

Interim Financial Report
Six months ended 30 June 2022

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DIRECTORS' REPORT

The Directors of Atrum Coal Limited (the "Company") are pleased to present their report together with the consolidated interim financial statements of the consolidated entity ("Atrum" or the "Group"), being the Company and the entities it controlled for the six months ended 30 June 2022, and the auditor's review report thereon.

DIRECTORS

The following were Directors of the Company in office during the half year and up to the date of this report:

DIRECTORS

Glen Koropchuk

Richard Barker

Andrew Caruso (resigned as Director on 1 February 2022 and as CEO on 27 April 2022)

William (Bill) Fleming (resigned on 9 June 2022)

Jeff Gerard

Anita Perry

PRINCIPAL ACTIVITIES

The principal continuing activities of the Group are the exploration and development of anthracite in British Columbia, Canada.

FINANCIAL REVIEW AND RESULTS OF OPERATIONS

FINANCIAL REVIEW

During the period to 30 June 2022, 3,630,000 ordinary shares were issued in lieu of a payment of C\$100,000 to a royalty holder.

FINANCIAL RESULTS

The Group recorded a net loss after tax for the six months to 30 June 2022 of \$6,983,734 (2021: \$5,327,735). Losses are a typical feature of an exploration company such as Atrum at the pre-production stage, as expenditures are made towards exploration and development of mining assets. During the period, the Group recognised an impairment loss of \$5,994,200 on the Elan project. The triggers for the impairment were

- (i) the indefinite moratorium on exploration and development on category 2 lands on which Atrum holds coal leases; and
- (ii) market capitalisation position of the Company as at 30 June 2022.

FINANCIAL POSITION

At 30 June 2022, the Group had cash reserves of \$870,532 (31 December 2021: \$1,823,809).

The net assets of the Group decreased by \$6,886,955 during the six months from \$8,168,577 to \$1,281,622. This decrease was principally a result of the impairment of the Elan Project.

REVIEW OF OPERATIONS

The Directors provide the following comments on the operations of the Group for the six months ended 30 June 2022.

HEALTH, SAFETY AND ENVIRONMENT

The Company is pleased to advise that there were no significant health, safety or environmental incidents reported during the half year.

ELAN PROJECT – Crowsnest Pass, Alberta, Canada

Alberta Government reinstates 1976 Coal Policy

On 8 February 2021, the Government of Alberta reinstated the 1976 Coal policy it repealed in 2020 and announced that a consultation process would be completed to inform the formulation of a new coal policy. All Coal Exploration Licences were frozen whilst this process was undertaken.

The Company halted all site-based activities except for work that were required to ensure the continuity and integrity of work done in previous years.

Following the conclusion of the Government's consultation, it imposed an indefinite moratorium on coal exploration and development on category 2 lands. As a consequence, the Group has impaired the carrying value of the Elan project.

GROUNDHOG ANTHRACITE PROJECT – British Columbia, Canada

During the period ended 30 June 2022, Atrum received a total of \$479,725 from JOGMEC further to its agreement with the Company with respect to the Groundhog project. The agreement provides that JOGMEC will earn in 10% of the Groundhog project after spending \$1M on the project within three years. JOGMEC has the option not to proceed with the earn-in after spending a first \$300K on the project. During the option period, JOGMEC will refund the Company for all lease rentals with respect to the tenements of the Groundhog Project.

During the period to 30 June 2022, the Company paid the annual rentals with respect to the tenements in British Columbia, Canada which comprise the Groundhog and Panorama projects.

CORPORATE

Directors

During the six months ended 30 June 2022,

- (a) Mr. Andrew Caruso, CEO and Managing Director (resigned as Director on 1 February 2022 and as CEO on 27 April 2022); and
- (b) Mr. William (Bill) Fleming resigned on 9 June 2022.

AGM

Atrum held its 2021 Annual General Meeting (AGM) on 30 May 2022. Given COVID-19 related travel restrictions and gathering size uncertainties, the AGM was held on-line via webcast.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the half year other than disclosed in this Interim Financial Report.

COVID-19

The restrictions imposed on activities due to COVID-19 did not have a significant impact on the exploration programme.

MATTERS SUBSEQUENT TO REPORTING PERIOD


Other than as noted below, no matters or circumstances have arisen since 30 June 2022 which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group.

The Group issued 8,400,000 performance rights to members of the staff which vest upon issue.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 3 and forms part of this Directors' Report for the six months ended 30 June 2022.

This report is made in accordance with a resolution of the Board of Directors.


