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# ATRUM COAL NL

ACN 153 876 861

## NOTICE OF ANNUAL GENERAL MEETING

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**TIME:** 11:00 am (EST)

**DATE:** 28 November 2014

**PLACE:** Level 19, 1 O'Connell Street, Sydney NSW 2000

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9388 3131.***

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## **IMPORTANT INFORMATION**

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### **Time and place of Meeting**

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Notice is given that the Meeting will be held at 11:00 am (AEDT) on 28 November 2014 at:

Level 19  
1 O'Connell Street  
Sydney NSW 2000

The Explanatory Statement to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form forms part of the Notice.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in Schedule 1.

### **Your vote is important**

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The business of the Meeting affects your shareholding and your vote is important.

### **Voting eligibility**

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7 pm (AEDT) on 26 November 2014.

### **Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above.

### **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

# **AGENDA**

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## **1. ANNUAL REPORT**

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2014, which includes the Financial Report, the Directors' Report comprising the review of operations and the remuneration report, and the Independent Auditor's Report.

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## **2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **non-binding resolution**:

*"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual report for the financial year ended 30 June 2014."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

### **Voting Prohibition Statement:**

A vote on the Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above, and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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**3. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES – PANSTONE MINES AND MINERALS INC.**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 100,000 Shares to Panstone Mines and Minerals Inc. on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES - ANGLO PACIFIC GROUP PLC**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,000,000 Shares to Anglo Pacific Group PLC on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF OPTIONS – NATHAN RYAN (CONSULTANT)**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 100,000 Options on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**6. RESOLUTION 5 – RATIFICATION OF ELECTION OF CAMERON VORIAS AS DIRECTOR**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Cameron Vorias, who, having been appointed as a Director since the last General Meeting of the Company, ceases to hold office, and being eligible for re-election, be elected as a Director of the Company."*

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**7. RESOLUTION 6 – RATIFICATION OF ELECTION OF STEVEN BOULTON AS DIRECTOR**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Stephen Boulton, who, having been appointed as a Director since the last General Meeting of the Company, ceases to hold office, and being eligible for re-election, be elected as a Director of the Company."*

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**8. RESOLUTION 7 – RE-ELECTION OF JAMES CHISHOLM AS DIRECTOR**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr James Chisholm, retires by rotation, and being eligible for re-election, be elected as a Director of the Company."*

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**9. RESOLUTION 8 – APPROVAL OF 10% PLACEMENT CAPACITY**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

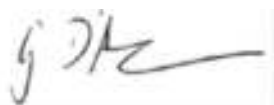
*"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**Dated: 28 October 2014**

**By order of the Board**



**GINO D'ANNA**  
**EXECUTIVE DIRECTOR & COMPANY SECRETARY**

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# EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in connection with the business to be conducted at the Meeting to be held at Level 1, 19 O'Connell Street, Sydney, New South Wales on 28 November 2014 at 11:00am (EST).

This Explanatory Statement should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Statement is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A Proxy form is located at the end of the Explanatory Statement.

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## 1. ANNUAL REPORT

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. Copies of the report can be found on the Company's website [www.atrumcoal.com](http://www.atrumcoal.com) or by contacting the Company on (08) 9388 3131.

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) to discuss the Annual Report for the financial year ended 30 June 2014;
- (b) to ask questions or make comment on the management of the Company;
- (c) to ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

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## 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

### 2.1 General

The Corporations Act required that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the Shareholders. However, such a resolution is advisory only and does not bind the Company or the Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part

of the Directors Report contained in the annual financial reporting of the Company for a financial year.

The Chair of the Meeting must allow a reasonable opportunity for its Shareholders to ask questions about or make comments on the Remuneration Report as the annual general meeting.

## 2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meeting a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the previous financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

## 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the adoption of the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this annual general meeting.

