitlement Offer are calculated based on the same ratio. New Shares issued pursuant to the Entitlement Offer will be fully paid and will rank equally with existing Shares on issue.

#### 3.2 Institutional Entitlement Offer

The Company will conduct the Institutional Entitlement Offer during the period set out in the "Key Entitlement Offer Dates" Section, during which Eligible Institutional Shareholders have the opportunity to take up all or part of their Entitlement. The Lead Manager will provide Eligible Institutional Shareholders with the details of their Entitlements and how to apply under the Institutional Entitlement Offer at the commencement of the Institutional Entitlement Offer.

The Institutional Entitlement Offer will involve a bookbuild process to sell Entitlements not taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer. Any Shortfall under the Institutional Entitlement Offer will be allocated in accordance with the Shortfall Allocation Policy described in Section 3.6.

The New Shares offered under the Institutional Entitlement Offer, including the New Shares comprising the Shortfall of the Institutional Entitlement Offer, are expected to be issued on 12 August 2021. The Institutional Entitlement Offer is fully underwritten by the Underwriter.

#### 3.3 Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders (as defined in the Glossary) are being offered the opportunity to subscribe for all or part of their Entitlement, being 2 New Shares for every 11 Shares held as at the Record Date, being 4 August 2021, at the Offer Price of A\$0.03 per New Share. The Retail Entitlement Offer is fully underwritten by the Underwriter.

The Retail Entitlement Offer opens on 9 August 2021. The Prospectus will be despatched on that same date, along with a personalised Entitlement and Acceptance Form, to Eligible Retail Shareholders. The Retail Entitlement Offer is expected to close at 5.00 pm (Melbourne time) on 30 August 2021.

If you are an Eligible Retail Shareholder that has received this Prospectus, the number of New Shares to which you are entitled (your Entitlement) is shown on the accompanying Entitlement and Acceptance Form. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

It is important for Eligible Retail Shareholders to read and understand the information on the Company and the Retail Entitlement Offer made publicly available by the Company prior to taking up all or part of their Entitlement. In particular, please refer to the materials enclosed in the Company's interim and annual reports, other announcements made available at [www2.asx.com.au](http://www2.asx.com.au) and all other parts of this Prospectus carefully before making any decisions in relation to your Entitlement.

### 3.4 Top-Up Facility

The Retail Entitlement Offer will also include a Top-Up Facility, which entitles Eligible Retail Shareholders who take up their full Entitlement to apply for Additional New Shares in excess of their Entitlement at the Offer Price. Applications under the Top-Up Facility will be capped at A\$500,000 in aggregate (subject to the Board's discretion to scale-back applications for Additional New Shares, including to the extent necessary to prevent the issue of Additional New Shares contrary to law). In particular, an Eligible Retail Shareholder will not be issued any Additional New Shares under the Top-Up Facility if the issue of such Additional New Shares would cause the Company or that Eligible Retail Shareholder to breach any applicable law, including but not limited to section 606 of the Corporations Act.

Additional New Shares under the Top-Up Facility will be issued to Eligible Retail Shareholders that have applied for Additional New Shares in priority to and before any allocation of the Shortfall is made to the Underwriter and any sub-underwriters, subject to the Board's discretion to scale-back applications for Additional New Shares.

Warburton and the Directors (and their associates) of the Company will not be permitted to participate in the Top-Up Facility.

There is no guarantee that those Eligible Retail Shareholders will receive the number of Additional New Shares applied for under the Top-Up Facility, or any. If Eligible Retail Shareholders apply for more Additional New Shares than are available under the Top-Up Facility, the Directors propose that Additional New Shares available under the Top-Up Facility be allocated to Eligible Retail Shareholders on a pro-rata basis.

If you apply for Additional New Shares under the Top-Up Facility and your application is successful (in whole or in part) your Additional New Shares will be issued at the same time that other New Shares are issued under the Retail Entitlement Offer. There is no guarantee you will receive any Additional New Shares under the Top-Up Facility.

Refund amounts (greater than \$5.00), if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your address as recorded on the Share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the Share register as at the Closing Date.

### 3.5 Shortfall Offer

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. The offer to issue Shortfall is a separate offer under the Prospectus (**Shortfall Offer**). The Shortfall will be on the same terms and conditions as the Entitlement Offer, except as set out in this Prospectus.

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. Any Shortfall Shares under the Shortfall Offer will be allocated in accordance with the Shortfall allocation policy described in Section 3.6.

### **3.6 Shortfall Allocation Policy**

Unless otherwise agreed between the Company and the Underwriter, if there is a Shortfall, the Company will allocate Shortfall Shares according to the following priority:

(a) Shortfall Shares may be allocated to Shortfall Investors who have applied for Shortfall Shares under the Shortfall Offer. If there is an oversubscription for Shortfall Shares, the Company will scale back allocations of Shortfall Shares to Eligible Shareholders at the Board's sole and absolute discretion; and

(b) if following the allocation in paragraph (a), there remains a Shortfall, those unallocated Shortfall Shares will then be allocated to general sub-underwriters or the Underwriter.

### **3.7 Underwriting**

The Entitlement Offer is fully underwritten by Argonaut Capital Limited. A summary of the key terms and conditions of the Underwriting Agreement is set out in Section 6.12.1.

The Company understands that Warburton, an existing Shareholder of the Company, has agreed with the Underwriter to sub-underwrite part of the Entitlement Offer. Details of the sub-underwriting fees are set out in Section 6.12.2 and details of the potential impact of the sub-underwriting arrangements on the shareholdings and control of the Company are set out in Section 4.5.

### **3.8 Your Entitlement**

Your Entitlement is set out in the accompanying personalised Entitlement and Acceptance Form and has been calculated as two (2) New Shares for every eleven (11) existing Share you held as at the Record Date. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

If you decide to take up all or part of your Entitlement, or apply for Additional New Shares, please refer to the personalised Entitlement and Acceptance Form and apply for New Shares (and Additional New Shares, if applicable) pursuant to the instructions set out on the personalised Entitlement and Acceptance Form.

The Company reserves the right (in its absolute discretion) to scale back the number of New Shares allocated to Eligible Retail Shareholders or reject persons claiming to be Eligible Retail Shareholders if their claims prove to be incorrect or overstated or if they fail to provide information to substantiate their claims.

### **3.9 Nominees**

The Retail Entitlement Offer is only being made to Eligible Retail Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the

identity or residence of any beneficial owners of Shares (e.g. for the purposes of determining whether any such persons may participate in the Retail Entitlement Offer).

Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Any person that is in the United States with a holding through a nominee may not participate in the Retail Entitlement Offer and the nominee must not take up any Entitlement or send any materials into the United States or to any person it knows to be in the United States.

The Company assumes no obligation to advise you on any foreign laws.

### **3.10 No Rights Trading**

There will be no trading of rights on ASX and you may not dispose of your rights to subscribe for New Shares under the Entitlement Offer to any other party.

### **3.11 Fractional Entitlements**

Fractional entitlements will be rounded up to the nearest whole number of New Shares. For this purpose, holdings in the same name will be aggregated for the calculation of New Share entitlements, to the extent permitted by the ASX Listing Rules. If the Company considers that holdings have been split to take advantage of rounding, the Company reserves the right to aggregate holdings held by associated Shareholders for the purpose of calculating Entitlements, to the extent permitted by the ASX Listing Rules.

### **3.12 Risks of the Offers**

As with any securities investment, there are risks associated with investing in the Company. Having regard to the risks applicable to the Company and its business, Eligible Retail Shareholders should be aware that an investment in the New Shares offered under this Prospectus should be considered speculative and there exists a risk that you may, in the future, lose some or all of the value of your investment.

Before deciding to invest in the Company, investors should read this Prospectus in its entirety, in particular the specific risks associated with an investment in the Company (detailed in Section 5) and should consider all factors in light of their personal circumstances and seek appropriate professional advice.

### **3.13 Options available to you**

If you are an Eligible Retail Shareholder, you may take any one of the following options:

Option	Action
<b>Take up all of your Entitlement</b>	If you take up and pay for all of your Entitlement in accordance with the instructions below, before the close of the Retail Entitlement Offer, you will be issued your New Shares on 6 September 2021.
<b>Do nothing</b>	If you take no action or your application is not supported by cleared funds, your entitlement will lapse. If you allow all or part of your Entitlement to lapse, then your percentage holding in the Company will be diluted by your non-participation in the Retail Entitlement Offer. Entitlements will not be able to be traded on ASX or another financial market, or otherwise privately transferred.

<b>Take up part of your Entitlement</b>	<p>If you elect to take up and pay for part of your Entitlement in accordance with the instructions below, before the close of the Retail Entitlement Offer, you will be issued New Shares with respect to that part of your Entitlement on 6 September 2021.</p> <p>The balance of your Entitlement will lapse.</p>
<b>Take up all of your Entitlement and also apply for Additional New Shares in excess of your Entitlement under the Top-Up Facility</b>	<p>If you take up and pay for all your Entitlement, before the close of the Retail Entitlement Offer, you will be issued your New Shares on 6 September 2021.</p> <p>If you apply for Additional New Shares in excess of your Entitlement under the Top-Up Facility, subject to Additional New Shares being available and the Company's discretion to scale-back your allocation of Additional New Shares, you will also be issued with these Additional New Shares on 6 September 2021. The Company's decision on the number of Additional New Shares to be allocated to you will be final.</p> <p>Other than to the extent that Additional New Shares are issued to you, any surplus Application Monies received for more than your Entitlement will be refunded after the close of the Retail Entitlement Offer on or around early September 2021 (except for where the amount is less than \$5, in which case it will be donated to a charity chosen by the Company). Refunds will be made by sending a cheque in the post to the address on the Company's records on its share register for you on or around the Institutional Allotment Date or the Retail Allotment Date, as applicable. No interest will be paid to Eligible Retail Shareholders on any Application Monies received or refunded (wholly or partially).</p>

### 3.14 Eligible Retail Shareholders

The Retail Entitlement Offer is only available to Eligible Retail Shareholders, who are those holders of Shares who:

- are registered as a holder of Shares as at the Record Date;
- have an address on the Company's share register in Australia or New Zealand as applicable, other than the United States as at the Record Date;
- are not in the United States and are not a person in the United States or acting for the account or benefit of US Persons, to that extent;
- did not receive an offer (other than as nominee) under the Institutional Entitlement Offer and were not treated as an ineligible institutional Shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable laws to receive an offer under the Retail Entitlement Offer without a prospectus, disclosure document, product disclosure statement or any lodgement, filing, registration or qualification.

