ATLAS SALT

TSXV: **SALT** | OTCQB: **REMRF**

# The Path to a Sustainable Legacy: Our Inaugural ESG Report

August 2024

**Strategic location.**

**Innovative design.**

Sustainable mining.

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# About this report

The 2023 Sustainability report, The Path to a Sustainable Legacy: Our Inaugural ESG Report, marks the first year that Atlas Salt has published a detailed account of our annual performance in the areas of health, safety, social and environmental matters.

This report is intended to provide information on Atlas Salt's strategies and practices in our approach to environmental, social and governance (ESG) and to report on the sustainability practices of the Great Atlantic Salt (GAS) Project.

References to "Atlas Salt", "the Company", "We" and, Our" refer to Atlas Salt Inc. This report summarizes activities between January 1 and December 31st, 2023.

Unless otherwise specified, all funds reported in this document are Canadian $ and all information is set as of December 31, 2023.

# Who We Are

Atlas Salt is developing Canada's next salt mine and is committed to responsible and sustainable mining practices. With a focus on innovation and efficiency, the company is poised to make significant contributions to the North American salt market while upholding its values of environmental stewardship, community engagement and innovation.

Incorporated in British Columbia, with operations in Newfoundland and Labrador, a Corporate Office in St. John's and a Field Office in St. George's. Atlas Salt is in the pre-construction development stages of the Great Atlantic Salt Project in St. George's Newfoundland and Labrador. Atlas Salt is a publicly traded company on the TSX Venture Exchange (TSXV:SALT). More information can be found at www.atlassalt.com.

# From our CEO

## The Great Atlantic Salt Mine will be a global benchmark for sustainable salt mining.

To our partners and our stakeholders,

Our company will provide North American markets with industrial salt that is cleanly extracted and has a minimal transportation emission footprint. We are deploying an innovative design, will be pursuing sustainable operating practices and are building on the unique characteristics of our home in Newfoundland and Labrador.

Atlas Salt's Environmental Assessment was approved in 52 days. Getting approval for a mine in that amount of time is remarkable and speaks to the attributes of our project.

### Three sustainability-related priorities are the key to success

- **Maintaining Social License:** We are building the social license to operate through engagement right from the planning stage with all key partners for the Great Atlantic Salt (GAS) Project, with the goal of building long-term, mutually beneficial relationships.
- **Developing Market for Clean Salt:** We know that demand for de-icing salt currently outstrips domestic supply, so we are focused on identifying bulk and packaged clients who value purchasing clean, low-carbon salt, and who will partner with us to support our sustainable mining practices.
- **Minimizing Impact:** Minimizing greenhouse gas (GHG) emissions and operating sustainably are at the heart of our business. The salt that we will extract will be mined with state-of-art electric equipment powered from the provincial grid, and if you fly over the GAS Project you will see that it will occupy very little surface area compared to other mining operations.

Rick LaBelle , CEO & Director

"The communities we operate in and Atlas Salt both have the same desire to build sustainable local businesses. Together we can achieve that."

***Rick LaBelle,*** *ICD.D, MBA*
*CEO & Director*

Mr. LaBelle has a track record of operational expertise and M&A success in the mining sector with over 40 years of experience and nearly three decades at the executive leadership level.

# Our Purpose and Principles

**Atlas Salt is a Canadian mining company committed to extracting salt for the de-icing market as cleanly as possible. We will minimize disturbances to the land, operate with low emissions, and be a partner to the communities where we operate.**

We are in business to provide clean salt to the marketplace, using as little energy as possible to do so. To achieve our purpose, Atlas Salt is built on three core pillars: strategic location, innovative design, and sustainable mining.

### Strategic Location

Our mine is in Newfoundland and Labrador, close to key infrastructure and close to the markets we plan to serve. This helps reduce transport time, costs, and emissions. The mine site is located just two kilometres away from a deep-water port.

### Innovative Design

All operations, including our conveyor system, are powered by renewable energy supplied by the provincial grid, and are carried out below ground, minimizing land disturbance, noise and dust dispersion.