## 2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel <sup>1</sup>	Vote as directed	Unable to vote <sup>3</sup>
Chair <sup>2</sup>	Vote as directed	Able to vote at discretion of Proxy <sup>4</sup>
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

<sup>1</sup> Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

<sup>2</sup> Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).



<sup>3</sup> Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

<sup>4</sup> The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

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### **3. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES – PANSTONE MINES AND MINERALS INC.**

#### **3.1 General**

As announced on 14 March 2014, the Company completed the acquisition of eleven coal licence applications from Panstone Mines and Minerals Inc (**Panstone**) adjacent to the Company's Groundhog Anthracite Project (**Applications**).

In consideration for the Applications the Company paid Panstone CAD\$250,000 plus the reimbursement of rents paid in respect of the coal licence applications and issued them 100,000 Shares.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 100,000 Shares (**Panstone Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying these previous issues, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

#### **3.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Panstone Ratification:

- (a) 100,000 Shares were previously issued;
- (b) the deemed issue price was \$0.20 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Panstone Mines and Minerals Inc who is not a related party of the Company; and
- (e) no funds were raised from the issue as the Shares were issued in consideration for the Applications and the reimbursement of rents paid in respect of the coal licence applications.

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## **4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES – ANGLO PACIFIC GROUP PLC**

### **4.1 General**

On 29 August 2014, the Company acquired a large package of granted coal licences and one coal licence application from Anglo Pacific Group PLC ("Anglo Pacific") (LSE: APF, TSX: APY) (**Acquisition**).

The Acquisition included 20 granted coal licences (**Coal Licences**) and one coal licence application (**Coal Licence Application**), collectively covering an area of 10,235 hectares, and represented the complete consolidation of all the known anthracite-bearing tenure in the Groundhog and Panorama Coalfields.

Material terms of the Acquisition included a 1% gross revenue royalty or a US\$1/tonne royalty (whichever is the higher) payable on anthracite produced from the assets acquired from Anglo Pacific only, US\$500,000 payable in cash, a US\$2.0m 8% promissory loan note repayable within 18 months, and 1,000,000 Fully Paid Ordinary shares, which are escrowed for 18 months from the date of issue.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 1,000,000 Shares to Anglo Pacific Group PLC (**Anglo Pacific Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 3.1 above.

By ratifying these previous issues, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **4.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Anglo Pacific Ratification:

- (a) 1,000,000 Shares were previously issued;
- (b) The deemed issue price was \$1.52 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Anglo Pacific Group PLC who is not a related party of the Company; and
- (e) no funds raised were raised from the issue as the Shares were issued in part consideration for the Anglo Pacific Group PLC Coal Licences and Coal Licence Applications.

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## **5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF OPTIONS – NATHAN RYAN (CONSULTANT)**

### **5.1 General**

On 14 March 2014, the Company issued 100,000 Options exercisable at \$1.40 and expiring on or before 14 March 2017 (**Consultant Options**) to Nathan Ryan in consideration for the engagement of NWR Communications Pty Ltd as the Company's investor relations and marketing consultant.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Consultant Options (**Consultant Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 3.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## **5.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Consultant Ratification:

- (a) 100,000 Options were issued;
- (b) the Options were issued for nil cash consideration in satisfaction of the engagement of NWR Communications Pty Ltd as the Company's investor relations and marketing consultant;
- (c) the Options will be issued on the terms and conditions set out in Schedule 1;
- (d) the Options were issued to Nathan Ryan, who is not a related party of the Company; and
- (e) no funds were raised from the issue as the Options were issued in consideration for investor relation and marketing consultant services provided by NWR Communications Pty Ltd.

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## **6. RESOLUTION 5 – RATIFICATION OF ELECTION OF CAMERON VORIAS AS DIRECTOR**

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 13.4 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Vorias was appointed by the Board as an additional Director on 3 July 2014. Under clause 13.4 of the Constitution and ASX Listing Rule 14.4, Mr Vorias is required to retire from office as a Director at the Meeting and he offers himself for election by the shareholders.