Retail Shareholders who do not satisfy each of these criteria (other than those who received an offer under the Institutional Entitlement Offer) are Ineligible Retail Shareholders. See Section 3.15.

The Company may (in its absolute discretion) extend the Retail Entitlement Offer to any Shareholder in other foreign jurisdictions (subject to compliance with applicable laws).

The Company, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder and is therefore able to participate in the Retail Entitlement

Offer, or an Ineligible Retail Shareholder and is therefore unable to participate in the Retail Entitlement Offer. The Company disclaims all liability to the maximum extent permitted by law in respect of any determination as to whether a Shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

The Retail Entitlement Offer is not being extended to any Shareholders outside Australia or New Zealand as applicable, other than in the United States. By returning a completed Entitlement and Acceptance Form or making a payment by BPAY, you will be taken to have represented and warranted that you satisfy each of the criteria listed above. Eligible Retail Shareholders who are nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

The Company may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional Shareholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer (subject to compliance with relevant laws).

Please consider the Retail Entitlement Offer in the light of your particular investment objectives and circumstances.

Please consult with your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer.

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company. The Company does not guarantee any particular rate of return or the performance, nor does it guarantee the repayment of capital from the Company or any particular tax treatment.

### **3.15 Ineligible Foreign Shareholders**

The Company has decided that it is unreasonable to make offers under the Retail Entitlement Offer to investors who are holders of Shares and who are in the United States or have registered addresses outside Australia or New Zealand as applicable, other than in the United States (**Ineligible Foreign Shareholders**), having regard to the number of such holders in those places and the number and value of New Shares that they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places.

Ineligible Foreign Shareholders are not eligible to participate in the Retail Entitlement Offer. However, as described in Section 4.6, the New Shares that Ineligible Foreign Shareholders would otherwise have been entitled to will instead be issued to the Nominee, who will sell the New Shares and return the proceeds to Ineligible Foreign Shareholders.

### **3.16 How to apply**

If you decide to take up all or part of your Entitlement, or take up all of your Entitlement and also apply for Additional New Shares in excess of your Entitlement, please:

- pay your Application Monies via BPAY; or
- complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies, by following the instructions set out on the personalised Entitlement and Acceptance Form.

The Company will treat you as applying for as many New Shares as your payment will pay for in full up to your full Entitlement. Amounts received by the Company in excess of your full Entitlement (**Excess Amount**), will be treated as an application under the Top-Up Facility for as many Additional New Shares as your Excess Amount will pay for in full, subject to any scale-

back that the Company may determine to implement in its absolute discretion in respect of Additional New Shares.

To participate in the Entitlement Offer, your payment must be received no later than the close of the Entitlement Offer, being 5.00 pm (Melbourne time) on 30 August 2021. Eligible Shareholders who wish to pay via cheque, bank draft or money order will need to also ensure that their completed personalised Entitlement and Acceptance Form is also received by that time using the reply-paid envelope provided with this Prospectus or otherwise.

### **3.17 Payment methods**

#### **3.17.1 Payment by BPAY**

For payment by BPAY, please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique Customer Reference Number (**CRN**)). You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions. Please note that should you choose to pay by BPAY:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your Application Monies.

When completing your BPAY payment, please make sure to use the specific biller code and unique CRN provided on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form (i.e. where you have multiple holdings), please only use the CRN specific to the Entitlement on that form. If you inadvertently use the same CRN for more than one of your Entitlements when paying by BPAY, you will be deemed to have taken up your Entitlement and applied under the Top-Up Facility for Additional New Shares over and above your Entitlement on that holding to which that CRN applies and your applications in respect of your other CRNs will be deemed to have been rejected and will lapse.

Should you choose to pay by BPAY it is your responsibility to ensure that your BPAY payment is received by the Share Registry by no later than 5.00pm (Melbourne time) on 30 August 2021. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. The company takes no responsibility for any failure to receive Application Monies or payment by BPAY before the Retail Entitlement Offer closes arising as a result of, among other things, delays in postage or processing of payments by financial institutions.

#### **3.17.2 Payment by cheque, bank draft or money order**

Should you choose to pay by cheque, bank draft or money order it is your responsibility to ensure that your payment is received by the Share Registry by no later than 5.00 pm (Melbourne time) on 30 August 2021. Cash payments will not be accepted. Receipts for payment will not be issued.

#### **3.17.3 Confirmation of your application and managing your holding**

You may access information on your holding, including your Record Date balance and the issue of New Shares or Additional New Shares from this Entitlement Offer, and manage the standing instructions the Share Registry records on your holding on the share registry website at [www.automicgroup.com.au](http://www.automicgroup.com.au). To access the share registry, you will need your Security

Reference Number (**SRN**) or Holder Identification Number (**HIN**) as shown on your Issuer Sponsored/CHESS statements and you will need to pass the security challenge on the site. To log into Automic, the shareholder will need to use the user name and password that they have already established. If they do not have one they can contact the registry by phone fax or mail to update details but identification processes will need to be gone through.

#### *Mail*

To participate in the Retail Entitlement Offer, your payment must be received no later than the close of Retail the Entitlement Offer, being 5.00 pm (Melbourne time) on 30 August 2021. If you make payment via cheque, bank draft or money order, you should:

- mail your completed personalised Entitlement and Acceptance Form together with Application Monies to:

Automic Group, GPO Box 5193 Sydney NSW 2001

A reply-paid envelope is supplied.

Entitlement and Acceptance Forms and Application Monies will not be accepted at the Company's corporate offices, or other offices of the Share Registry.

### **3.18 ASX quotation and trading**

The Company will apply for quotation of the New Shares on ASX within seven days of the date of this Prospectus. While the Company is not aware of any reason why quotation would be denied, there is no assurance that the application will be granted. If quotation is not granted, New Shares under the Retail Entitlement Offer will not be issued and Application Monies will be refunded to applicants without interest.

The fact that ASX may grant quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company, or the New Shares issued under the Entitlement Offer.

It is expected that the quotation and trading of New Shares issued under the Retail Entitlement Offer will commence on or about 6 September 2021 (on a normal settlement basis).

Confirmation of issue of New Shares is expected to be sent in accordance with ASX Listing Rules. It is the responsibility of each Applicant to confirm their holding before trading in New Shares. Any Applicant who sells New Shares before receiving their confirmation of issue will do so at their own risk. The Company, the Share Registry and the Underwriter disclaim all liability in tort (including negligence), statute or otherwise, to any person who trades in New Shares before receiving their confirmation of issue, whether on the basis of a confirmation of issue provided by the Company, the Share Registry or the Underwriter, or otherwise.

### **3.19 CHESS**

The New Shares will participate from the date of commencement of quotation in the Clearing House Electronic Sub-register System (**CHESS**), operated by ASX Settlement Pty Limited. These securities must be held in uncertificated form (i.e. no certificate will be issued) on the CHESS sub-register under sponsorship of a sponsoring participant (usually a broker) or on the issuer-sponsored sub-register. Arrangements can be made at any subsequent time following quotation to convert your holdings from the issuer-sponsored sub-register to the CHESS sub-register under sponsorship of a sponsoring participant or vice versa, by contacting your sponsoring participant.



### 3.20 No withdrawal or cooling-off rights

You cannot withdraw your application once it has been accepted. Cooling-off rights do not apply to an investment in New Shares.

The Company reserves the right to withdraw the Retail Entitlement Offer at any time before the issue of New Shares to Eligible Retail Shareholders, in which case the Company will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants.

### 3.21 Warranties made on acceptance of the Entitlement Offer

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY you will be deemed to have acknowledged, represented and warranted that you, and each person on whose account you are acting:

- acknowledge that you have fully read and understood both this Prospectus and your Entitlement and Acceptance Form in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this Prospectus and the Entitlement and Acceptance Form;
- agree to be bound by the terms of the Entitlement Offer, the provisions of this Prospectus and the Constitution;
- authorise the Company to register you as the holder(s) of New Shares issued to you;
- declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- acknowledge that once the Company receives your Entitlement and Acceptance Form or any payment of Application Monies via BPAY, you may not withdraw your application or funds provided except as allowed by law;
- agree to apply for and be issued with up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY, including, in each case, any Additional New Shares, at the Offer Price per share;
- authorise the Company, the Underwriter, the Share Registry and any of their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your Entitlement and Acceptance Form;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this Prospectus and your Entitlement and Acceptance Form is not investment advice or financial product advice nor have they been prepared without taking into account your investment objectives, financial circumstances or particular needs or circumstances;
- acknowledge that this Prospectus and your Entitlement and Acceptance Form is not a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that you have read and understood risks set out in Section 5 and that investments in the Company are subject to a high degree of risk;
- acknowledge that none of the Company, the Underwriter, or their respective related bodies corporate, affiliates or respective directors, officers, partners, employees,

representatives, agents, consultants or advisers, guarantee the performance of the Company, nor do they guarantee the repayment of capital;

- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- authorise the Company to correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- represent and warrant (for the benefit of the Company, the Underwriter and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, and that you are not an eligible institutional Shareholder under the Institutional Entitlement Offer;
- represent and warrant that the law of any place does not prohibit you from being given this Prospectus and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares (or Additional New Shares); and
- represent and warrant that your acceptance of the Entitlement Offer does not breach any laws in a jurisdiction outside Australia or New Zealand.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that you are an Eligible Retail Shareholder (as defined in the 'Additional information' section) or otherwise eligible to participate in the Entitlement Offer and:

- you and each person on whose account you are acting are not in the United States and are not otherwise a person to whom it would be illegal to make an offer of or issue of Entitlements or New Shares under the Entitlement Offer and under any applicable laws and regulations;
- the Entitlements and New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia, and New Zealand, and, accordingly, the Entitlements may not be taken up, and the New Shares may not be offered, sold or otherwise transferred, except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws;
- you and each person on whose account you are acting have not and will not send any materials relating to the Entitlement Offer to any person in the United States;
- if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in regular way transactions on ASX where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is not in the United States, and you have not sent this Prospectus, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person.

