

ATRUM COAL – COMPLETION OF PLACEMENT

HIGHLIGHTS

- Placement of \$8 million completed to existing and institutional investors to supplement existing facilities
- Following substantial value-adding expenditures over the last 12 months, Atrum is now well funded to complete environmental and other licensing requirements prior to the sale of a minority equity stake in the 5.4Mtpa run-of-mine (ROM) Groundhog North Mine (GHN)
- Completion of the sell-down to off-taker steel mills and other industry participants is anticipated in 1H 2015

Atrum Coal NL (“**Atrum**” or the “**Company**”) (**ASX: ATU**) is pleased to announce that it has completed a placement to institutional and existing sophisticated investors to supplement existing facilities.

Executive Chairman, Mr James Chisholm commented on the appointment:

“2014 has been a solid year of exploration and development at Groundhog. We have a robust SPFS for Groundhog North in hand and look forward to capitalising on the strong interest shown by prospective consumers in our high grade and ultra-high grade anthracite. Given we have completed the bulk of our site works for the time being, Atrum is now well funded to finalise a finance package for Groundhog North.”

PLACEMENT

The Company has completed a placement of \$8 million to existing sophisticated and institutional investors through the issue of ordinary shares at a price \$1.20 per share which represents only 3.8% of the fully diluted capital structure of the Company. The funds raised will supplement the Company’s existing facilities and allow the Company to complete a sell-down process to fund Groundhog North in a timely manner. The placement will occur under the Company’s existing placement capacity.



ASX:ATU - Share Information
Issued Shares: 163.5m

Registered Office
Level 1, 329 Hay Street,
Subiaco WA 6008
T +61 9388 3131
E info@atrumcoal.com
www.atrumcoal.com

Board of Directors

Executive Chairman
Executive Director
Executive Director
Non-Executive Director
Non-Executive Director
Company Secretary

J. Chisholm
R. Moran
G. D’Anna
C. Vorias
S. Boulton
G. D’Anna

Key Projects

Groundhog
Peace River
Naskeena
Bowron River

Ownership: 100%
Ownership: 100%
Ownership: 100%
Ownership: 100%

The existing facilities and new funds will allow the company to progress the various regulatory permits required to develop an underground anthracite mine, and allow the Company to oversee a multi-track process to secure the funds required for development of GHN on a staged basis, with funds drawn down as permitting milestones are achieved.

Over the coming months, the Company will focus on progressing permitting, running the multi-track funding process for GHN, completing a concept study for an additional mine, geological modelling and a resource upgrade. Given that the bulk of the site exploration activities have been completed, operating costs have dropped to less than \$2 million per quarter.

The GHN multi-track funding process has been designed to maintain competitive tension between high grade anthracite end-users, global private equity groups and government-owned enterprises that have shown strong interest in participating in the development of the proposed mine. A global investment bank will be appointed in due course to assist the Company with this process.

GHN, the first mine on the 800sqkm Groundhog Anthracite tenure demonstrates a A\$1.7 billion post-tax NPV₁₀ and 42% post-tax IRR, as shown in the recently released Supplementary PFS (SPFS). Given the size of the resource and the market demand for anthracite products, the Company has begun work on a concept study for another potential mine on the Groundhog Anthracite tenure, which would share infrastructure and resources.

For further information contact:

James Chisholm
Executive Chairman
M +61 419 256 690
james@atrumcoal.com

Russell Moran
Executive Director
M +61 415 493 993
russell@atrumcoal.com

Gino D'Anna
Executive Director
M +61 400 408 878
gino@atrumcoal.com

Nathan Ryan
Investor Relations
M +61 420 582 887
nathan@atrumcoal.com

Competent Person Statement

Coal Resources

The coal resources documented in this report were estimated in accordance with the guidelines set out in the JORC Code, 2012. They are based on information compiled and reviewed by Mr Nick Gordon, who is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of Gordon Geotechniques Pty Ltd.

With more than 28 years of experience in open cut and underground coal mining, Mr Gordon has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify him as a Competent Person as defined in the JORC Code, 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves."

Neither Mr Gordon nor Gordon Geotechniques Pty Ltd have any material interest or entitlement, direct or indirect, in the securities of Atrum or any companies associated with Atrum. Fees for the preparation of this report are on a time and materials basis. Mr Gordon recently visited the Groundhog project area on 21st March 2014 whilst exploration personnel were preparing for the next drilling program. Two days were also spent with Atrum geological personnel in Victoria, British Columbia evaluating the geological, coal quality and geotechnical information relevant to the Groundhog project area.

Mr Gordon consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

Forward Looking Statements

This release includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. Forward looking statements in this release include, but are not limited to, the capital and operating cost estimates and economic analyses from the Study.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of resources or reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company's business and operations in the future. The company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company's control.

Although the company attempts to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be anticipated, estimated or intended, and many events are beyond the reasonable control of the company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

Forward looking statements in this release are given as at the date of issue only. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

ASX Listing Rule 5.19 Compliance

Pursuant to ASX Listing Rule (LR) 5.19, the following information is disclosed to the ASX:

- (a) LR 5.19.1: The production targets and forecast financial information referred to were derived from the AX announced titled "Supplementary PFS at Groundhog North Delivers \$1.7Bn NPV" which was released on 20 October 2014.
- (b) LR 5.19.2: Atrum Coal confirms that all the material assumptions underpinning the production target and the forecast financial information derived from the production target as outlined in the ASX announcement dated 20 October 2014 continue to apply and have not materially changed.
- (c) LR 5.19.3: Not Applicable.
- (d) LR 5.19.4: Not Applicable.