### Sustainable Mining

Access to Newfoundland & Labrador's hydropower and use of electric equipment keeps our scope 1 and 2 emissions as low as possible.

Strategic location.

Innovative design.

Sustainable mining.

# Setting New Industry Standards

**We see the high standards set by Canadian regulators and North American competitors as an advantage. It raises our game.**

### Canadian Labour Standards

Atlas Salt is bound by Canadian labour laws and has assessed that there are no inherent forced labour risks in our supply chain. The health and safety of all our workers is a priority. We designed our extraction processes to be highly automated to reduce risks to employees, and we are committed to training and developing a skilled local workforce.

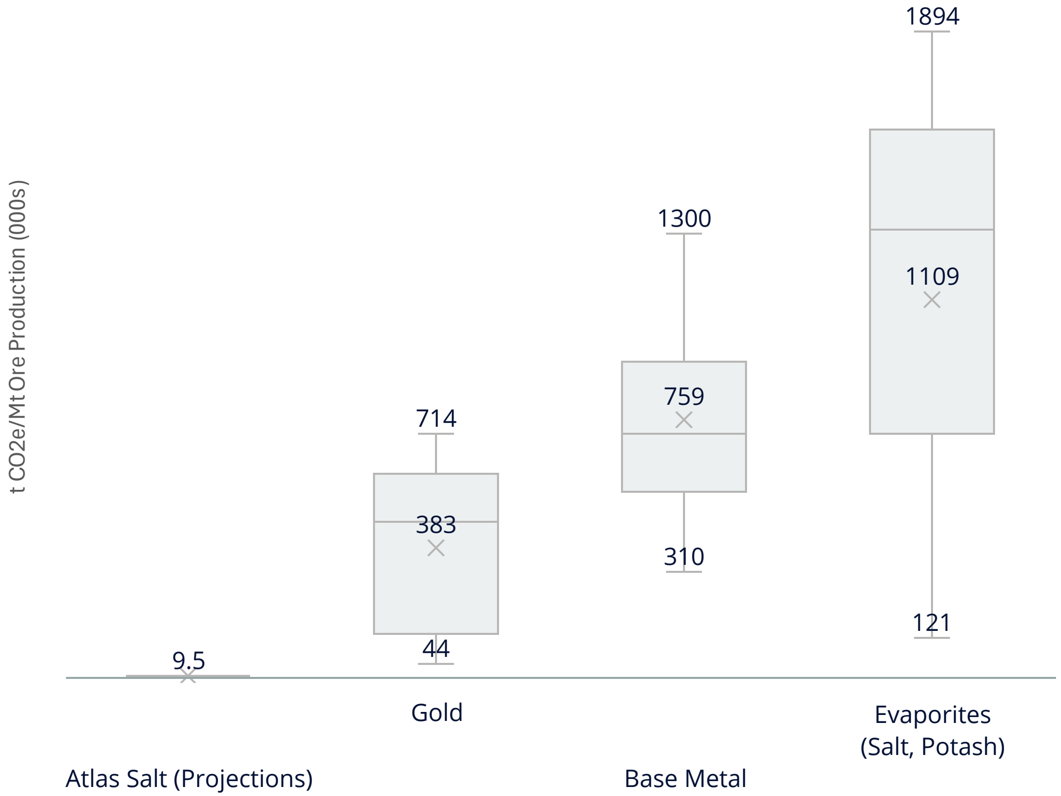
### Canada Among Top ESG-Scoring Nations in the Salt Supply Chain

The GAS Project will elevate the global standards of salt mining. Canada already ranks in the top 3 for ESG in the salt supply chain, alongside Australia and Germany (Project Blue, 2024). Our unique project and operating model will further raise the bar.

### Extremely Low Projected Emissions

According to an independent third party, BWB Consulting, our GHG emissions per Mt ore are projected to be a fraction of those from other evaporites, and much less intensive than base metal and gold mining operations.