## 4 PURPOSE AND EFFECT OF THE ENTITLEMENT OFFER

### 4.1 Use of proceeds

The Company is seeking to raise up to A\$3.2 million under the Entitlement Offer (with approximately A\$0.6 million of that amount being raised under the Institutional Entitlement Offer with the balance of a further approximately A\$2.6 million) being raised under the Retail Entitlement Offer) before fees and costs of the Entitlement Offer.

The gross proceeds of the Entitlement Offer, together with existing cash reserves estimated to be approximately A\$1,883,694 at the date of the Prospectus, will be used to fund stakeholder consultation activities, continuation of environmental baseline studies, provide working capital and to pay the costs of the Entitlement Offer.

Details of the sources and uses of proceeds from the Entitlement Offer and cash reserves are set out below:

Sources	Notes	(A\$'000) <sup>1</sup>	% of funds raised
Cash balance available at date of Prospectus		1,883.7	N/A-
Offer proceeds		3,174.2	100%
<b>Total</b>		<b>5,057.9</b>	
<b>Uses</b>			
Coal policy consultation and campaign & other Elan project costs		1,757.8	35%
Corporate costs	2	850.2	17%
Other project costs	3	521.3	10%
Offer costs	4	190.5	4%
Working capital		1,738.1	34%
<b>Total</b>		<b>5,057.9</b>	<b>100.0%</b>

Notes:

Expenses represent amounts budgeted for up to March 2022

1. Assumed FX rate at the date of this Prospectus is A\$1.00: CAD\$0.94.
2. Includes Non-executive directors' fees, salaries, listing costs, Audit fees, legal fees etc.
3. Other project costs include expenses incurred to maintain Groundhog and Panorama projects in good standing and an estimated reclamation bond of \$350K.
4. Offer costs are 6% of the amount raised.

The above table is a statement of the Board's current intentions as at the date of this Prospectus. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

## 4.2 Historical and pro forma financial position

Set out below is a summary of the Company's audited consolidated balance sheet as at 31 December 2020 together with an unaudited pro forma balance as at 30 June 2021 giving effect to the Entitlement Offer (together the **Financial Information**).

The Financial Information is presented in an abbreviated form and does not contain all of the disclosures that are usually provided in the Company's annual report (**Annual Report**) prepared in accordance with the applicable accounting standards and therefore cannot be expected to provide as full an understanding of the financial position of the Company as a statement of financial position in the Annual Report.

The unaudited Pro Forma Balance Sheet is indicative only and is not intended to be a statement of the Company's current or future financial position and has been prepared on the basis that there have been no material movements in the assets and liabilities of the Company between 30 June 2021 and the close of the Entitlement Offer.

### Pro Forma Balance Sheet

	31 Dec 2020 Audited	30 June 2021 Unaudited	Adjustment Note 1	30 June 2021 Pro-Forma <sup>2</sup> Unaudited
	\$000	\$000	\$000	\$000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	8,078.0	2,304.2	3,174.2	5,478.4
Trade and other receivables	795.5	198.8	-	198.8
<b>Total Current Assets</b>	8,873.5	2,503.0	3,174.2	5,677.2
<b>Non-Current Assets</b>				
Reclamation deposits	158.1	167.2	-	167.2
Exploration and evaluation expenditure	8,657.7	9,128.7	-	9,128.7
<b>Total Non-Current Assets</b>	8,815.8	9,295.9	-	9,295.9
<b>TOTAL ASSETS</b>	17,689.3	11,798.9	3,174.2	14,973.1
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables	1,766.8	619.5	-	619.5
<b>Total Current Liabilities</b>	1,766.8	619.5	-	619.5
<b>NET ASSETS</b>	15,922.5	11,179.4	3,174.2	14,353.6
<b>EQUITY</b>				
Issued capital (Note 1)	125,855.7	126,017.0	3,174.2	129,191.2
Reserves	11,905.6	12,328.9	-	12,328.9
Accumulated losses	(121,838.8)	(127,166.5)	-	(127,166.5)
<b>TOTAL EQUITY</b>	15,922.50	11,179.4	3,174.2	14,353.6

Note 1: Capital raise of \$3,174.2K, net of capital raising expenses

Note 2: Proforma balance sheet at 30 June 2021 assuming full subscription

### 4.3 Capital structure

A table setting out the effect of the Entitlement Offer on the capital structure of the Company is set out below:

	As at the Record Date	Entitlement Offer	On completion of the Entitlement Offer (fully diluted)
Ordinary shares	581,931,653	105,805,755	687,737,408
Options	12,253,000	-	12,253,000
Performance rights	7,864,000	-	7,864,000

### 4.4 Sub-underwriting

The Company understands that the Underwriter has entered into a sub-underwriting arrangement with Warburton and will pay the sub-underwriting fees to Warburton outlined below, in consideration of Warburton entering into the sub-underwriting arrangement.

Name	Sub-underwritten amount (approximate)	Sub-underwriting fee	Maximum number of shares under sub-underwriting
Warburton	\$1.38 million <sup>1</sup>	2%	45,905,166

Notes

1. Warburton has also committed to accepting its full Entitlement, aggregate commitment of \$2 million

### 4.5 Effect on control

#### 4.5.1 Potential Dilution

The Company has obtained indicative commitments from the following Shareholder that it will take up their entitlements under the Entitlement Offer in full:

Shareholder	Percentage holding
Warburton	19.6%

Eligible Retail Shareholders should note that if they do not participate in the Entitlement Offer, their holdings will be diluted.

The Examples of how the dilution may impact Shareholders are detailed in the tables below.

## Limited participation

In the event that:

- Warburton is the only participant in the Entitlement Offer;
- all other Shareholders are Eligible Retail Shareholders; and
- no New Shares are taken up under the Institutional Bookbuild other than by Warburton as sub-underwriter,

the shareholding in the Company of Warburton will increase as follows:

Holder	Shares held as at 4 August 2021	Shareholding % at Record Date	Entitlements under Entitlement Offer	Entitlements taken up under Entitlement Offer	Shares acquired as sub-underwriter <sup>1</sup>	Shareholding % post Entitlement Offer
Warburton	114,188,256	19.62%	20,761,501	20,761,501	45,905,166	27.9%
All other shareholders	467,743,397	80.38%	85,044,254	-	N/A	72.1%

## Participation by 25% of Eligible Retail Shareholders

In the event that:

- Warburton participates in the Entitlement Offer;
- all other Shareholders are Eligible Retail Shareholders;
- 25% of the Eligible Retail Shareholders participate in the Retail Entitlement Offer, and
- No New Shares are taken up under the Institutional Bookbuild other than by Warburton as sub-underwriter,

the shareholding in the Company of Warburton will increase as follows:

Holder	Shares held as at 4 August 2021	Shareholding % at Record Date	Entitlements under Entitlement Offer	Entitlements taken up under Entitlement Offer	Shares acquired as sub-underwriter <sup>1</sup>	Shareholding % post Entitlement Offer
Warburton	114,188,256	19.62%	20,761,501	20,761,501	45,905,166	27.0%
All other shareholders	467,743,397	80.38%	85,044,254	21,261,063	N/A	73.0%

### Participation by 50% of Eligible Retail Shareholders

In the event that:

- Warburton participates in the Entitlement Offer;
- all other Shareholders are Eligible Retail Shareholders;
- 50% of the Eligible Retail Shareholders participate in the Retail Entitlement Offer, and
- no New Shares are taken up under the Institutional Bookbuild other than by Warburton as sub-underwriter,

the Shareholding in the Company of Warburton will increase as follows:

Holder	Shares held as at 4 August 2021	Shareholding % at Record Date	Entitlements under Entitlement Offer	Entitlements taken up under Entitlement Offer	Shares acquired as sub-underwriter <sup>1</sup>	Shareholding % post Entitlement Offer
Warburton	114,188,256	19.62%	20,761,501	20,761,501	42,522,127	25.8%
All other shareholders	467,743,397	80.38%	85,044,254	42,522,127	N/A	74.2%

### Participation by 75% of Eligible Retail Shareholders

In the event that:

- Warburton participates in the Entitlement Offer;
- all other Shareholders are Eligible Retail Shareholders;
- 75% of the Eligible Retail Shareholders participate in the Retail Entitlement Offer, and
- no New Shares are taken up under the Institutional Bookbuild other than by Warburton as sub-underwriter,

the shareholding in the Company of Warburton will increase as follows:

Holder	Shares held as at 4 August 2021	Shareholding % at Record Date	Entitlements under Entitlement Offer	Entitlements taken up under Entitlement Offer	Shares acquired as sub-underwriter <sup>1</sup>	Shareholding % post Entitlement Offer
Warburton	114,188,256	19.62%	20,761,501	20,761,501	21,261,064	22.7%
All other shareholders	467,743,397	80.38%	85,044,254	63,783,191	N/A	77.3%

#### 4.6 Takeover prohibition

The Entitlement Offer is being conducted in reliance on item 10A of section 611 of the Corporations Act which provides an exception to the 20% takeovers prohibition in Australia. If Warburton's relevant interest in shares exceeds 20% following the Entitlement Offer there is no requirement for Warburton to make a takeover bid. Pursuant to section 615 of the

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Corporations Act, the Company has appointed Argonaut Securities Pty Ltd as its Nominee to sell the New Shares that might have otherwise have been issued to Ineligible Retail Shareholders. The Company obtained ASIC approval for the appointment of the Nominee on 30 July 2021, as required by section 615 of the Corporations Act.

The Nominee will subscribe for the New Shares which Ineligible Retail Shareholders would be entitled to if they were eligible to participate in the Entitlement Offer (**Nominee Shares**). The Nominee will then sell the Nominee Shares and remit the net proceeds from the sale of the Nominee Shares (if any) to the Ineligible Retail Shareholders in proportion to their respective shareholdings. The Nominee will have the absolute and sole discretion to determine the timing and price at which the Nominee Shares must be sold and the manner of any such sale. Any interest earned on the proceeds of the sale of the Nominee Shares will firstly be applied against expenses of the sale, including brokerage and any balance will form part of the proceeds payable to the Ineligible Retail Shareholders (if any).