Glen Korepuk
Director
12 September 2022

DECLARATION OF INDEPENDENCE BY MELISSA REID TO THE DIRECTORS OF ATRUM COAL LIMITED

As lead auditor for the review of Atrum Coal Limited for the half-year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Atrum Coal Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'M Reid', is written over a light grey circular watermark that says 'For personal use only'.

Melissa Reid
Director

BDO Audit (WA) Pty Ltd
Perth
12 September 2022

CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2022

		Six months to	
	Note	30 June 2022	30 June 2021
		\$	\$
Income			
Interest income		278	3,813
Contributions from JOGMEC		479,725	435,216
Mineral Exploration Tax credit		-	403,569
		480,003	842,598
Expenses			
Administration		(39,646)	(45,515)
Compliance and regulatory		(165,389)	(246,402)
Consulting		-	(24,629)
Director fees		(92,117)	(206,818)
Staffing costs		(67,468)	(169,350)
Exploration expenditure	5	(1,222,628)	(5,415,546)
Impairment of exploration and evaluation project	5	(5,994,200)	-
Foreign exchange gain/(loss)		420	36,499
Occupancy		-	(16,704)
Public relations and marketing		(25,000)	(86,836)
Share-based payments	7(c)	142,291	77,715
Travel		-	(72,547)
Loss before income tax expense		(6,983,734)	(5,327,735)
Income tax expense		-	-
Net loss after income tax expense		(6,983,734)	(5,327,735)
Other comprehensive income (loss)			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences arising from translation of foreign operations		126,542	500,865
Other comprehensive income for the period, net of tax		126,542	500,865
Total comprehensive loss for the period attributable to owners of the Company		(6,857,192)	(4,826,870)
Loss per share		Cents	Cents
Basic and diluted loss per share	3	(1.01)	(0.92)

The above consolidated Interim Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

		Consolidated	
	Note	2022	2021
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		870,532	1,823,809
Trade and other receivables		174,070	289,957
Total Current Assets		1,044,602	2,113,766
Non-Current Assets			
Reclamation deposits	4	412,379	169,028
Exploration and evaluation expenditure	5	3,645,276	9,439,610
Total Non-Current Assets		4,057,655	9,608,638
TOTAL ASSETS		5,102,257	11,722,404
LIABILITIES			
Current Liabilities			
Trade and other payables	6	520,461	485,995
Total Current Liabilities		520,461	485,995
Non-current liabilities			
Reclamation liability	4	3,300,174	3,067,832
Total Non-Current Liabilities		3,300,174	3,067,832
TOTAL LIABILITIES		3,820,635	3,553,827
NET ASSETS		1,281,622	8,168,577
EQUITY			
Issued capital	7	128,994,105	128,881,578
Reserves		12,461,335	12,477,083
Accumulated losses		(140,173,818)	(133,190,084)
TOTAL EQUITY		1,281,622	8,168,577

The above consolidated interim statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2022

30 June 2022 Consolidated	Issued Capital \$	Share- Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
Balance as at 1 January 2022	128,881,578	11,368,777	1,108,306	(133,190,084)	8,168,577
Other Comprehensive Income					
Loss for the period	-	-	126,542	(6,983,734)	(6,857,192)
Total comprehensive loss for the period	-	-	126,542	(6,983,734)	(6,857,192)
Transactions with equity holders:					
Securities issued during the period	112,527	-	-	-	112,527
Share-based payments	-	(142,291)	-	-	(142,291)
Total contribution by equity holders	112,527	(142,291)	-	-	(29,764)
Balance as at 30 June 2022	128,994,105	11,226,486	1,234,849	(140,173,818)	1,281,622

30 June 2021 Consolidated	Issued Capital \$	Subscriptions Received \$	Share- Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
Balance as at 1 January 2021	125,852,286	3,400	11,455,511	450,067	(121,838,756)	15,922,508
Other Comprehensive Income						
Loss for the period	-	-	-	500,865	(5,327,735)	(4,826,870)
Total comprehensive loss for the period	-	-	-	500,865	(5,327,735)	(4,904,385)
Transactions with equity holders:						
Securities issued during the period	136,462	(3,400)	-	-	-	133,062
Share-based payments/Options	-	-	(77,515)	-	-	(77,515)
Total contribution by equity holders	136,462	(3,400)	(77,515)	-	-	55,547
Balance as at 30 June 2021	125,988,748	-	11,377,996	950,933	(127,166,491)	11,151,186