Ranges of GHG Intensity in 000s[1] (measured as CO2e/Mt Ore)




[1] *GHG Intensity industry comparison prepared by BWB Consulting Services Inc.*

# Fulfilling Our Potential Alongside Our Partners

**To extract 2.5 Mt of salt annually over a 34-year mine life, Atlas Salt relies on support from partners with varying skill sets.**

### Leveraging Leading National Industry Expertise

Coupled with our deep industry knowledge, working with key partners such SLR, SRK, ICI, Jupia, Stantec, and MNP ensures Atlas Salt is benefitting from the specialized professional expertise to help us manage our risks and opportunities.

### Successfully Investing $480m of Capital Requires Local Knowledge

We are working with local groups and will be developing relationships with local colleges to ensure we can secure a steady supply of local talent.

SLR | Stantec | Jupia CONSULTANTS INC. | Tamkali LIMITED | ICI | srk | MNP

# Designed for Minimal Land Disturbance

**Our mine will have a lower impact on the natural environment than most other mines. This is possible because there will be no tailings, no chemicals use for processing, and no surface haulage trucks to move the salt.**

## Underground Mine Design Has a Near-Zero Land Footprint

The GAS Project will consume no more than 80 hectares – a small fraction of what a metals mine would need – because all mining and processing will be carried out underground; there are no requirements for tailings and only minimal requirements for surface infrastructure. The enclosed conveyor will take the salt directly to dedicated storage and port facilities.

Our Environmental Assessment, supported by independent data and studies, notes additional environmental advantages built into the GAS Project Plan:

- The planned location and layout of the GAS Project site avoids environmentally sensitive areas;
- Project access routes avoid vehicular traffic through the Town; and
- Using a covered and enclosed conveyor system minimizes dust and reduces noise and other emissions, mitigating potential public health issues.

Great Atlantic Salt Project

# Efficient, Low Carbon Energy Use

**Electrical power is the energy source of choice for the GAS Project's operations. Newfoundland and Labrador is almost completely powered by hydroelectricity: a clean, regenerative power source.**

## Projected Low Emitting Operations

In a report estimating greenhouse gas emissions for Atlas Salt's GAS Project, Stantec projects the mine will produce about 2400 tonnes of CO2 equivalent emissions for every 2.5 million tonnes of salt it produces.

The annual Scope 1 emissions are about the same as what four Newfoundland and Labrador families would emit in a year[1]. These low emissions are attributed to advanced battery technology and Newfoundland and Labrador's clean electricity.

## Electrically Powered Equipment

We electrify our operations through a fleet of battery-electric vehicles, plug-in electric continuous miners, and an electrified conveyor system. There are no underground diesel fumes.

## Charged by Clean Newfoundland Energy

Over 90% of Newfoundland and Labrador's electricity is generated from renewable sources[2]. The GAS Project site will be connected to the provincial power grid by a dedicated transmission line.

The GHG emission intensity of Newfoundland and Labrador's grid is a fraction of the Canadian average. Newfoundland and Labrador emits just 17g of CO2e/kWh compared to the Canadian average of 110g of CO2e/kWh[3].

[1] *According to Statistics Canada (2023) (link).*

[2] *Natural Resources Canada, Government of Canada, Newfoundland and Labrador Regional Energy and Resource Table – Framework for Collaboration on the Path to Net-Zero (link).*

[3] *Stantec, GHG Inventory Report (Jan, 2024).*

# Comparatively Efficient Supply Chain

**The GAS Project site is located near a deep seaport and on the same continent as its targeted customers, providing the opportunity to significantly reduce transport-related carbon emissions compared to foreign salt producers.**

## Displacing International Emissions with Fully North American Supply Chain

Most of the emissions from the GAS Project are indirect Scope 3 emissions associated with shipping the product. Since we plan to replace international salt suppliers with our product shipped over shorter distances, these emissions in our supply chain will be lower than the emissions associated with the product we are replacing.

Atlas Salt will work carefully with our partners to reduce shipping-related greenhouse gases in our respective supply chains.

# No Refining. No Chemicals.

**The design of the GAS Project allows for salt extraction that is as natural as possible. Processing is solely mechanical, and chemicals won't be used.**

## No Tailings, No Waste Piles

The straightforward and environmentally benign nature of the planned mining and processing operations will not involve the use of chemicals or generate tailings. Mined salt is expected to be 96% pure, which requires no beneficiation for sale, so processing involves dry crushing only and there is no waste produced from mining the salt.