The Company will forward the proceeds of the sale of the Nominee Shares (if any) as soon as reasonably practicable to the Ineligible Retail Shareholders in proportion to their respective shareholdings (after deducting the subscription price, brokerage commission and any other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company. Notwithstanding that the Nominee must sell the Nominee Shares, Ineligible Retail Shareholders may nevertheless receive no net proceeds if the subscription price plus costs of the sale is greater than the sale proceeds.



## **5 RISK FACTORS**

### **5.1 Introduction**

This Section 5 outlines some of the potential risks associated with an investment in the Company.

The Group's business is subject to risks, specific to its business activities, the jurisdictions within which it operates and of a more general nature. Each of the risks set out below, if they eventuate, could have a material adverse impact on the Group's business and prospects, financial condition, results of operation, cash flows and on the value of the Company's Shares. While the Board endeavours to manage these risks to prevent adverse outcomes, many of the circumstances giving rise to these risks are beyond the control of the Company, its Directors and its Management.

Investors should note that the risks outlined in this Section 5 are not exhaustive and are not the only risks associated with an investment in the Company, now or in the future. Additional risks that the Company is unaware of or that it currently considers to be immaterial may also potentially have a material adverse impact on the Group's business, financial condition and the value of its Shares. All or part of an investment in the Shares may be lost.

An investment in the Company should be considered speculative. Before deciding whether to invest in the Company, you should read the entire Prospectus and satisfy yourself that you have a sufficient understanding of these potential risks and should consider whether an investment in the Company is suitable for you having regard to your own investment objectives, financial circumstances and taxation position. If you do not understand any part of the Prospectus or are in any doubt as to whether to invest in the Company, you should seek independent professional advice from your stockbroker, accountant, lawyer or other professional adviser.

### **5.2 Risks related to the Group's existing business and its current projects**

#### **5.2.1 Coal policy Alberta**

The Government of Alberta is working on a new Coal Policy that will impact directly on the Elan Project. There is no indication whether the New Coal Policy will be more advantageous than the previous policy, or if will allow Atrum Coal to continue its activities at the Elan Project either in part or at all. There is no indication as to the content or when the new coal policy will be implemented.

The Company is following closely the development and is contributing fully in order to arrive at a solution that will benefit all stakeholders.

#### **5.2.2 Regulatory Process**

The development of coal resources in Alberta is already subject to a robust regulatory process that is administered by respective Provincial and Federal agencies, namely the Alberta Energy Regulator and the Impact Assessment Agency (Canada) and begins before a mine is built and continues after mining is complete.

Even if a new Coal Policy allows Atrum Coal to continue its exploration and development activities at the Elan Project, a positive regulatory outcome cannot be guaranteed with respect to gaining a permit to mine.

#### **5.2.3 Additional requirements for capital**

The Company's ongoing activities and growth through development will require substantial expenditures. There can be no guarantee that the Company will be able

to access the funds necessary to finance its future activities and successfully achieve all the objectives of the Company's overall business strategy on terms acceptable to the Company, or at all. Any equity financing may be dilutive to shareholders and any debt financing, if available, may involve restrictive covenants, which may limit the Company's operations and business strategy. The Company's failure to raise capital, if and when needed, could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

#### **5.2.4 Coronavirus (COVID-19)**

The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to COVID-19 and any adverse impacts on the Company. If any of these impacts appear material prior to close of the Offer, the Company will notify investors.

#### **5.2.5 Going Concern risk**

Shareholders should note that the last audited Financial Report of the Company, being for the year ended 31 December 2020, has been prepared on a going concern basis. The audit report to the annual financial statements for 31 December 2020, lodged with ASX on 30 March 2021, included a "Material uncertainty related to going concern", without qualification, in respect of the going concern disclosures included in Note 1(b) to the financial statements.

The ability of the Company to continue as a going concern and to meet planned and committed expenditure requirements is subject to the Company successfully raising further equity. Should the Company not be successful in obtaining adequate funding or cash inflows are not as planned, there is material uncertainty as to the ability of the Company to continue as a going concern and to realise its assets and extinguish liabilities as they arise. The Company's failure to raise capital, if and when needed, could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

#### **5.2.6 Exploration**

There can be no assurance that exploration of the Company's tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

#### **5.2.7 Operations**

The operations of the Company may be affected by various factors, including failure to locate or identify coking coal deposits, failure to achieve predicted volumes and quality in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which

may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses

#### **5.2.8 Pre-Feasibility Study**

The Company was currently undertaking a Pre-feasibility study program for its 100% owned Elan Coal Project until its pause earlier this year due to the coal policy consultation process. Pre-feasibility studies are an early stage analysis of a potential mining project. They typically give an overview of a mining project's logistics, capital requirements, key challenges and other information deemed important to the decision-making process. Many factors are involved in the analysis, including the achievement of satisfactory mineral resource estimates, the level of estimated metallurgical coal recoveries, capital and operating cost estimates and the estimate of future metallurgical coal prices. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected recovery rates from the ore and anticipated environmental and regulatory compliance costs.

Each of these factors involves uncertainties and as a result, the Company cannot give any assurance that its development or exploration projects will become operating mines. If a mine is developed, actual operating results may differ from those anticipated in the pre-feasibility study.

#### **5.2.9 Resource estimation**

Resources estimates are expressions of judgement based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Additionally, resource estimates may change over time as new information becomes available. Should the Company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

#### **5.2.10 Additional requirements for capital**

The Company's ongoing activities and growth through development will require substantial expenditures. There can be no guarantee that the Company will be able to access the funds necessary to finance its future activities and successfully achieve all the objectives of the Company's overall business strategy on terms acceptable to the Company, or at all. Any equity financing may be dilutive to shareholders and any debt financing, if available, may involve restrictive covenants, which may limit the Company's operations and business strategy. The Company's failure to raise capital, if and when needed, could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

#### **5.2.11 Coking Coal market prices**

If the Company's projects are developed to production, the Company's revenue will come from the sale of product. Therefore, its earnings will be closely related to the price and arrangements it enters into for selling of its products. Product prices fluctuate and are affected by factors including the relationship between global supply and demand

for gold, forward selling by producers, the cost of production and general global economic conditions, such as inflation, interest rates and currency exchange rates.

In particular, fluctuations in coking coal prices will significantly affect the Company's future operations and profitability. Should the Company be successful in developing its existing projects and bringing them into production, if the market prices for those commodities fall below the Company's production costs and remain at such levels for any sustained period of time, it may not be economically feasible to commence or continue production. This would materially and adversely affect production, profitability and the Company's financial position. The Company may, against a decline in the coking coal prices, experience losses and may determine to discontinue operations or development of a project or mining at one or more of its properties. If the relevant price drops significantly, the economic prospects of the projects in which the Company has an interest could be significantly reduced or rendered uneconomic.

A decline in the market prices of relevant commodities may also require the Company to write down its coal resources which would have a material and adverse effect on its earnings and profitability. Should any significant write-down in resources be required, material write-down of the Company's investment in the affected mining properties and increased amortisation, reclamation and closure expenses may be required.

Fluctuations in commodity prices may have an adverse effect on the Company's exploration, development and production activities as well as its ability to fund those activities.

#### **5.2.12 Dependence on key management personnel**

The operating and financial performance of the Company is largely dependent on its ability to retain and attract key management personnel. Whilst the Company makes every effort to retain key management personnel, there can be no guarantee that it will be able to do so. Any loss of key management personnel could adversely affect the Company's business, results of operations or financial conditions and performance.

#### **5.2.13 Development and infrastructure risk**

The discovery of coal deposits is dependent on a number of factors, including the technical skill of the exploration personnel involved and the success of the adopted exploration plan. In addition, there can be a time lag between the commencement of drilling and, if a viable coal deposit(s) is discovered, the commencement of commercial operations. Reasons for this include the need to build and finance significant infrastructure.

#### **5.2.14 Departure from assumptions**

The expected exploration and development costs in relation to the Elan Project are based on certain assumptions with respect to the method and timing of exploration and development. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

The actual expenditure and exploration work undertaken will depend on the results generated. As such, actual expenditure may differ from budgeted expenditure.

#### **5.2.15 Water supply**

The Company will be required to apply for and obtain water use licences from the relevant governmental authorities. The process for obtaining a water use licence may be a lengthy one and the Company's operations may be adversely affected in the event that the relevant licences are not obtained in a timely fashion. An inadequate water supply would negatively impact any of the Company's proposed projects.

#### **5.2.16 Infrastructure**

In order to access coal fields and connect coal fields to export ports and customers, infrastructure access is required. In some cases, no infrastructure exists in terms of roads, rail, power, communications, accommodation, etc. and various permits and capital expenditure are required in order to ensure site and customer access is obtained. The process for obtaining the relevant permits and securing the capital and approvals necessary may be lengthy and the Company's operations may be adversely affected in the event that a permit or capital is not obtained in a timely fashion.

### **5.3 Risks related to the Offer and an investment in the Shares**

#### **5.3.1 Control and liquidity**

Following the completion of the Entitlement Offer and depending on various Entitlement, Top-Up Facility and Shortfall Offer take-up, up to a maximum 27.9% of the Shares of the Company may be held by Warburton, which may also impact liquidity (see Section 4.5.1 for further information). The absence of any sale of Shares by these Shareholders may cause, or at least contribute to, limited liquidity in the market for Shares, which could affect the prevailing market price at which Shareholders are able to trade Shares and the volumes they are able to trade. If any of these Shareholders decided to sell a significant part or all of their Shares, the increase in the liquidity in the market for Shares could have a negative effect on the prevailing market price for Shares.

#### **5.3.2 Prices of Shares may fluctuate significantly in the future**

The Company is a publicly-listed company on ASX and is subject to the general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in its Share price that are not explained by the fundamental operations and activities of the Group.