Mr Vorias has in excess of 30 years operational experience in the mining industry including underground and open cut metallurgical coal mining and large scale hematite iron ore operations. He has a solid track record in new mine development, resource management and risk management. He has worked around the world including Australia, South Africa, Venezuela, China, Alaska USA and Indonesia.

Mr Vorias started his career with BHP Iron Ore in Mount Newman as a mining engineer where he was responsible for open cut planning and operations before moving to work for Shell International in London as the business development and project acquisition manager with responsibility for the acquisition of the Paso Diablo and Socuy mines in Venezuela.

Mr Vorias was previously General Manager for New Hope Coal where he constructed and operated the New Acland Mine near Toowoomba, Queensland, producing 7Mtpa run-of-mine coal and employing approximately 200 people. He was also previously General Manager (Queensland Operations) for Excel Coal where he developed and commissioned the \$350M "Millennium" coal mine in central Queensland, employing around 300 people and producing 1.5Mt of product in the first year of operation. He held the position of Chief Operating Officer (Queensland) for Peabody Energy Australia where he managed five large underground and open cut coal mining operations which generated in excess of US\$1.8n in revenue annually and employed 1,500 people.

Mr Vorias is currently Managing Director and Chief Executive Officer of Sojitz Coal Mining Pty Ltd. In this role, he is responsible for the management of a large open cut coal mine. As well, he is currently reviewing a number of new Australian business opportunities on behalf of Sojitz.

Mr Vorias is also currently a Non-Executive Director of Coal of Queensland Pty Ltd, an emerging coking coal mining company in Queensland.

The Board unanimously supports the election of Mr Vorias.

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## **7. RESOLUTION 6 – RATIFICATION OF ELECTION OF STEVEN BOULTON AS DIRECTOR**

Mr Boulton was appointed by the Board as an additional Director on 22 August 2014. Under clause 13.4 of the Constitution and ASX Listing Rule 14.4, Mr Boulton is required to retire from office as a Director at the Meeting and he offers himself for election by the shareholders.

A summary of clause 13.4 and ASX Listing Rule 14.4 is set out in Section 6 above.

Mr Steven Boulton, Grad Dip App Corp Gov, MTM, BBus, FAICD, FAIM, FGIS, CAHRI has in excess of 35 years' operational and investment experience in major infrastructure projects, including ports, rail, roads, airports and utilities. He is one of Australia's leading infrastructure executives and currently serves as Global Head of Infrastructure at CP2.

Mr Boulton has previously performed in a number of major infrastructure advisory roles:

- Chief Executive Officer – Allgas Energy Ltd
- Chief Executive Officer – Powerco Limited (NZ's 2nd largest electricity/gas distribution enterprise)
- Chief Executive Officer – BBI/Prime Infrastructure (\$3.7 billion infrastructure fund)
- Chief Executive Officer – Hastings Funds Management (\$7 billion infrastructure fund)
- Executive Director – Australian Pacific Airports Corporation
- Executive Chairman – Dalrymple Bay Coal Terminal (one of the worlds largest coal port export facilities)
- Executive Chairman – PD Ports (UK's 2nd largest commodity seaport)
- Executive Chairman – WestNet Rail
- Executive Chairman – International Energy Group (UK's 2nd largest independent last-mile gas utility)
- Non-Executive Director – Port of Brisbane Pty Ltd
- Non-Executive Director – Infrastructure Partnerships Australia
- Non-Executive Director – The Australian Infrastructure Fund

Mr Boulton is a seasoned fund and asset management executive having held CEO roles with Hastings Funds Management, BBI/Prime, Powerco NZ and Allgas over his 35 year career in the infrastructure and utility sectors. Assets managed in these entities

included electricity, gas and water transmission/distribution, seaports, airports, power generation and road/rail networks.