## Approach to Water Management

Generally, the approach to water management in mining is to divert all water that is within the mine site to a settling pond. In the GAS project, no chemical or mechanical treatments of the discharge water will be required, and no water will be consumed in mining operations.

Water that is outside the mine site will be diverted away from (or around) the mine site and be absorbed by the surrounding environment.

A detailed Water Management Plan will be submitted to the appropriate authorities as part of the future regulatory permitting processes for the GAS Project.

Salt piles representation. The GAS Project is pre-construction

# Contributing to our Province's Economic Prosperity

**Communities play a vital role in our success, and Atlas Salt expects to contribute to their prosperity.**

## Employment and Engagement

The GAS Project's sustained workforce requirements will benefit the region's economic landscape, requiring approximately 300 FTEs during the 2-year construction phase and over 170 FTEs throughout the 30-year operating period.

Throughout the planning and start-up phases, Atlas Salt has been in continuous contact with all communities that will be touched by the GAS Project. In 2023, we held over 20 engagements.

## Greater Economic Impact

According to an independent economic impact assessment performed by Jupia Consultants, the province of Newfoundland and Labrador can benefit from significant economic gains tied to the GAS Project, including:

- An increase of provincial GDP of $4.8 billion over the 34-year life of the GAS Project (in $2024);
- $2.5 billion contribution in employment income (in-province only);
- Annual household spending in the province boosted by $1.9 billion
- $90 million in tax revenue to municipal governments, $1.74 billion to the provincial government and $953 million to the federal government.

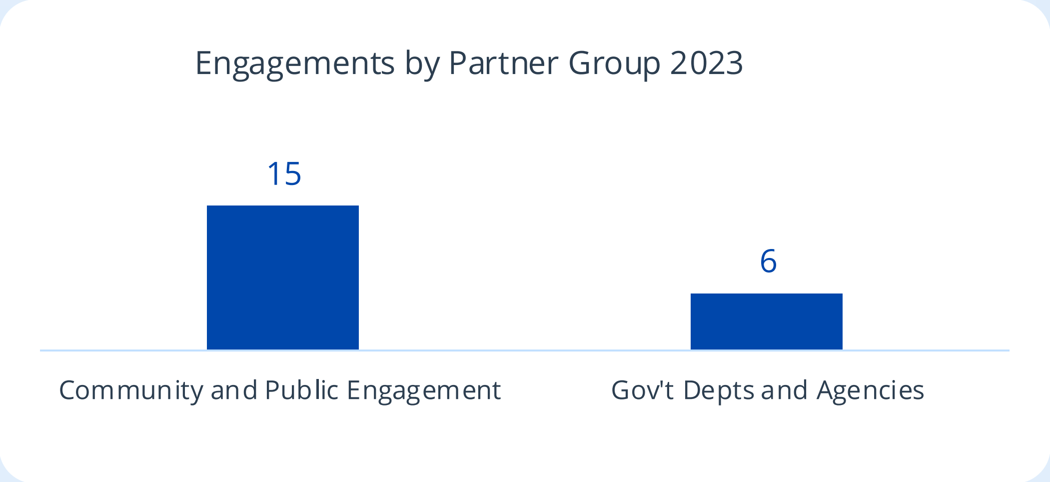
*Town hall meeting on January 31, 2024, in St. George's, Newfoundland.*

# Communities are Part of the GAS Project and Atlas Salt is part of the Community

**Communities play a vital role in our success, and Atlas Salt intends to be a valuable member of the communities in which we operate.**

Atlas Salt understands that the mining industry is often held to a higher standard of social responsibility in the communities in which they operate.

We take this responsibility seriously and remain committed to fostering open and meaningful dialogue to build trusting relationships with the communities and stakeholders and together we will create a more sustainable future for all.