The price at which Shares are quoted on ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the Offer Price. There is no assurance that the price for the Shares will increase following their quotation on ASX, even if the Group's earnings increase.

Factors which may affect the price of the Shares include fluctuations in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, inclusion in or removal from market indices, the nature of the markets in which the Group operates and general operational and business risks.

#### **5.3.3 An active market may not develop for the Company's Shares**

There can be no guarantee that an active market will develop or the price of the Shares will increase. There may be relatively few potential buyers or sellers of Shares on ASX at any given time. This may increase the volatility of the market price of the Shares and may prevent Shareholders from acquiring more Shares or disposing of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their

Shares. This may result in Applicants receiving a market price for their Options that is less or more than the Offer Price.

#### **5.3.4 Currency movements could adversely impact the Group's results of operations**

The Group currently conducts business in Canada and reports its financial statements in Australian dollars. Adverse movements in the exchange rate between those currencies, which may or may not be freely convertible, and any other foreign currencies as a result of future international expansion, may cause the Group to incur foreign currency losses. Such losses may impact and reduce the Company's profitability, ability to pay dividends and ability to service debt obligations it may take on in the future.

#### **5.3.5 Taxation reform may adversely impact the Group**

Any changes to the current rate of company income tax in the markets in which the Group operates may impact Shareholder returns. Any changes to tax laws applicable to the Group, the way they are interpreted and applied, or the current rate of taxes may have an adverse effect on the Group's financial performance or results. In addition, any change in tax rules and tax arrangements could have an adverse effect on the level of dividend imputation or franking and Shareholder returns.

#### **5.3.6 Risk of Shareholder dilution**

If Eligible Shareholders elect not to take up their Entitlement or only take up part of their Entitlement, they will be subject to dilution as a result of the issue of Shares under the Entitlement Offer. In addition, Ineligible Retail Shareholders will be subject to dilution under the Entitlement Offer.

Further, in the future, the Company may elect to issue Shares to engage in fundraisings including to fund acquisitions that the Group may decide to make or to fund its future strategies in general. While the Company will be subject to the constraints of ASX Listing Rules regarding the percentage of capital it is able to issue within a 12-month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues of Shares and fundraisings.

#### **5.3.7 The Group is exposed to changes in general economic conditions**

The operating and financial performance of the Company is influenced by a variety of general domestic and global economic and business conditions that are outside its control, including long-term inflation rates, exchange rate movements, interest rate movements and movements in the general market for ASX and internationally listed securities. A prolonged deterioration in general economic conditions may have a material adverse impact on the financial performance, financial position, cash flows, dividends, growth prospects and share price of the Company.

## **6 ADDITIONAL INFORMATION**

### **6.1 Nature of this Prospectus**

This Prospectus is a prospectus to which the special content rules under section 713 of the Corporations Act apply. Section 713 allows the issue of a more concise prospectus for offers of securities in a class which have been continuously quoted by ASX for the three months prior to the date of the prospectus.

Shares in the Company have been continuously quoted by ASX for the three months prior to the date of this Prospectus. The information in this Prospectus principally concerns the terms and conditions of the Retail Entitlement Offer and the information that investors and their professional advisers would reasonably require to make an informed assessment of:

- the effect of the Entitlement Offer on the Company; and
- the rights and liabilities attaching to the New Shares.

This Prospectus contains this information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all the information that would be included in a prospectus for an initial public offering of shares.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

No party other than the Company has authorised or caused the issue of the information in this Prospectus, or takes any responsibility for, or makes any statements, representations or undertakings in, this Prospectus.

### **6.2 Reporting and disclosure obligations**

The Company is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. These obligations require ASX to be notified periodically and on a continuous basis of information about specific events and matters as they arise for the purpose of ASX making the information available to the financial market operated by it.

In particular, the Company has an obligation under ASX Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information concerning the Company, of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of the Company's securities. The Company is also required to prepare and lodge with ASIC and ASX both yearly and half-yearly financial statements accompanied by a Directors' declaration and report, and an audit or review report.

### **6.3 Availability of other documents**

ASX maintains records of company announcements for all companies listed on ASX. The Company's announcements may be viewed on ASX website ([www.asx.com.au](http://www.asx.com.au)). ASIC also maintains records in respect of documents lodged with it by the Company, and these may be obtained from or inspected at any office of ASIC. The Company will provide a copy of any of the following documents, free of charge, to any person who requests a copy during the Entitlement Offer period:

- the Annual Report lodged with ASIC and given to ASX by the Company for the year ended 31 December 2020;

- any continuous disclosure notice given by the Company to ASX (being any document used to notify ASX of information relating to the Company under the continuous disclosure provisions of ASX Listing Rules and the Corporations Act) after the date of lodgement with ASIC and giving to ASX of the Annual Report referred to above and before lodgement with ASIC of this Prospectus. Details of these notices are as follows:

Date	Title of announcement
2 August 2021	Entitlement Offer
30 July 2021	Quarterly Activities Report
30 July 2021	Quarterly Appendix 5B Cash Flow Report
29 July 2021	Final Directors Interest Notice
27 July 2021	Results of Meeting
27 July 2021	Shareholder AGM Questions
27 July 2021	Director Resignation
27 July 2021	AGM Presentation
27 July 2021	Chairman's Address
22 July 2021	Alberta External Affairs Update
1 July 2021	Notification of cessation of securities
25 June 2021	Annual General Meeting Letter to Shareholders
25 June 2021	Notice of Annual general Meeting/Proxy Form
23 June 2021	Becoming a substantial shareholder
22 June 2021	Regulatory Decision on Grassy Mountain Project
18 June 2021	Trading Halt
18 June 2021	Pause in Trading
17 June 2021	Initial Coal Policy Committee Submission
11 June 2021	Ceasing to be a substantial holder
25 May 2021	Coal Policy Committee Outlines Engagement Approach
4 May 2021	Change of Directors Interest Notice
3 May 2021	NCC Support for Responsible Metallurgical Coal Mining
30 April 2021	Quarterly Activities and Cashflow Report
29 April 2021	Appendix 4G, Corporate Governance Statement and Annual Report



26 April 2021	Atrum Focused on Stakeholder Consultation
16 April 2021	Coal Policy Committee – Terms of Reference
8 April 2021	Change of Directors Interest Notice
6 April 2021	Appendix 2A
1 April 2021	Initial Directors Interest Notice (x2)
1 April 2021	Final Directors Interest Notice (x2)
31 March 2021	Full Year Statutory Accounts
30 March 2021	Becoming a substantial shareholder
30 March 2021	Alberta Stakeholder Consultation Process Details Released
30 March 2021	Trading Halt
30 March 2021	Pause in Trading
26 March 2021	Reinstatement to Official Quotation
19 March 2021	Voluntary Suspension Request
15 March 2021	Termination of Underwriting Agreement
12 March 2021	Voluntary Suspension Request
2 March 2021	Letter to ATUO Option Holders
1 March 2021	Voluntary Suspension Request
18 February 2021	Voluntary Suspension Request
12 February 2021	Appendix 2A
11 February 2021	Suspension from Official Quotation
9 February 2021	Trading Halt
4 February 2021	Appendix 2A
27 January 2021	Quarterly Activities and Cashflow Report
25 January 2021	Appointment of Joint Company Secretary

All requests for copies of the above documents should be addressed to:

Justyn Stedwell, Company Secretary  
justyn@stedwell.com.au

Certain documents are also available on the Company's website,  
<https://www.atrumcoal.com/>.

#### 6.4 Rights and liabilities attaching to Shares

Immediately after issue and allotment, the New Shares will be fully paid Shares and will rank *pari passu* with the Shares currently on issue.

Detailed provisions relating to the rights attaching to the New Shares are set out in the Company's Constitution and the Corporations Act. A copy of the Company's Constitution can be inspected during office hours at the registered office of the Company and Shareholders have the right to obtain a copy of the Company's Constitution, free of charge.

The detailed provisions relating to the rights attaching to Shares under the Constitution and the Corporations Act are summarised below.

Each Share will confer on its holder:

- the right to receive notice of and to attend general meetings of the Company and to receive all financial statements, notices and documents required to be sent to them under the Company's Constitution and the Corporations Act;
- the right to vote at a general meeting of Shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per Shareholder) and on a poll (one vote per Share on which there is no money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on Shares (at present there are none);
- the right to receive dividends, according to the amount paid up on the Share;
- the right to receive, in kind, the whole or any part of the Company's property on a winding up, subject to the rights of a liquidator to distribute surplus assets of the Company with the consent of members by special resolution; and
- subject to the Corporations Act and ASX Listing Rules, Shares are fully transferable.

The rights attaching to Shares may be varied with the approval of Shareholders, by special resolution at a general meeting.

#### 6.5 Consents

Each of the following parties has given and has not, before the issue of this Prospectus, withdrawn its written consent to being named in the Prospectus and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent.

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors of the Company, any underwriters, persons named in the Prospectus with their consent as having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading or deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name and any statement or report included in this Prospectus with the consent of that party as described below:

- Argonaut Capital Limited has consented to being named as Underwriter to the Offer, but it does not make any statement in this

Prospectus, nor is any statement in this Prospectus based on any statement by Argonaut Capital Limited;

- Argonaut Securities Pty Ltd has consented to being named as Lead Manager and Nominee to the Offer, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Argonaut Securities Pty Ltd;
- Automic Pty Ltd. has consented to being named in the Corporate Directory and elsewhere in this Prospectus as the Share Registry for the Company.

## 6.6 Interests of Directors

Other than as set out below or elsewhere in this Prospectus:

- No Director or proposed Director has, or has had in the two years before lodgement of this Prospectus, an interest in:
  - the formation or promotion of the Company;
  - any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Entitlement Offer; or
  - the Entitlement Offer itself.
- No amounts, whether in cash or New Shares or otherwise, have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director either to induce them to become, or to qualify them as, a Director, or otherwise for services rendered by them in connection with:
  - the promotion or formation of the Company; or
  - the Entitlement Offer (or either of its components).

As at the date of this Prospectus, the Directors have the following interests in issued securities of the Company, either directly or indirectly. Each Director has indicated that they intend to take up their Entitlements under the Entitlement Offer.

