

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

9 August 2021

Dear Shareholder

ATRUM COAL LIMITED ENTITLEMENT OFFER - NOTIFICATION TO INELIGIBLE SHAREHOLDERS

On 2 August 2021, Atrum Coal Limited ACN 153 876 861 (“**Atrum**”), announced an underwritten, accelerated 2 for 11 non-renounceable entitlement offer at an issue price of A\$0.03 per new share (“**New Share**”) to raise approximately A\$3.2 million (“**Entitlement Offer**”).

This notice is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. **You are not required to do anything in response to this letter.**

Entitlement Offer

The Entitlement Offer comprises an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**). The Entitlement Offer is fully underwritten by Argonaut Capital Limited ACN 108 330 650.

The Entitlement Offer is being made by way of a ‘transaction specific prospectus’ in accordance with section 713 of the *Corporations Act 2001* (Cth) (“**Corporations Act**”) (“**Prospectus**”). The Prospectus was lodged with ASIC and released on the ASX on 2 August 2021 and will be dispatched to Eligible Shareholders (as defined below) on or around 9 August 2021.

The Institutional Entitlement Offer has already closed and the results were announced to the ASX on 4 August 2021. The Prospectus for the Retail Entitlement Offer will be mailed to Eligible Retail Shareholders (as defined below) on or around 9 August 2021.

All announcements relating to the Company are available via the ASX website on <https://www2.asx.com.au/markets/company/atu>.

Eligibility criteria

Shareholders who are eligible to participate in the Retail Entitlement Offer (“**Eligible Retail Shareholders**”) are shareholders who:

- are registered as a holder of existing Atrum shares as at 7.00pm (Sydney time) on 4 August 2021 (“**Record Date**”);
- have a registered address in Australia or New Zealand as listed on Atrum’s share register on the Record Date;

- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such a person holds shares in Atrum for the account or benefit of such persons in the United States);
- were not invited to participate (other as nominee, in respect of other underlying holdings), 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 securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or other formal offer document to be lodged or registered.

Shareholders who are not Eligible Retail Shareholders and who did not participate in the Institutional Entitlement Offer and were not treated as ineligible institutional shareholders under the Institutional Entitlement Offer are “Ineligible Retail Shareholders”.

Atrum has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Act, that it would be unreasonable to make offers under the Retail Entitlement Offer to Ineligible Retail Shareholders having regard to:

- the relatively small number of shareholders in the other jurisdictions where the Retail Entitlement Offer would be made;
- the number and value of securities for which such shareholders would otherwise have been entitled; and
- the costs of complying with the legal and regulatory requirements in each other jurisdiction where the Retail Entitlement Offer would be made.

Unfortunately, according to our records, Atrum has determined that you do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above. Accordingly, Atrum wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will also not be sent the Prospectus nor be able to subscribe for New Shares under the Retail Entitlement Offer.

Treatment of Ineligible Retail Shareholders’ entitlements

Ineligible Retail Shareholders are not eligible to participate in the Retail Entitlement Offer. However, the New Shares that Ineligible Retail Shareholders would otherwise have been entitled to will instead be issued to Argonaut Securities Pty Ltd (**Nominee**). The Nominee will arrange the sale of those New Shares. Atrum will distribute any proceeds of the sale of the New Shares in excess of the issue price (after expenses and any applicable withholding tax) (**Retail Premium**) to Ineligible Retail Shareholders in proportion to their Entitlements at the Record Date. Neither Atrum nor the Nominee will be liable for the failure to sell the New Shares or the failure to sell the New Shares at any particular price.

Further information

If you have any questions please contact your stockbroker, accountant, taxation advisor, financial adviser or other professional adviser.

On behalf of the Board and management of Atrum, thank you for your continued support of Atrum.

Authorised by the Board of Atrum Coal Limited.



Andrew Caruso
Managing Director and CEO

For more information please contact:

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This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any New Shares in Atrum. In particular, this letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, nor will be registered under the U.S. Securities Act of 1933, as amended (“Securities Act”) or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the Securities Act (which Atrum has no obligation to do so or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and the securities laws of any state or other jurisdiction of the United States. The New Shares to be offered and sold in the Entitlement Offer may only be offered and sold to persons that are not in the United States and are not acting for the account or benefit of persons in the United States, in each case, in “offshore transactions” (as defined in Rule 902(h) of the Securities Act) in reliance on Regulation S under the Securities Act.

The provision of this letter is not, and should not be considered as, financial product advice. The information in this letter is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.