The above consolidated interim statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CASHFLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	30 June 2022	30 June 2021
	\$	\$
Cash flows from operating activities		
Receipts from JV Partner	479,725	436,221
Receipt of Mineral Exploration Tax Credit	-	403,864
GST refund	264,869	668,119
Payments to suppliers and employees	(503,716)	(2,270,899)
Interest received	278	3,813
Exploration expenditure (net amount)	(990,614)	(5,168,788)
Net cash used in operating activities	(749,458)	(5,927,670)
Cash flows from investing activities		
Reclamation bond paid (see note 4)	(232,014)	-
Net cash used in investing activities	(232,014)	-
Cash flows from financing activities		
Proceeds from issue of shares	-	133,062
Net cash provided by/(used in) financing activities	-	133,062
Net decrease in cash and cash equivalents	(981,472)	(5,794,608)
Cash and cash equivalents at beginning of the period	1,823,809	8,078,020
Effect of foreign currency translation on cash held	28,195	20,755
Cash and cash equivalents at end of the period	870,532	2,304,167

The above consolidated interim statement of cash flows should be read in conjunction with the accompanying notes.

DIRECTORS' DECLARATION

1. REPORTING ENTITY

Atrum Coal Limited (the "Company"), is a listed for-profit public company, incorporated and domiciled in Australia.

The consolidated interim financial report of the Company for the six months ended 30 June 2022 comprises the Company and its controlled entities (together referred to as the "Group").

A copy of the consolidated audited financial report of the Group as at and for the year ended 31 December 2021 is available upon request from the Company's registered office at Level 5, 126 Phillip St, Sydney NSW 2000 or at www.atrumcoal.com.

2. BASIS OF PREPARATION

Statement of Compliance

The consolidated interim financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting, and the Corporations Act 2001.

The consolidated interim financial report does not include full disclosures of the type normally included in the annual financial report. Accordingly, it is recommended that this report be read in conjunction with the audited financial report of the Company for the year ended 31 December 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The accounting policies adopted in this report are consistent with those applied by the Group in its consolidated audited financial report for the year ended 31 December 2021. All new effective standards have been adopted and have no impact on the financial statements.

The consolidated interim financial report was authorised for issue by the Directors on 12 September 2022.

Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the ordinary course of business. The Group recorded a net loss after tax for the six months to 30 June 2022 of \$6,983,734 (2021: \$5,327,735) and net cash outflows from operating activities of \$749,458 (2021: \$5,927,670). The Group has cash reserves of \$870,532 (31 December 2021: \$1,823,809).

The Group has prepared a budget taking into consideration the plans for the Group as detailed below. The Company has halted all major site-based activities. Atrum's management are confident that the Group has the ability to raise further capital and, subsequent to the reporting date, will complete an entitlement offer to allow continuation of stakeholder consultation work and activities designed to preserve the value of its assets in British Columbia.

Whilst the Group is expected to be cash-flow negative in the foreseeable future as a result of continued expenditures, the ability of the Group to continue as a going concern is dependent on securing additional funding through equity to continue to fund its operational and development activities. These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors believe the Group will continue as a going concern, after consideration of the following factors:

- the Group has been successful in raising equity and as required, is in the process of raising further funds; and
- the level of expenditure can be managed.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern and meet its debts as and when they become due and payable.

DIRECTORS' DECLARATION

2. BASIS OF PREPARATION (Continued)

Use of Estimates and Judgements

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The judgements, estimates and assumptions applied in preparing this consolidated interim financial report, including the key sources of estimation uncertainty, were consistent with those applied in the Group's audited financial report for the year ended 31 December 2021.

Changes in Accounting Policies and Accounting Standards

The accounting policies adopted in this report are consistent with those applied by the Group in its consolidated audited financial report for the year ended 31 December 2021.

3. EARNINGS PER SHARE

	30 June 2022	30 June 2021
Basic loss per share (cents)	(1.01)	(0.92)
Loss used to calculate basic and diluted earnings per share (\$)	(6,983,734)	(5,327,735)
Weighted average number of ordinary shares used to calculate basic and diluted EPS	690,606,237	581,558,203

4. RECLAMATION BONDS AND LIABILITY

	30 June 2022 \$	31 December 2021 \$
Balance at start of period	169,028	158,147
Additions	232,014	-
Exchange difference	11,337	10,881
Balance at end of period	412,379	169,028

During the six months ended, the Company paid an amount of \$232,014, which is part of an additional reclamation bond required on the Groundhog and Panorama projects. An additional reclamation liability of the same amount was recognised during the period.