Director	Number of Shares	Percentage of issued share capital prior to Entitlement Offer	Number of Options	Number of Performance shares
Richard Barker	2,400,000	<1%	1,375,000	1,000,000
Andrew Caruso	1,000,000	<1%	5,000,000	4,000,000
Glen Koropchuk	-	-	-	-
William Fleming	540,000	<1%	1,375,000	1,000,000
Jeff Gerard	-	-	-	-
Anita Perry	-	-	-	-

## **6.7 Interests of advisers and costs of the Entitlement Offer**

Other than as set out below or elsewhere in this Prospectus, no adviser involved in the preparation of this Prospectus (nor any firm in which any adviser is a partner), has held at any time in the past two years any interests in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Entitlement Offer; or
- the Entitlement Offer (or any component of it) itself.

In addition, other than as set out below, no amounts (whether in cash, New Shares or otherwise) have been paid or agreed to be paid and no benefits have been given or agreed to be given to any adviser (or any firm in which the adviser is a partner) for services rendered by the adviser, or the adviser's firm in connection with the promotion or formation of the Company or in connection with the Entitlement Offer (or any component of it):

- Argonaut Capital Limited has acted as Underwriter to the Entitlement Offer. In relation to these services, the Company has agreed to pay the Underwriter a fee equal to 6% of the gross proceeds of the Entitlement Offer<sup>2</sup>.

## **6.8 Not investment advice or financial product advice**

The information in this Prospectus is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs or circumstances. The Company is not licensed to (and does not) provide financial product advice in respect of the New Shares or Additional New Shares.

The information in this Prospectus does not take into account the investment objectives, financial situation or needs of you or any particular investor. Before deciding whether to apply for New Shares or Additional New Shares, you should consider whether they are a suitable investment for you in the light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. You should conduct your own independent review, investigation and analysis of Shares the subject of the Retail Entitlement Offer. If, after reading this Prospectus, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser.

## **6.9 Foreign jurisdictions**

The information in this Prospectus does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. In particular, this Prospectus may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside of Australia except to the extent permitted below.

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<sup>2</sup> Out of these gross proceeds, the Underwriter is required to pay fees to certain sub-underwriters in consideration for their agreement to sub-underwrite a portion of the Entitlement Offer. See Section 4.4 for further detail in relation to the sub-underwriting fees payable.

### 6.9.1 Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

*Statutory rights of action for damages and rescission.* Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

*Certain Canadian income tax considerations.* Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

*Language of documents in Canada.* Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

### 6.9.2 European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

### 6.9.3 Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

### 6.9.4 New Zealand

#### New Zealand – Institutional Entitlement Offer

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;

- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

#### New Zealand – Retail Entitlement Offer

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

#### **6.9.5 Singapore**

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

#### **6.9.6 Switzerland**

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the

Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

#### **6.9.7 United Kingdom**

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

#### **6.9.8 United States**

This Prospectus and any material accompanying it may not be released or distributed in the United States. This Prospectus and any material accompanying it does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Entitlements, New Shares and Additional New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States and the New Shares and Additional New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction of the United States. The New Shares and Additional New Shares to be offered and sold to Eligible Retail Shareholders will only be offered and sold in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in compliance with Regulation S thereunder.

#### **6.10 Governing law**

The information in this Prospectus, the Retail Entitlement Offer, and dealings in the Entitlements and the contracts formed on acceptance of the Retail Entitlement Offer pursuant to the personalised Entitlement and Acceptance Forms are governed by the law applicable in Victoria, Australia. Each Shareholder who applies for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.



## 6.11 Taxation

You should be aware that there may be taxation implications associated with participating in the Entitlement Offer and receiving New Shares (and Additional New Shares).

The Company does not consider it appropriate to give shareholders advice regarding the taxation consequences of subscribing for New Shares (and Additional New Shares) under the Entitlement Offer. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to shareholders.

Shareholders should consult their professional tax adviser when subscribing for New Shares (and Additional New Shares).

## 6.12 Material contracts

### 6.12.1 Underwriting Agreement

The Entitlement Offer is fully underwritten by the Underwriter pursuant to an underwriting agreement dated on or around the date of this Prospectus between the Underwriter and the Company (**Underwriting Agreement**). Under the Underwriting Agreement, the Underwriter has agreed to arrange, manage and underwrite the Entitlement Offer.

For the purpose of this Section 6.12.1, offer documents means the following documents issued or published by, or on behalf of, the Company and with its prior approval, in respect of the Entitlement Offer and in a form approved by the Underwriter:

- this Prospectus (including any supplementary prospectus) and any Entitlement and Acceptance Form;
- any investor presentation or marketing presentation and/or ASX announcement used in connection with the Entitlement Offer lodged on the date of this Prospectus;
- the documents sent to Eligible Institutional Shareholders letters confirming participation in the Institutional Entitlement Offer or Institutional Bookbuild (as applicable);
- security holder declaration forms;
- all correspondence to Excluded Institutional Security Holders and Excluded Retail Security Holders; and
- any other announcements, advertisements, publicity or roadshow materials relating to the Group or the Offer published after the execution of the Underwriting Agreement and on or before completion of the Entitlement Offer.

(collectively, the **Offer Documents**).

### Fees and expenses

Subject to the Underwriter satisfying its underwriting obligations under the Underwriting Agreement, the Company has agreed to pay the Underwriter an underwriting fee equal to 6% of the Institutional Entitlement Offer Proceeds and an underwriting fee equal to 6% of the Retail Entitlement Offer Proceeds.

The Underwriter is responsible for any sub-underwriting fees which will be paid by the Underwriter from its underwriting fee.

In addition to the fees described above, the Company has agreed to pay or reimburse the Underwriter for the reasonable costs incurred by it in relation to the Entitlement Offer.

## Termination Events

If any of the following events occur, the Underwriter may, at any time until on or before 10.00am on any Settlement Date, terminate the Underwriting Agreement, without cost or liability, by notice to the Company:

- **(Listing)** the Company ceases to be admitted to the official list of ASX or the Shares are suspended, from trading on, or cease to be quoted on ASX (which, for the avoidance of doubt, does not include any voluntary suspension otherwise implemented with the consent of the Underwriter); or
- **(Insolvency)** the Company or a Subsidiary is Insolvent or there is an act or omission, or a circumstance arises, which is likely to result in the Company or a such a Subsidiary becoming Insolvent; or
- **(withdrawal)** the Company indicates that it does not intend to proceed with all or any part of the Offer; or
- **(Director)** a director or a member of the executive team of the Company:
  - is charged with an indictable offence relating to any financial or corporate matter, or fraudulent or misleading or deceptive conduct, or any regulatory body or Governmental Agency commences any public action against the director in his or her capacity as a director of the Company or announces that it intends to take any such action; or
  - is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206EA, 206F or 206G(5);
- **(Market fall)** the S&P/ASX All Ordinaries Index or S&P/ASX Small Ordinaries Resources Index closes for any 3 consecutive Business Days, or on the Business Day prior to a Settlement Date, at a level that is 10% or more below the level of that index at market close on the last trading day immediately prior to the date of this agreement; or
- **(Commodity price fall)** for any 3 consecutive Business Days, or on the Business Day prior to a Settlement Date, the closing selling price of FOB Australian premium hard coking coal falls to a level that is 90% or less of the level as at the close of trading on the date prior to the date of this agreement;
- **(ASIC action):**
  - ASIC applies for an order under sections 1324B or 1325 in relation to the Offer or the Information Documents or gives notice of an intention to prosecute the Company or any of its directors and any such intention, application or notice becomes public or is not withdrawn within 2 Business Days after it is made or before the relevant Settlement Date, whichever is earlier; or
  - an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer or the Information Documents, and any such application whether or not withdrawn becomes publicly known or is not withdrawn within 2 Business Days after it is made or before the relevant Settlement Date, whichever is earlier; or
  - ASIC gives notice of intention to hold a hearing under section 739(2) of the Corporations Act or makes an interim order under section 739(3) of the Corporations Act;

- For personal use only
- ASIC commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Offer or the Information Documents and any such investigation or hearing becomes public or is not withdrawn within 2 Business Days after it is commenced or before the relevant Settlement Date, whichever is earlier; or
  - **(Supplementary disclosure)** the Underwriter reasonably forms the view that a supplementary or replacement document (as appropriate) must be lodged with ASIC under section 719 or section 724 of the Corporations Act and the Company does not lodge a supplementary or replacement document (as the case may be) in the form and content and within the time reasonably required by the Underwriter; or
  - **(Certificate)** a Certificate which is required to be furnished by the Company under this agreement is not furnished when required or a statement in that Certificate is untrue, incorrect or misleading or deceptive in any material respect (including by omission); or
  - **(ASX approval)** unconditional approval (or conditional approval, provided such condition would not have a material adverse effect on the success or settlement of the Offer) by ASX for official quotation of the Offer Shares is refused or is not granted or, if granted, is modified (in a manner which would have a material adverse effect on the success or settlement of the Offer) or withdrawn; or
  - **(Lodgement)** the Company does not:
    - lodge the Prospectus with ASIC by 9.00am; or
    - issue the ASX Release (in form and substance acceptable to the Underwriter, acting reasonably) to ASX by 9.30am,
    - on the date provided in the Timetable (or any later time approved in writing by the Underwriter, acting reasonably); or
  - **(Timetable)** any event specified in the Timetable is delayed for 2 or more Business Days without the prior written approval of the Underwriter (such approval may be withheld in its absolute discretion); or
  - **(Information Documents)** an Information Document omits any information required by the Corporations Act or any other applicable law, contains a statement which is or becomes misleading or deceptive or is likely to mislead or deceive or otherwise fails to comply with the Corporations Act or any other applicable law or the issue or distribution of an Information Document is misleading or deceptive or likely to mislead or deceive or any statement about a future matter (including the doing or, or refusing to do, an act, and also including any forecast, expression of opinion, intention or expectation) expressed in the Information Documents being taken to be misleading in accordance with section 769 of the Corporations Act; or
  - **(Consents)** any person other than the Underwriter who consented to being named in the Prospectus withdraws that consent; or