Mr Boulton has held positions as Chairman/Director on a range of entities on behalf of investors and Chaired a funds management Investment Committee. He has led multiple M&A processes with exposure to both equity and debt capital markets.

Mr Boulton holds a Graduate Diploma in Applied Corporate Governance, a Masters of Technology Management and a double major Bachelor of Business. Mr Boulton is a Fellow member of the Australian Institute of Management, Australian Institute of Company Directors, Governance Institute of Australia, Chartered Institute of Secretaries and a Certified member of the Australian Human Resources Institute.

The Board unanimously supports the election of Mr Boulton.

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## **8. RESOLUTION 7 – RE-ELECTION OF JAMES CHISHOLM AS DIRECTOR**

### **8.1 Background**

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 year, whichever is the longer.

Clause 13.2 of Atrum's Constitution provides, subject to clause 17.4, at the Company; annual general meeting in every year, one third of the Directors for the time being, or if their number is not a multiple of 3, then the number nearest one third, and any other Director not in such one third who has held office for 3 years or more (except the Managing Director), must retire from office. Clause 13.2 provides that a retiring Director is eligible for re-election.

The Directors to retire at any annual general meeting must be those who have been longest in office since their last election but, as between persons who became Directors on the same day, those to retire must (unless they otherwise agree amongst themselves) be determined by lot.

The Company has a total of five Directors, two of whom were appointed as casual appointments during the year by approval from the Directors at the time. As such the Company has three directors remaining which would be eligible for re-election pursuant to the rotation clause contained in the Company's constitution, and therefore one Director must retire by rotation.

### **8.2 Candidate Profile**

Mr Chisholm is a qualified engineer, holding a degree in electrical engineering, who has worked in the engineering and mining sectors for the past 28 years, initially in engineering, then management, then M&A roles. James co-founded The Chairmen I Pty Ltd (which was the largest shareholder of Guildford Coal Limited ASX: GUF), Ebony Iron Pty Ltd (now part of Strategic Minerals PLC, AIM: SML), Ferto Limited (ASX: FTZ) and Ebony Coal Limited.

Mr Chisholm is currently chairman of ASX listed Ferto Limited (ASX: FTZ) and is currently a director of unlisted Ebony Coal Limited.

Further details of Mr Chisholm's background and experience are set out in the Annual Report.

The Board believes that Mr Chisholm has performed the duties and responsibilities of a Director diligently and professionally, in the best interests of all Shareholders.

The Board unanimously supports the re-election of Mr Chisholm.

Mr Chisholm, the Director longest in office since his last election, retires by rotation and seeks re-election.

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## **9. RESOLUTION 8 – APPROVAL OF 10% PLACEMENT CAPACITY– SHARES**

### **9.1 General**

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 8, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 9.2 below).

The effect of Resolution 8 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 8 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 8 for it to be passed.

### **9.2 ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$232,316,716.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: ATU) together with three classes of unquoted Options, one class of partly paid shares and one class of performance rights.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
  - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

### 9.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 8:

**(a) Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 9.3(a)(i), the date on which the Equity Securities are issued.

**(b) Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

**(10% Placement Capacity Period).**

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 8 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	0.7150 50% decrease in Issue Price	1.43 Issue Price	2.860 100% increase in Issue Price
180,125,908 (Current Variable A)	Shares issued - 10% voting dilution	18,012,590 Shares	18,012,590 Shares	18,012,590 Shares
	Funds raised	\$12,879,002	\$25,758,004	\$51,516,007
270,188,862 (50% increase in Variable A)	Shares issued - 10% voting dilution	27,018,886 Shares	27,018,886 Shares	27,018,886 Shares
	Funds raised	\$19,318,503	\$38,637,007	\$77,274,015
360,251,816 (100% increase in Variable A)	Shares issued - 10% voting dilution	36,025,182 Shares	36,025,182 Shares	36,025,182 Shares
	Funds raised	\$25,758,005	\$51,516,010	\$103,032,021

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

- There are currently 180,125,908 Shares on issue comprising:
  - 179,025,908 existing (tradable) Shares as at the date of this Notice of Meeting;
  - 100,000 (non-tradeable) Shares escrowed until 14 March 2015; and
  - 1,000,000 (non-tradeable) Shares escrowed until 2 March 2016.
- The issue price set out above is the closing price of the Shares on the ASX on 21 October 2014.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.