RECLAMATION LIABILITY

	30 June 2022 \$	31 December 2021 \$
Balance at start of period	3,067,832	109,150
Additions	232,014	2,812,267
Exchange difference	328	146,415
Balance at end of period	3,300,174	3,067,832

DIRECTORS' DECLARATION

5. EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2022 \$	31 December 2021 \$
Groundhog Project	1,107,282	1,078,951
Panorama Project	2,537,994	2,380,713
Elan Project	-	5,979,946
	3,645,276	9,439,610
Reconciliation		
Balance at start of period	9,439,610	8,657,716
Advanced royalty payment	112,527	108,720
Impairment	(5,994,200)	-
Foreign exchange translation differences	87,339	673,174
Balance at end of period	3,645,276	9,439,610

The Group policy in relation to exploration and evaluation expenditure is to capitalise activities relating to capital acquisitions and development assets and to expense ongoing exploration costs. The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas.

1976 COAL POLICY – PROVINCE OF ALBERTA (Elan project)

During the year ended 31 December 2020, the Government of Alberta repealed the 1976 Coal Policy. It then reinstated it in February 2021 as well as froze all exploration permits until a consultation process was completed. Following the conclusion of that consultation process, the Government of Alberta imposed an indefinite moratorium on coal exploration and development on category 2 lands.

At 30 June 2022 the Group has decided to impair the carrying acquisition costs of the Elan Project under accounting standard AASB 6 on the basis:

- (i) the indefinite moratorium on exploration and development on category 2 lands on which Atrum holds coal leases; and
- (ii) market capitalisation position of the Company as at 30 June 2022.

As a result of the indicators of impairment identified, the recoverable value of the Elan Project from successful development or by sale was assessed to be \$Nil. As a result, an impairment charge of \$5,994,200 was recognised in the half-year ended 30 June 2022.

6. TRADE AND OTHER PAYABLES

	30 June 2022 \$	31 December 2021 \$
Trade payables	411,790	298,153
Groundhog royalty	-	108,720
Other accruals	108,671	79,122
	520,461	485,995

Terms and conditions relating to the above financial instruments:

- All amounts are expected to be settled.
- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- Due to the short-term nature of trade payable and accruals, their carrying value is assumed to approximate their fair value.

DIRECTORS' DECLARATION

7. ISSUED CAPITAL

(a) Issued and paid up share capital

	30 June 2022		31 December 2021	
	Number	\$	Number	\$
Issued Capital				
Ordinary shares – fully paid	691,368,336	128,994,105	687,738,336	128,881,578
Total	691,368,336	128,994,105	687,738,336	128,881,578

(b) Movements in share capital:

	Number	\$
Ordinary shares – fully paid		
Balance at 1 January 2022	687,738,336	128,881,578
Issuance of shares in lieu of cash payment ¹	3,630,000	112,527
Balance at 30 June 2022	691,368,336	128,994,105

¹ During the six months ended 30 June 2022, the Company issued 3,630,000 shares to a royalty owner in lieu of the annual advance royalty payment of C\$100,000 with respect to the Groundhog project, whose fair value was determined to be A\$112,527 on the issue date.

	Number	\$
Ordinary shares – fully paid		
Balance at 1 January 2021	580,649,344	125,855,686
Exercise of listed options ¹	682,309	136,462
Entitlement issue ²	105,806,683	3,174,200
Exercise of performance rights ³	600,000	-
Capital raising costs	-	(281,370)
Balance at 31 December 2021	687,738,336	128,881,578

During the year ended 31 December 2021, the Company

1. Issued 682,309 shares pursuant to an exercise of listed options at \$0.20 for \$136,462 of which \$3,400 was received in the previous year.
2. Completed an entitlement issue of 105,806,683 shares at a price of \$0.03 each
3. issued 600,000 shares with respect to the exercise of performance shares (Class 34P)

Capital raising costs of \$281,370 in total were incurred with respect to the placement.

(c) Movements in unlisted performance rights:

	30 June 2022	31 December 2021
	Number	Number
Balance at the start of period	6,864,000	11,069,400
Granted	10,500,000	-
Vested	(2,625,000)	(600,000)
Expired/Cancelled/Forfeited	(5,157,800)	(3,605,400)
Balance at close of period	9,581,200	6,864,000

DIRECTORS' DECLARATION

7. ISSUED CAPITAL (continued)

(c) Movements in unlisted performance rights:

During the six months ended 30 June 2022, 5,157,800 Performance Rights have been cancelled following resignation of staff and directors. An amount of 10,500,000 performance rights were issued to staff and management which vested as follows:

- 25% (2,625,000) performance rights vested immediately
- 25% (2,625,000) performance rights will vest in 6 months from the date of issuance
- 50% (5,250,000) performance rights will vest on 30 June 2023.

