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ASX Announcement

12 May 2020

NEW CEO APPOINTMENT

HIGHLIGHTS

- Andrew Caruso appointed as new Atrum CEO.
- Previous Managing Director and CEO, Max Wang, has transitioned out of the Atrum business following completion of the successful Elan Project Scoping Study.

Atrum Coal Limited (ASX: ATU) (**Atrum** or the **Company**) advises that it has appointed Mr Andrew Caruso as Chief Executive Officer (**CEO**), effective from 12 May 2020.

Mr Caruso is a qualified Mining Engineer who brings almost 30 years of global mining experience across a range of operational, management and key executive roles. He possesses substantial experience with bulk commodity projects including almost nine years as the Managing Director and CEO of several Australian iron ore and coal development companies, being Australasian Resources Limited (ASX: ARH), Crossland Resources Limited and Ascot Resources Limited (ASX: AZQ) (collectively from 2007 to 2016).

Prior to that, Mr Caruso worked for 14 years in direct mine operations across iron ore, coal and nickel. This included six years in technical and management roles at substantial coal operations in Western Australia (Griffin Coal) and Queensland (BHP).

He was most recently Vice President (Corporate Development) at Alcoa Corporation (a role he held from 2017 to 2019), which included time as a key member of the Bauxite business unit responsible for the operation, growth and acquisition of Alcoa's bauxite mine assets globally. Prior to that, Mr Caruso was a Director with PricewaterhouseCoopers' (PwC) consulting arm (from 2016 to 2017), with key responsibility for delivering critical solutions for clients including BHP, Goldfields, and Resource Capital Funds.

Mr Caruso holds a B.Eng (Honours) in Mining Engineering (Western Australian School of Mines) and a Graduate Diploma in Applied Finance and Investment (FINSIA). He is currently a Non-Executive Director of Great Southern Mining Limited (ASX: GSN).

The appointment of Mr Caruso follows the departure of Atrum's previous Managing Director and CEO, Mr Max Wang, from the Atrum business.

Commenting on his appointment, Mr Caruso said, *"I am excited to be taking on the leadership role at Atrum. The Elan Hard Coking Coal Project is world-class, as highlighted by the highly successful field programs in 2018 and 2019, and the recent release of the Scoping Study. The low-strip Isolation South and Elan South deposits offer a compelling, Tier 1 development opportunity that is technically robust and projected to be highly economic. I am truly looking forward to getting started."*

Atrum Non-Executive Chairman, Mr Chuck Blixt, commented: *“We are pleased to have appointed a professional executive of the calibre, and with the experience, of Andrew – particularly in relation to bulk commodity projects. We look forward to him driving the world-class Elan Project towards development and profitability. I would also like to take this opportunity, on behalf of the Atrum Board and all shareholders, to thank Max for his hard work and diligence over his tenure as Managing Director. We wish him all the best with his future endeavours.”*

Information pertaining to remuneration arrangements for Mr Caruso is provided in Appendix A.

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

Chuck Blixt, Non-Executive Chairman

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About Atrum Coal

Atrum Coal (ASX: ATU) is a metallurgical coal developer. The Company's flagship asset is the 100%-owned Elan Hard Coking Coal Project in southern Alberta, Canada. Elan hosts large-scale, shallow, thick, hard coking coal (HCC) deposits with a current resource estimate of 454Mt (142Mt Indicated and 312Mt Inferred). Comprehensive coal quality testing from the 2018 and 2019 exploration programs, combined with review of substantial historical testwork data for the broader Elan Project, has confirmed Tier 1 HCC quality.

Elan is located approximately 13 km from an existing rail line with significant excess capacity, providing direct rail access to export terminals in Vancouver and Prince Rupert. It shares its southern boundary with Riversdale Resources' Grassy Mountain Project, which is in the final permitting stage for a 4.5Mtpa (saleable) open-cut HCC operation. Around 30km to the west, Teck Resources operates four mines (the Elk Valley complex) producing approximately 25Mtpa of premium HCC for the seaborne market.

Atrum completed a Scoping Study in April 2020 which demonstrated the strong technical and economic viability of development of the Elan Project. For full Scoping Study and resource details refer to Atrum ASX release dated 16 April 2020, Elan Project Scoping Study. Atrum confirms that all material assumptions underpinning the production target and forecast financial information within the Scoping Study, and the resource estimate outlined above, continue to apply and have not materially changed.

Appendix A: CEO remuneration details

Mr Caruso's remuneration package has been benchmarked against salary packages paid for comparable positions and comprises three primary components, as follows:

1. **Base Salary** – this totals CAD450,000 per annum, paid in cash on a monthly basis, which includes compulsory superannuation payments required under Australian law, or pension contributions required under Canadian law (as the case may be);
2. **Short Term Incentive** – Mr Caruso will be eligible for an annual cash bonus of up to 50% of Base Salary (Bonus). The payment of the Bonus to Mr Caruso will be subject to the following:
 - a. The achievement of targets determined by the Atrum Board; and
 - b. Payment only after the reconciliation of the annual financial accounts of the Company, unless the Atrum Board determines otherwise; and
3. **Long Term Incentive** – Mr Caruso will be eligible to participate in the Atrum long term incentive arrangements and, subject to ASX Listing Rules, will be granted the following securities:
 - a. Options in Atrum – 5,000,000 options in Atrum, to be granted in five equal tranches and exercisable in five equal tranches, as follows:
 - 1,000,000 options exercisable at AUD 30 cents per share by 30 June 2021;
 - 1,000,000 options exercisable at AUD 40 cents per share by 30 June 2022;
 - 1,000,000 options exercisable at AUD 50 cents per share by 30 June 2023;
 - 1,000,000 options exercisable at AUD 60 cents per share by 30 June 2024; and
 - 1,000,000 options exercisable at AUD 70 cents per share by 30 June 2025.
 - b. Performance rights – 5,000,000 performance rights in Atrum, to be granted in five equal tranches subject to the achievement of criteria determined by the Atrum Board.

The grants of the above options and performance rights will be the subject of Atrum shareholder approval to be held at a general meeting of Atrum shareholders.

The other terms of Mr Caruso's employment contract are standard under Australian law for a position of this nature.