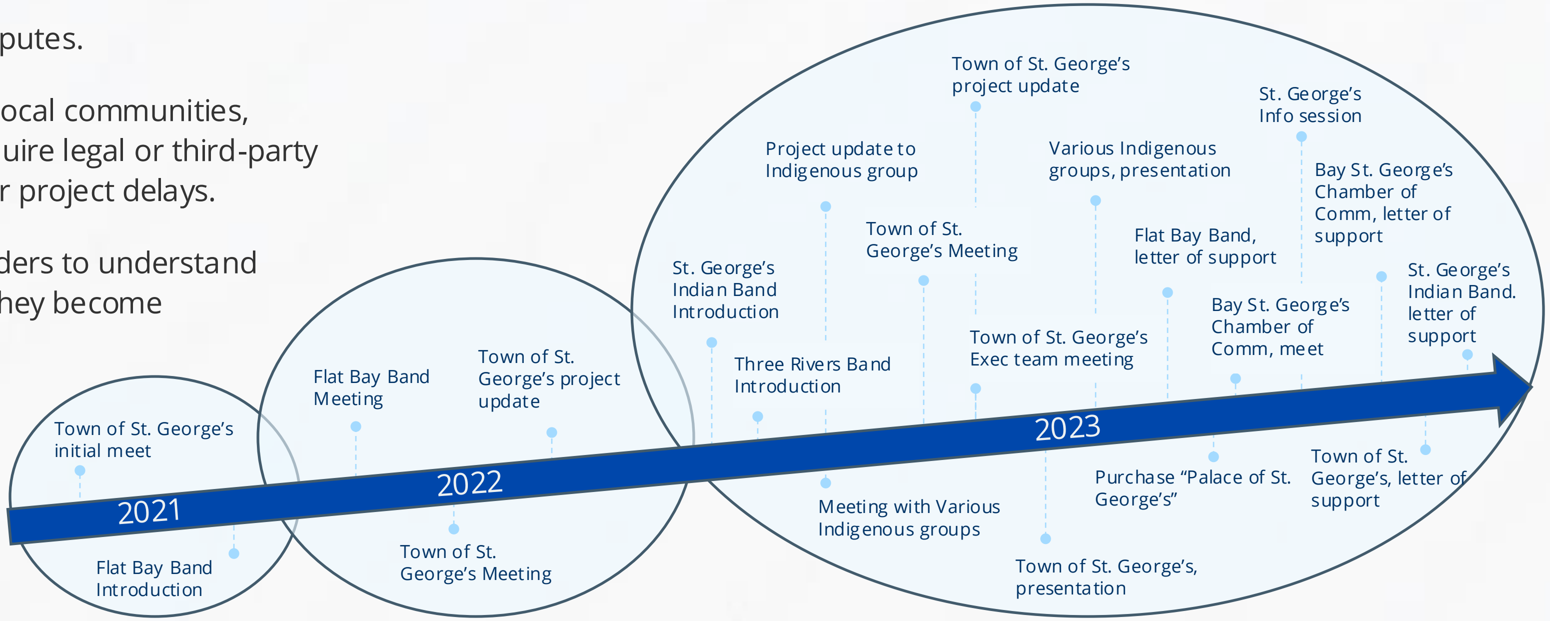

## Absence of Significant Disputes

To date, Atlas Salt has experienced zero significant disputes.

“Significant disputes” refer to sustained conflicts with local communities, including First Nations groups, and would typically require legal or third-party intervention or result in operational shutdowns and/or project delays.

Atlas Salt actively and regularly engages with stakeholders to understand concerns and seek to resolve potential issues before they become conflicts.

Engagement Progress 2021-2023



# Building Partnerships with Indigenous Communities

**Building strong ties with Indigenous communities will yield tangible and intangible benefits.**

Atlas Salt recognizes that fostering positive and collaborative relationships with local Indigenous Peoples is vital to the success of the Great Atlantic Salt Project. We remain committed to engaging with Indigenous Peoples to ensure mutually beneficial outcomes during the lifetime of the mine and beyond.

Our Indigenous engagements allow us to learn about the land, culture, heritage, and histories from those holding the deepest knowledge. Understanding our Indigenous partners is critical to a successful project and a successful community.

Since our inception, we had eight in-person engagements with Band Councils, representatives, and Chiefs.