4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for [insert eg the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets/ X Project (funds would then be used for project, feasibility studies and ongoing project administration), general working capital etc]and administration; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments including previously announced acquisitions, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 29 November 2013 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 28 November 2013, the Company otherwise issued a total of 3,871,250 Shares, 100,000 Options and 860,000 performance rights which represents approximately 3% of the total diluted number of Equity Securities on issue in the Company on 28 November 2013, which was 173,435,842.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 2.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

## **9.4 Voting Exclusion**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of

Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 8.

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**10. ENQUIRIES**

Shareholders are requested to contact Gino D'Anna on (+ 61 8) 9388 3131 if they have any queries in respect of the matters set out in these documents.

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## SCHEDULE 1 - DEFINITIONS

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in section [insert] of the Explanatory Statement.

**AEDT** means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

**Annual Report** means the Directors' Report, Financial Report and Independent Auditor's Report in respect to the financial year ended 30 June 2014.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Atrum** means Atrum Coal NL (ACN 153 876 861).

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth)

**Company** means Atrum Coal NL (ACN 153 876 861).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and

- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Financial Report** means the annual financial report of the Company and its controlled entities prepared under Chapter 2M of the Corporations Act.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listing Rules** means the listing rules of ASX.

**Meeting** has the meaning in the introductory paragraph of the Notice.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report of the Company set out in the Directors' Report section of the Company's Annual Report for the year ended 30 June 2014.

**Resolution** means a resolution set out in the Notice.

**Schedule** means a schedule to this Notice.

**Section** means a section contained in this Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Variable A** means "A" as set out in the calculation in section [insert] of the Explanatory Statement.

**WST** means Western Standard Time as observed in Perth, Western Australia.

In this Notice, words importing the singular include the plural and vice versa.

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## **SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS**

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### **Rights Attaching to Options**

The Options entitle the holder to subscribe for one Share upon the exercise of each Option.

(a) **Exercise price**

The exercise price of each Option will be \$1.40.

(b) **Expiry date**

The expiry date of each Option will be 14 March 2017.

(c) **Exercise period**

The Options are exercisable at any time on or prior to the Expiry Date.

(d) **Notice of exercise**

The Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Option being exercised. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(e) **Shares issued on exercise**

Shares issued on exercise of the Options will rank equally with the Shares of the Company.

(f) **Quotation of Shares on exercise**

Application will be made by the Company to the ASX for official quotation of the Shares issued upon the exercise of the Options.

(g) **Timing of issue of Shares**

After an Option is validly exercised, the Company must as soon as possible:

- (i) issue the Share; and
- (ii) do all such acts matters and things to obtain:
  - (A) the grant of quotation for the Share on the ASX no later than 5 days from the date of exercise of the Option; and
  - (B) receipt of cleared funds equal to the sum payable on the exercise of the Options.

(h) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holders of Options the

opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(i) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(j) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

(k) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(l) **Quotation of Options**

The Options will be unlisted Options at completion of the Offer. However the Company reserves the right to apply for quotation of the Options at such time as the Company in its absolute discretion determines. Should the Company make an application for official quotation of the Options and the ASX accepts the application for quotation of the Options then the Options will be listed options from the time that the ASX accepts such application.

(m) **Options transferable**

The Options are transferable subject to compliance with the Corporations Act.

(n) **Lodgement instructions**

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.



