

## ASX Announcement

7 September 2020

# ELAN PROJECT PFS ON TRACK

## HIGHLIGHTS

- Key workstreams progressing well to deliver Elan Project Pre-Feasibility Study (**PFS**) by mid-2021.
- Integrated Delivery Team leadership finalised with appointment of highly experienced coal development professional, Ross Melville, as Study Director.
- Appointment of sector-leading key discipline consultants for trade-off studies to finalise PFS inputs – Palaris (geology), SRK Consulting (mining), Sedgman (processing), Hatch (infrastructure and logistics), WaterSmart (water), PGSC (power)
- Interim resource update on track for 4Q 2020.

Atrum Coal Limited (ASX: ATU) (**Atrum** or the **Company**) is pleased to advise on progress of the Pre-Feasibility Study (**PFS**) for its 100%-owned Elan Hard Coking Coal Project (**Elan Project** or **Elan**) in southern Alberta, Canada.

Atrum has adopted an Integrated Delivery Team model for management of the PFS. This approach is expected to provide the appropriate balance between owner leadership and action, multi-party interface and knowledge sharing, direct access to specific expertise and overall flexibility. There is also expected to be Independent Technical Review of the draft PFS as it approaches completion.

Leadership of the Integrated Delivery Team for the Elan Project PFS comprises:

- Atrum Managing Director – Andy Caruso;
- Study Director (Internal) – Ross Melville; and
- Key discipline consultant representatives.

A number of PFS workstreams are in process including key trade-off studies designed to optimise PFS inputs. These trade-off studies are expected to be completed by the end of September. The 2020 drilling program, which includes 125 rotary air blast (RAB) and 32 large diameter core (LDC) drill holes, is also expected to conclude by late September. Coal quality analysis, hydrogeological studies, First Nations and other key stakeholder consultation, and further environmental baseline sampling will remain ongoing.

Atrum Managing Director Andy Caruso, commented: *“We are progressing strongly with the initial phases of the Elan Project PFS. As part of this, we are delighted to have secured the proven expertise and track record of Study Director, Ross Melville, to lead the Integrated Delivery Team. Ross brings 40 years of diverse project management, study and delivery experience in the Canadian and international mining industry. He has also held prominent leadership roles in coal project development, including significant time as a Project Director for Teck Resources. With the benefit of such a robust study leadership team, we look forward to delivering a PFS mid next year that is befitting of the world-class nature of the Elan Hard Coking Coal Project.”*

## Integrated Delivery Team model

Atrum has adopted an Integrated Delivery Team model for management of the PFS. This approach is expected to provide the appropriate balance between owner leadership and action, multi-party interface and knowledge sharing, direct access to specific expertise and overall flexibility.

Leadership of the Integrated Delivery Team for the Elan Project PFS comprises:

- Atrum Managing Director – Andy Caruso;
- Study Director – Ross Melville; and
- Key discipline consultant representatives.

There is also expected to be Independent Technical Review of the draft PFS as it approaches completion.

## Appointment of Ross Melville – Study Director (Internal)

Atrum is pleased to announce the appointment of highly experienced Canadian coal development professional, Ross Melville, as Study Director (Internal) for the Elan Project PFS.

Ross has approximately 40 years of diversified experience in multinational engineering, procurement, EPCM contracting and owner environments. His expertise includes project management, process engineering, feasibility study preparation, basic and detailed engineering, procurement, construction management and plant commissioning. This includes 17 years of managing plant operations and maintenance at operating mines in Canada and the United States.

Ross was Project Director, Teck Resources, for all owner activities and consultant services within the Feasibility Study of the Quintette Re-Start Project. The Quintette Re-Start Project involves a C\$858 million, metallurgical coal mine redevelopment in north-east British Columbia. The Feasibility Study evaluated a 3.5 Mtpa metallurgical coal operation for an initial life of 12 years.

He was more recently Project Manager supporting Teck Resources in the execution and construction of the Fording River Active Water Treatment Facility in south-east British Columbia. This facility is designed to remove selenium and nitrate from historically mine affected water as part of Teck's ongoing work under the Elk Valley Water Quality Plan.

Ross holds a Bachelor of Applied Science in Metallurgical Engineering from the University of British Columbia in Canada.

Ross is based in western Canada and is therefore optimally positioned to coordinate key Atrum personnel and consultants as part of the Integrated Delivery Team model for the PFS.

## Key workstreams progressing

Key PFS workstreams are now well progressed including trade-off studies designed to refine key PFS inputs and confirm the optimum development and operational pathway for the Elan Project.

The trade-off studies build on the outcomes from the Scoping Study and provide sharper definition and inputs for the PFS in relation to:

- Mine and clean coal production rates;
- Mine waste options and opportunities to maximise in-pit backfilling;
- CHPP configuration and preferred location;

- Coal transportation corridors and train load-out locations;
- Projected water balance and management options;
- Power supply alternatives; and
- Rail and port capacity and commercial options.

Key discipline consultants retained on an initial basis for the trade-off studies include:

- Palaris – geology;
- SRK (Vancouver) – mining;
- Sedgman – processing;
- Hatch – infrastructure and logistics;
- WaterSmart – water management options; and
- Power Grid Specialists Corporation – power assessment

The trade-off studies are expected to be completed in late September. The 2020 drilling program, which includes 125 RAB and 32 LDC drill holes, is also expected to conclude by late September. Coal quality analysis, hydrogeological studies, First Nations and other key stakeholder consultation, and further environmental baseline sampling will remain ongoing.

Final specialist discipline consultants for the PFS will be confirmed in October 2020 following completion of the trade-off studies.

### **On track**

The Elan Project PFS remains on track for targeted completion in mid-2021. Similarly, an interim resource update for the Elan Project is on schedule for 4Q 2020.

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

Andrew Caruso, Managing Director and CEO

**For further information, contact:**

**Andrew Caruso**  
Managing Director and CEO  
T: +61 3 8395 5446

**Justyn Stedwell**  
Company Secretary  
T: +61 3 8395 5446  
E: [jstedwell@atrumcoal.com](mailto:jstedwell@atrumcoal.com)

**Michael Vaughan**  
IR & Media, Fivemark Partners  
T: +61 422 602 720

## 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's southern boundary 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.