In addition, if one of the following events occurs and the Underwriter has reasonable grounds to believe that the event (a) has or is likely to have a materially adverse effect on the success of the ability of the Underwriter to market or sub-underwrite or effect settlement of, the Offer (irrespective of whether or not the Offer has opened, or the market price of Offer Shares; or (b) has given or could reasonably be expected to give rise to a contravention by, or a liability of, the Underwrite under any law or regulation, then the Underwriter may, at any time until on or before 10.00am on any Settlement Date, terminate the Underwriting Agreement, without cost or liability, by notice to the Company:

- **(breach)** the Company fails to perform or observe any of its obligations under this agreement; or
- **(change in management)** there is a change (or a change is announced) in the chief executive officer or chief financial officer of the Company, other than one which has already been disclosed to ASX or in any Public Information or disclosed to the Underwriter before the date of this agreement; or
- **(representation and warranties)** a representation or warranty made or given by the Company under this agreement is breached or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive; or
- **(adverse change)** there is an adverse change, or an event occurs which is likely to give rise to an adverse change, in the business, assets, liabilities, financial position or performance, operations or prospects of the Company or the Group (in so far as the position in relation to any entity in the Group affects the overall position of the Company); or
- **(change in law)** there is introduced into:
  - the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or prospective law or any new regulation is made under any law, or a Governmental Agency or the Reserve Bank of Australia adopts a policy, or there is an official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a Governmental Agency that such a law or regulation will be introduced or policy adopted (as the case may be) (other than a law or policy which has been announced before the date of this agreement); or
  - there is a change in law, regulation or policy or the interpretation or administration thereof (as the case may be) (other than a law or policy which has been announced before the date of this agreement), in the province of Alberta or in Canada; or
- **(disruption in financial markets)** any of the following occurs:
  - a general moratorium on commercial banking activities in Australia, the United States, Canada, the United Kingdom, Hong Kong, Germany, China, North Korea or Japan is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
  - trading in all securities quoted or listed on the ASX, the New York Stock Exchange, the Toronto Stock Exchange, the Hong Kong Stock Exchange, the Singapore Stock Exchange or the London Stock Exchange is suspended or limited in a material respect; or
  - the occurrence of any other adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in Australia, the United States, Canada, the United Kingdom, Hong Kong, Germany, China, North Korea or Japan or any change or development involving a prospective adverse change in any of those conditions or markets.
- **(hostilities)** hostilities not existing at the date of this agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, the

United States, Canada, the United Kingdom, Hong Kong, Germany, China, North Korea or Japan, or a national emergency is declared by any of those countries, or a major terrorist act is perpetrated anywhere in the world; or

- **(Prescribed Occurrence)** a Prescribed Occurrence in respect of the Company occurs during the Offer Period, other than:
  - as contemplated by this agreement or
  - an issue of shares which is excluded from the undertaking provided in the Underwriting Agreement; or
  - as permitted with the Underwriter's written consent, which consent may not be unreasonably withheld or delayed; or
- **(failure to comply)** the Company fails to comply with a provision of its Constitution, the ASX Listing Rules, the Corporations Act, applicable laws, or a requirement, order or request, made by or on behalf of ASIC, ASX or any Governmental Agency.

In the event the Underwriter terminates its obligations under the Underwriting Agreement, the Underwriter will be immediately relieved of its obligations under the Underwriting Agreement. Any obligation of the Company to pay the Underwriter any fee will be discharged unless the obligation to pay that fee arises before Termination.

#### **Conditions, warranties, undertakings and other terms**

- The Underwriting Agreement contains certain standard representations, warranties and undertakings by the Company to the Underwriter as well as common conditions precedent, including the receipt by the Underwriters of the final, signed due diligence report and ASX indicating that it will grant permission for quotation of the New Shares on the ASX.
- The representations and warranties given by the Company relate to matters such as conduct of the Company, power and authorisations, information provided by the Company, information in this Prospectus and compliance with laws and the ASX Listing Rules. The Company also provides additional representations and warranties in connection with the business and affairs of the Company including in relation to the ordinary course of business and financial reporting.
- The Company's undertakings include that it will not, until 180 days after any Settlement Date, issue (or agree to issue) or indicate in any way that it may or will issue any shares or agree to issue, units or other securities that are convertible or exchangeable into equity, of the Company or any Group member, without the prior written consent of the Underwriters. This undertaking is subject to certain exceptions, including any issue made pursuant to an employee securities plan, a share purchase plan, a dividend reinvestment or a bonus share plan.

#### **Indemnity**

Subject to certain exclusions relating to, among other things, fraud, wilful misconduct, or gross negligence of any indemnified party, the Company agrees to keep the Underwriter and its representatives indemnified from losses suffered by them in connection with the Offer or the appointment and role of the Underwriter pursuant to the Underwriting Agreement.

#### **6.12.2 Sub-underwriting arrangement**

The Underwriter has entered into a sub-underwriting arrangement in relation to the Entitlement Offer with Warburton. The Company understands that the Underwriter will pay sub-underwriting

fees equal to 2% of the amount sub-underwritten by each of these existing Shareholders from the fees received by the Underwriter under the Underwriting Agreement (see Section 6.12.1).

### **6.13 Information availability**

Eligible Retail Shareholders in Australia or New Zealand, can obtain a copy of this Prospectus during the Retail Entitlement Offer period by calling the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (from outside Australia) at any time from 9:00am to 5:00pm (AEST) Monday to Friday.

A replacement Entitlement and Acceptance Form can be requested by calling the Share Registry. Neither this Prospectus nor the accompanying Entitlement and Acceptance Form may be distributed to or relied upon by, persons that are in the United States or otherwise distributed in the United States.

### **6.14 Litigation and Claims**

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company (or any other member of the Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company or the Group.

### **6.15 Past performance**

Past performance and pro-forma historical financial information given in this Prospectus is provided for illustrative purposes only and is not, and should not be relied upon as, an indication of future performance. The historical information in this Prospectus is, or is based upon, information that has been released to the market. For further information, please see past announcements released to ASX.

### **6.16 Notice to nominees and custodians**

Nominees and custodians who hold Shares as nominees or custodians will have received, or will shortly receive, a letter in respect of the Retail Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to eligible institutional Shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their entitlement or not); institutional Shareholders who were treated as ineligible institutional investors under the Institutional Entitlement Offer; and Ineligible Retail Shareholders.

### **6.17 Consents to lodgement of this Prospectus**

Each Director of the Company has consented, and not withdrawn their consent, to the lodgement of this Prospectus with ASIC as required by section 720 of the Corporations Act.

Term	Meaning
<b>Additional New Shares</b>	New Shares applied for by Eligible Retail Shareholders in excess of their Entitlements under the Top-Up Facility
<b>Applicant</b>	An Eligible Retail Shareholder who validly applies for New Shares (and, if applicable, Additional New Shares) under the Retail Entitlement Offer in accordance with the Prospectus
<b>Application</b>	An application made on a personalised Entitlement and Acceptance Form to apply for New Shares (and, if applicable, Additional New Shares) under the Retail Entitlement Offer in accordance with this Prospectus
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASIC Act</b>	Australian Securities and Investments Commission Act 2001 (Cth)
<b>ASX or Australian Securities Exchange</b>	ASX Limited (ABN 98 008 624 691), or the financial market operated by it, as the context requires
<b>ASX Listing Rules</b>	The official listing rules of ASX, as amended or waived from time to time
<b>ASX Settlement</b>	ASX Settlement Pty Limited (ABN 49 008 504 532)
<b>ASX Settlement Operating Rules</b>	The operating rules of ASX Settlement, and to the extent they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited ABN 48 001 314 503
<b>ATO</b>	Australian Tax Office
<b>AUD, A\$, \$ or Australian dollar or cent</b>	The lawful currency of the Commonwealth of Australia cent Australian Accounting Standards
<b>Australian Accounting Standards</b>	Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board and Urgent Issues Group Interpretations
<b>Board</b>	The board of directors of the Company from time to time
<b>CGT</b>	Capital gains tax
<b>CHESS</b>	Clearing House Electronic Sub-register System operated in accordance with the Corporations Act
<b>Company or Atrum Coal</b>	Atrum Coal Limited ACN 153 876 861
<b>Constitution</b>	The constitution of the Company

<b>Corporations Act</b>	<i>Corporations Act 2001 (Cth)</i>
<b>CRN</b>	Customer Reference Number
<b>Director or Directors</b>	A member of the board of directors of the Company from time to time
<b>Eligible Retail Shareholders</b>	Retail Shareholders with a registered address in Australia or New Zealand as at the Record Date
<b>Eligible Institutional Shareholders</b>	Institutional Shareholders who (i) if they are in Australia are either a sophisticated investor or a professional investor within the meaning of section 708(8) or 708(11) of the Corporations Act, respectively or (ii) if they are outside of Australia they otherwise satisfy the applicable criteria in certain jurisdictions including Canada (British Columbia, Ontario and Quebec provinces), European Union, Hong Kong, New Zealand, Singapore, Switzerland and the United Kingdom
<b>Eligible Shareholder</b>	A person who is an Eligible Institutional Shareholder or an Eligible Retail Shareholder
<b>Entitlement</b>	The number of New Shares that an Eligible Retail Shareholder is entitled to apply for under the Retail Entitlement Offer, as determined by the number of Shares held by that Eligible Retail Shareholder on the Record Date
<b>Entitlement and Acceptance Form</b>	The relevant personalised form accompanying this Prospectus which Eligible Retail Shareholders may use to apply for New Shares (and, if applicable, Additional New Shares)
<b>Entitlement Offer</b>	The pro-rata accelerated non-renounceable entitlement offer of New Shares in the Company in the ratio of two New Shares for each eleven Shares held on the Record Date.
<b>Expiry Date</b>	2 September 2022 being the date which is 13 months after the Lodgement Date, after which date no New Shares (or Additional New Shares, if applicable) will be issued under this Prospectus
<b>Financial Information</b>	Has the meaning given in Section 4.2
<b>GAAP</b>	Generally Accepted Accounting Principles
<b>Gross Profit</b>	means total revenue less operating costs
<b>Group</b>	Atrum Coal, its subsidiaries and affiliates
<b>GST</b>	Goods and services or similar tax imposed in Australia
<b>HIN</b>	Holder Identification Number