*"We deeply appreciate the opportunity the land has given us, and we intend to treat the land with the greatest respect."*

*Rick LaBelle, ICD.D, MBA*
*CEO & Director*

## Indigenous Engagement Highlights 2023

| | |
|---|---|
| Indigenous organizations | • St. George's Indian Band<br>• Flat Bay Mi'kmaq Band<br>• Three Rivers Mi'kmaq Band<br>• The Qalipu First Nation |
| Engagement types | • Site visits<br>• Meetings with Chief, Representatives, and/or Band Councils<br>• Attended fundraisers and presentations<br>• Phone calls, news releases, emails |

*Town hall meeting on January 31, 2024, in St. George's, Newfoundland.*

# Respectful and Safe Work Environment

**Atlas Salt respects the rights of all individuals impacted by our operations and activities. We have zero tolerance for human rights violations involving our employees, work partners or third parties operating on our behalf.**

## Mitigating Forced Labour Risk in our Entire Supply Chain

As part of complying with Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act,* Atlas Salt has performed initial due diligence and is aware of potential risks associated with illegal labour. As we enter the construction and operation phases, we will use our knowledge to design our policies and practices to prevent forced labour from being part of our supply chain.

## Committed to DEI

DEI at Atlas Salt is described as:

- Diversity is about appreciating and embracing differences
- Equity means giving everyone an equal opportunity at success
- Inclusion refers to how well you accept those different from yourself; this includes both welcoming their culture as well empowering them to feel valuable in the workplace

Our organization's DEI policy highlights recruitment, career development and promotion, and community partnerships. Our DEI policy also defines governance relating to monitoring, reporting inappropriate conduct, prohibition of retaliation, and consequences.

## Health and Safety

Atlas Salt has developed a robust occupational health and safety policy for our operations. In 2023 there were no reported incidents in our current pre-construction phase.

# ESG Governance: An Imperative

**The Board plays a critical role in ESG governance by ensuring that ESG principles are integrated into the Company's strategy. Collectively, the CEO and the Board are responsible for setting the tone, overseeing ESG initiatives, and ensuring accountability and transparency for all partners.**

## TCFD Framework: the Foundation for Climate-Related Governance

As we approach operational status, we intend to apply the TCFD framework to assess and manage climate-related risks and opportunities to ensure transparency and consistency in climate-related financial disclosures and adherence to regulatory requirements. The TFCD framework focuses on:

- Governance: Oversight by the board and management
- Strategy: Actual and potential impacts climate has on business, strategy, and financial planning
- Risk Management: Processes for identifying assessing and managing climate-related risks
- Metrics and Targets: Tracking climate-related risks and opportunities

## Operational Oversight

At the management level, the Chief Executive Officer is the senior leader responsible for overseeing ESG risks and opportunities management.

Our ESG governance model is in development. As a next step, additional organizational roles and responsibilities will be assigned. Atlas Salt will evaluate ESG topic materiality, set sustainability targets and objectives, and develop processes for monitoring performance for the duration of the mine's existence.


*Board members and team members in St. George's*

# Disclaimer: Forward Looking Statements

This report includes certain “forward-looking information” and “forward-looking statements” (collectively “forward-looking statements”) within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein, without limitation, statements relating to the future operating or financial performance of the Company, are forward-looking statements. Forward looking statements are frequently, but not always, identified by words such as “expects”, “anticipates”, “believes”, “intends”, “estimates”, “potential”, “possible”, and similar expressions, or statements that events, conditions, or results “will”, “may”, “could”, or “should” occur or be achieved. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements.

Forward-looking statements reflect the beliefs, opinions and projections on the date the statements are made and are based upon a number of assumptions and estimates that, while considered reasonable by the respective parties, are inherently subject to significant business, technical, economic, and competitive uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements and the parties have made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: the timing, completion and delivery of required permits, supply arrangements and financing.

Readers should not place undue reliance on the forward-looking statements and information contained in this report.

Except as required by law, the Company does not assume any obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined by the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this presentation. All values in Canadian dollars unless noted. Some figures are rounded.

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