(d) Movements in unlisted performance rights:

Class	Balance at start of period	# Granted during the period	Vested and Exercised	Cancelled/ Forfeited	Balance at end of period	*Value Vested during the period (\$)
35	1,188,000	-	-	(1,352,600)	535,400	(71,747)
36	1,188,000	-	-	(1,352,600)	535,400	(48,300)
37	2,088,000	-	-	(1,452,600)	635,400	(43,590)
38	1,000,000	-	-	(1,000,000)	-	(33,904)
39	-	10,500,000	(2,625,000)	-	7,875,000	55,250
	6,864,000	10,500,000	(2,625,000)	(5,157,800)	9,581,200	(142,291)

(e) Movements in unlisted options

	30 June 2022		31 December 2021	
	Number	Price*	Number	Price*
Balance at the start of period	9,685,000	\$ 0.46	24,845,000	\$ 0.41
Cancelled/Expired ¹	(8,733,000)	\$ 0.48	(15,160,000)	\$ 0.37
Balance at close of period	952,000	\$ 0.30	9,685,000	\$ 0.46

* Weighted average prices

¹ During the six months ended 30 June 2022, 8,773,000 fully vested options with an average exercise price of \$0.48 were cancelled pursuant to the resignation of staff and directors or expired unexercised.

Outstanding unlisted options at 30 June 2022 are as follows:

Expiry Date	Exercise Price*	Number of Options Outstanding	Number of Exercisable Options	Average Remaining Life (Years)
21 August 2025	\$0.30	952,000	952,000	3.15
	\$0.30	952,000	952,000	3.15

8. SEGMENT REPORTING

The Group has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the location of activity. For management purposes, the Group has organised its operations into two reportable segments on the basis of stage of development as follows:

- Exploration - mineral exploration and development in Canada
- All other segments – primarily involving corporate management and administration in Australia and Canada.

The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

DIRECTORS' DECLARATION

8. SEGMENT REPORTING (Continued)

Period ended 30 June 2022	Exploration \$	All Other Segments \$	Consolidated \$
Segment loss	(6,885,694)	(98,040)	(6,983,734)
Segment assets	4,183,699	918,558	5,102,257
Segment liabilities	(3,558,774)	(261,861)	(3,820,635)
Other segment information included in segment loss:			
Interest revenue	-	278	278
Finance costs	-	-	-
Impairment expense	(5,994,200)	-	(5,994,200)

Period ended 30 June 2021	Exploration \$	All Other Segments \$	Consolidated \$
Segment loss	(4,875,846)	(451,889)	(5,327,735)
Segment assets	10,489,305	1,309,618	11,798,923
Segment liabilities	(343,339)	(304,398)	(647,737)
Other segment information included in segment loss:			
Interest revenue	-	3,813	3,813
Finance costs	-	-	-
Impairment expense	-	-	-

As at 30 June 2022 and 2021, the Group had no development assets.

9. CONTINGENCIES AND COMMITMENTS

There are no changes in contingent liabilities that occurred during the six months ended 30 June 2022.

10. RELATED PARTY TRANSACTIONS

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

Other than that, there was no additional related party transactions.

11. DIVIDENDS PAID OR PROVIDED FOR

No dividend has been paid or provided for during the six months ended 30 June 2022.

12. EVENTS OCCURRING AFTER THE REPORTING DATE

Other than as noted below, no matters or circumstances have arisen since 30 June 2022 which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group:

The Group issued 8,400,000 performance rights to members of the staff which vest upon issue.

DIRECTORS' DECLARATION

In the opinion of the Directors of Atrum Coal Limited (the "Company"):

- a) the financial statements and notes, as set out on pages 4 to 13, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the half-year ended on that date, and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:



Glen Koropchuk
Calgary, Alberta Canada
Date: 12 September 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Atrum Coal Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Atrum Coal Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2 in the half-year financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in blue ink, appearing to read 'M Reid', is written over the printed name.

Melissa Reid

Director

Perth

12 September 2022

CORPORATE DIRECTORY

DIRECTORS

Glen Koropchuk (Non-Executive Chairman)
Richard Barker
Jeff Gerard
Anita Perry

COMPANY SECRETARY

Nova Taylor

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AUSTRALIA

AUSTRALIAN SECURITIES EXCHANGE

Atrum Coal Ltd. shares (ATU) are listed on the Australian Securities Exchange.