<b>IFRS</b>	International Financial Reporting Standards
<b>Ineligible Retail Shareholders</b>	Retail Shareholders who are in the United States or have registered addresses outside Australia or New Zealand
<b>Institutional Allotment Date</b>	The allotment date of the New Shares issued under the Institutional Entitlement Offer
<b>Institutional Bookbuild</b>	The bookbuild process undertaken by the Underwriter in respect of the Institutional Entitlement Offer
<b>Institutional Entitlement Offer</b>	The institutional component of the Entitlement Offer
<b>Institutional Offer Proceeds</b>	All proceeds received under the Retail Entitlement Offer
<b>Institutional Settlement Date</b>	The settlement date of the New Shares issued under the Institutional Entitlement Offer
<b>Lodgement Date</b>	2 August 2021, being the date this Prospectus is lodged with ASIC
<b>Management</b>	Senior management of the Company
<b>New Share or New Shares</b>	The fully paid ordinary shares in the Company offered under either component of the Entitlement Offer which will rank equally with existing Shares from the date of issue
<b>Nominee</b>	Argonaut Securities Pty Ltd
<b>Offer Price</b>	The price payable for a New Share (or Additional New Share, if applicable) under the Retail Entitlement Offer, being A\$0.03 per New Share
<b>Pro Forma Balance Sheet</b>	Has the meaning given in Section 4.2
<b>Prospectus</b>	This prospectus dated 2 August 2021 prepared by the Company in accordance with the special content rules under section 713 of the Corporations Act in respect of the Retail Entitlement Offer
<b>Record Date</b>	The record date for the Retail Entitlement Offer, being 7.00pm (Melbourne time) on 4 August 2021
<b>Retail Entitlement Offer</b>	The retail component of the Entitlement Offer
<b>Retail Offer Proceeds</b>	All proceeds received under the Retail Entitlement Offer
<b>Retail Settlement Date</b>	The settlement date of the New Shares issued under the Retail Entitlement Offer
<b>Share</b>	A fully paid ordinary share in the Company
<b>Shareholder</b>	The registered holder of a Share
<b>Shareholding</b>	The number and value of Share(s) held in the Company

<b>Share Registry</b>	Automic Pty Ltd.
<b>Shortfall</b>	Any New Shares remaining available under the Shortfall Offer as a result of Eligible Shareholders not taking up their full Entitlements under the Entitlement Offer and any New Shares remaining under the Top-Up Facility
<b>Shortfall Offer</b>	Has the meaning given in Section 3.4
<b>SRN</b>	Security Reference Number
<b>TOFA</b>	Taxation of Financial Arrangements
<b>Top-Up Facility</b>	The top-up offer under which Eligible Retail Shareholders may apply for Additional New Shares in excess of their Entitlement, capped at A\$500,000 in aggregate
<b>Underwriter</b>	Argonaut Capital Limited (AFSL 221476)
<b>Underwriting Agreement</b>	Has the meaning given in Section 6.12.1
<b>U.S. Securities Act</b>	United States Securities Act of 1933, as amended
<b>VWAP</b>	Has the meaning set out in the ASX Listing Rules.
<b>Warburton</b>	Warburton Portfolio Pty Ltd.

## Corporate directory

### Registered office

Suite 103, Level 1, 2 Queen Street,  
Melbourne, VIC 3000  
Phone: +61 (0) 3 9191 0135  
Fax: +61 (0) 3 8678 1747  
Website: [www.atrumcoal.com](http://www.atrumcoal.com)  
Email: [info@atrumcoal.com](mailto:info@atrumcoal.com)

### Stock exchange listing

Atrum Coal's Shares are listed on ASX (code 'ATU')

### Underwriter

Argonaut Capital Limited  
Level 30, 77 St Georges Terrace  
Perth WA 6000

### Share Registry

Automic Pty Ltd  
Level 5, 126 Phillip St,  
Sydney NSW 2000  
Telephone: +61 2 9698 5414

### Offer information line

Australia: 1300 288 664  
International: +61 2 9698 5414

Open 9:00am to 5:00pm (AEST time) Monday to Friday (during the Entitlement Offer period)



 [www.automicgroup.com.au](http://www.automicgroup.com.au)

Holder Number:

Shares held as at the Record Date at 7.00PM AEST on Wednesday, 4 August 2021

## ENTITLEMENT AND ACCEPTANCE FORM

**OFFER CLOSES 5.00PM AEST ON 30 AUGUST 2021 (WHICH MAY CHANGE WITHOUT NOTICE)**

As an Eligible Retail Shareholder you are entitled to acquire the New Shares in Atrium Coal Limited (**New Shares**) below for the amount payable. **Your entitlement is to 2 New Share for every 11 Existing Shares held at the Record Date at an issue price of \$0.03 per New Share.** The Prospectus dated 2 August 2021 contains information about investing in the Shares and you should carefully read the Prospectus before applying for Shares. This Entitlement and Acceptance Form should be read in conjunction with Prospectus. If you do not understand the information provided in the Prospectus or you are in doubt as to how you should deal with it, you should seek professional advice. Other than as defined in this Entitlement and Acceptance form, capitalised terms have the same meaning as defined in the Prospectus.

## 1 ACCEPTANCE OF ENTITLEMENT OR PART THEREOF

[illegible]

## 2 APPLICATION FOR ADDITIONAL SHARES

As a Shareholder, you are invited to apply for additional New Shares, providing you have taken up your full Entitlement. Should you wish to apply for additional New Shares please complete the following sections.

[illegible]

Insert the Payment Amount & number of New Shares applied for. No fractional shares will be issued. If the dollar amount above in section 2, divided by the issue price (\$0.03), is a fraction of a New Share, the New Shares allotted will be rounded down)

### 3 MAKE YOUR PAYMENT BY BPAY® or Cheque

<b>Total Payment</b>	<b>A\$</b>	<div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block; margin-right: 5px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block; margin-right: 5px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block; margin-right: 5px;"></div>	,	<div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block; margin-right: 5px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block; margin-right: 5px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block; margin-right: 5px;"></div>	,	<div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block; margin-right: 5px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block; margin-right: 5px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block; margin-right: 5px;"></div>	,	<div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block; margin-right: 5px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block; margin-right: 5px;"></div>
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### Option A – BPAY



**Biller Code:** TBC

**Ref No:** [BPayCRN]

Contact your financial institution to make your payment from your cheque or savings account.

**Note:** You do not need to return this form if you have made payment via BPAY®. Your BPAY® reference number will process your payment to your options exercise electronically.

**The Company encourages participants in the Entitlement Offer to apply for the New Shares by BPAY® to overcome potential mail delays.**

## Option B – CHEQUE

Cheque Number

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BSB

--	--	--

Account Number

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Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Splitit Payments Ltd" and crossed "Not Negotiable". Return your cheque and this application form to: Automic Group, Level 5, 126 Phillip Street, Sydney New South Wales 2000 by the Closing Date.

## 4 PROVIDE YOUR CONTACT DETAILS & ELECT TO BE AN E-SHAREHOLDER

Return to our Share Registry by email to [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)

Telephone Number

( )
-----

Contact Name (PLEASE PRINT)

--

Email Address

--

ATU[HolderId]

## INSTRUCTIONS FOR COMPLETION OF THIS FORM

The Offer is being made to all Shareholders with a registered address in Australia or New Zealand who are registered as the holder of Shares at 7.00PM AEST on the Record Date (**Eligible Retail Shareholders**).

### ACCEPTANCE OF OFFER

By returning the Entitlement and Acceptance Form with payment to the Share Registry or making a BPAY or EFT payment:

- you represent and warrant that you have read and understood the Offer Document and that you acknowledge the matters, and make the warranties and representations contained therein and in this Entitlement and Acceptance Form;
- you provide authorisation to be registered as the holder of New Securities acquired by you and agree to be bound by the Constitution of the Company.

### 1 Acceptance of Full or Partial Entitlement for New Shares

Select the value of New Shares you wish to accept under the Entitlement Offer.

If you wish to accept for New Shares less than your full entitlement, enter the number of New Shares you wish to accept, which must be less than your full Entitlement, which is set out overleaf. No fractional Share will be allotted, therefore if the dollar amount paid divided by the issue price (\$0.03) is a fraction of a New Share, the New Shares allotted will be rounded up to the nearest whole number of New Shares.

### 2 Application for additional New Shares under the Top-Up Facility

You can only apply for additional New Shares if you have applied for your full entitlement in section 1. Please specify the amount by entering the total amount payable & the number of New Shares for which you are applying. Applications under the Top-Up Facility will be capped at A\$500,000 in aggregate (subject to the Board's discretion to scale-back applications for Additional New Shares, including to the extent necessary to prevent the issue of Additional New Shares contrary to law).

No fractional Share will be allotted, therefore if the dollar amount paid divided by the issue price (\$0.03) is a fraction of a New Share, the New Shares allotted will be rounded down.

There is no guarantee that Eligible Shareholders will receive New Shares applied for under the Top Up Facility.

### 3 Payment

**Payment by BPAY:** You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. **To BPAY® this payment via internet or telephone banking use your reference number quoted on the front of this form.** Multiple acceptances must be paid separately. Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight).

You do not need to return this form if you have made payment via BPAY®. Your BPAY® reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such New Shares for which you have paid.

**Payment by Cheque:** Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Atrium Coal Limited" and crossed "Not Negotiable". Please ensure sufficient funds are held in your account. If you provide a cheque for an incorrect amount the Company may treat you as applying for as many New Shares as your cheque will pay for. Your completed Application Form and cheque must be received by the Share Registry: Automic Group, GPO Box 5193 Sydney NSW 2001 prior to the close of the Entitlement Offer.

### 4 Contact Details

Please enter a contact number we may reach you on between the hours of 9:00am and 5:00pm AEST. We may use this email\* or number to contact you regarding your acceptance of the New Shares, if necessary.

\*By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible)

**If you require further information about the Entitlement Offer, please contact Automic on 1300 288 664 or +61 2 9698 5414 between 9:00am and 5:00pm (AEST).**