## SCHEDULE 2 – ISSUES OF EQUITY SECURITIES SINCE 29 NOVEMBER 2013

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
Issue – 15/9/14 App 3B – 19/9/14	135,000	Shares <sup>2</sup>	Goldbond Super Pty Ltd	Exercise price \$0.30 - Discount: 78%	Amount raised = \$40,500 Amount spent = \$40,500 Use of funds General Working Capital
Issue – 4/9/2014 App 3B – 10/9/14	1,000,000	Shares <sup>2</sup>	Anglo Pacific Group Plc	No issue price (non-cash consideration)	Consideration: consideration for acquisition of coal licences and application Current value <sup>5</sup> = \$1,430,000
Issue – 4/9/2014 App 3B – 10/9/14	360,000	Performance Rights	Robert Mitchell – 60,000  Katgem Pty Ltd – 240,000  Steven Ronald Boulton – 60,000	Nil cash consideration	Consideration: issued under Performance Rights Plan Current value <sup>5</sup> = Nil (no value until milestone satisfied)
Issue – 18/8/14 App 3B – 21/8/14	700,000	Shares <sup>2</sup>	Claudia Harper – 700,000	Exercise price \$0.30 - Discount: 82%	Amount raised = \$210,000 Amount spent = \$210,000 Use of funds General Working Capital
Issue – 31/7/14 App 3B – 1/8/14	135,000	Shares <sup>2</sup>	Vault WA Pty Ltd – 135,000	Exercise price \$0.30 Discount: 80%	Amount raised = \$40,500 Amount spent = \$40,500 Use of funds General Working Capital
Issue – 31/7/14 App 3B – 1/8/14	500,000	Performance Rights	Benjamin Smith	Nil cash consideration	Consideration: issued under Executive Service Agreement Current value <sup>6</sup> = Nil (no value until milestone satisfied)
Issue – 1/6/14 App 3B 5/6/14	1,801,250	Shares <sup>2</sup>	Various – Employees of the Company upon the conversion of the Class 3 performance rights milestone	Nil cash consideration	Consideration: consideration in satisfaction of performance hurdles associated with Performance Rights Current value <sup>5</sup> = \$2,575,788
Issue 14/3/14 App 3B 17/3/14	100,000	Shares <sup>2</sup>	Panstone Mines & Minerals Inc	No issue price (non-cash consideration)	Consideration: consideration for acquisition of additional coal licence applications contiguous with the Groundhog Anthracite Project Current value <sup>5</sup> = \$143,000
Issue 14/3/14 App 3B 17/3/14	100,000	Unlisted Options <sup>3</sup>	Nathan Ryan	No issue price (non-cash consideration)	Consideration: issued as consideration for media and investor relations consultancy services. Current value <sup>5</sup> = \$54,900

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: ATU (terms are set out in the Constitution).
3. Unquoted Options, exercisable at \$1.40 each, on or before 14 March 2017. The full terms and conditions are disclosed in Schedule 1 of this Notice of Meeting.
4. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
5. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$1.43) on the ASX on the trading day prior to the date of this Notice. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information) and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

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## PROXY FORM

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ATRUM COAL NL  
ACN 153 876 861

### ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at Level 19, 1 O'Connell Street, Sydney NSW 2000, on 28 November 2014 at 11:00 am (EST), and at any adjournment thereof.

#### AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Prior Issue of Shares to Panstone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Issue of Shares to Anglo Pacific Group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Prior Issue of Options to Consultant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of election of Cameron Vorias	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of election of Steven Boulton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Re-election of James Chisholm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of 10% Placement Capacity - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name:

Contact ph (daytime):

E-mail address:

Consent for contact by e-mail: YES ☐ NO ☐

## Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to the Company at PO Box 8212, Subiaco East WA 6008;
  - (b) facsimile to the Company on facsimile number +61 8 9388 3132; or
  - (c) email to the Company on [gino@atrumcoal.com](mailto:gino@atrumcoal.com)

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**