

ISSUE OF SHARES AND SECTION 708A NOTICE

Atrum Coal NL advises that it has issued 6,653,717 fully paid ordinary shares to subscribers pursuant to the completion of the Private Placement as announced to the ASX on 28 October 2014. The issue and allotment of the shares was completed over the period 7 November to 11 November 2014.

In accordance with ASX Listing Rules and the Corporations Act 2001, Atrum Coal NL provides the following documents:

- (a) ASX Appendix 3B; and
- (b) A notice under section 708A(5)(e) of the Corporations Act 2001 ("Cleansing Statement") in relation to the issue of 6,653,717 fully paid ordinary shares.

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ASX:ATU - Share Information
Issued Shares: 170.1m

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Board of Directors

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

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

Key Projects

Groundhog
Panorama
Peace River
Naskeena
Bowron River

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

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Atrum Coal NL

ACN

153 876 861

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <p>The following securities have been issued:</p> <ul style="list-style-type: none"> a. 30,000 fully paid ordinary shares have been issued pursuant to the exercise of a commensurate number of options, exercisable at 30 cents per share. b. 6,653,717 fully paid ordinary shares have been issued pursuant to the completion of the Private Placement in Atrum Coal as announced to ASX on 28 October 2014. |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <p>Ordinary shares will rank equally with existing Shares currently on issue from the date of allotment</p> |

+ See chapter 19 for defined terms.

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>a. A total of 30,000 Fully Paid Ordinary Shares have been issued pursuant to the exercise of a commensurate number of options, exercisable at 30 cents per share.</p> <p>Total consideration of \$9,000 was raised from the exercise of options, which has been allocated to working capital.</p> <p>b. A total of 6,653,717 Fully Paid Ordinary Shares have been issued pursuant to the completion of the Private Placement as announced to the ASX on 28 October 2014.</p> <p>Total consideration of \$7,984,448 was raised from the Private Placement which has been allocated to the development of the Groundhog Anthracite Project, as the Company progresses through its planning for bulk sample, small scale mining and full scale commercial production.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>a. The purpose of the issue and allotment of the Fully Paid Ordinary Shares is pursuant to the exercise of an equal number of options with an exercise price of 30 cents per share.</p> <p>b. The purpose of the issue and allotment of the Fully Paid Ordinary Shares is pursuant to the completion of the Private Placement as announced to the ASX on 28 October 2014.</p>
<p>6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the ⁺securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>

⁺ See chapter 19 for defined terms.

6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of securities issued under an exception in rule 7.2	N/A
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	7 November 2014 - 11 November 2014

+ See chapter 19 for defined terms.

8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in section 2 if applicable)	Number	⁺ Class
		169,042,959 (tradeable)	Fully Paid Ordinary Shares
		100,000 (non-tradeable)	Fully Paid Ordinary Shares – escrowed until 14 March 2015
		1,000,000 (non-tradeable)	Fully Paid Ordinary Shares – escrowed until 2 March 2016

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in section 2 if applicable)	Number	⁺ Class
		2,761,600	Partly Paid Ordinary Shares
		4,330,000	Options expiring on 01/07/2016 exercisable at 30 cents each
		150,000	Options expiring on 30/01/2016 exercisable at 30 cents each
		100,000	Options expiring on 14/03/2017 exercisable at \$1.40 each
		5,505,000	Performance Rights

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	There is currently no dividend policy in place for the Company
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Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the ⁺ securities will be offered	N/A
14	⁺ Class of ⁺ securities to which the offer relates	N/A
15	⁺ Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A

⁺ See chapter 19 for defined terms.

18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	N/A

⁺ See chapter 19 for defined terms.

- | | | |
|----|--|-----|
| 31 | How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | N/A |
| 32 | How do ⁺ security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | ⁺ Despatch date | N/A |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(*tick one*)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	N/A	
39	Class of +securities for which quotation is sought	N/A	
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	N/A	
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	Number N/A	+Class N/A

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

.....
(Director/Company secretary)

Date: 11 November 2014

Print name: Mr Gino D'Anna

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	
Add the following: <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	
“A”	

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	
Total [“A” x 0.15] – “C”	<i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	
“E”	

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.10] – “E”	<i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

11 November 2014

Australian Securities Exchange
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Attention: ASX Market Announcements
The Manager

Electronic Lodgement

Dear Sir or Madam

ATRUM COAL NL SECONDARY TRADING NOTICE – NOTIFICATION PURSUANT TO PARAGRAPH 708(A)(5)(e) OF THE CORPORATIONS ACT 2001

This notice is given by Atrum Coal NL ("**Atrum**" or "**ATU**") under section 708A(5)(e) of the Corporations Act 2001 (Cth) ("**the Act**").

Atrum advises that it has issued 6,653,717 fully paid ordinary shares ("**Shares**"), to subscribers pursuant to the Private Placement as announced to the ASX on 28 October 2014. The issue and allotment of shares occurred over the period 7 November to 11 November 2014.

Atrum gives notice under section 708A(5)(e) of the Act that:

- (a) the Shares were issued without disclosure to investors under Part 6D.2 of the Act;
- (b) as at the date of this notice, Atrum has complied with the provisions of Chapter 2M as they apply to Atrum, and section 674 of the Act; and
- (c) as at the date of this notice, there is no information that is 'excluded information' within the meaning of section 708A(7) and 708A(8) of the Act which is required to be disclosed by Atrum under section 708A(6)(e) of the Act.



ASX:ATU - Share Information
Issued Shares: 170.1m

Registered Office
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Board of Directors

Executive Chairman
Executive Director
Executive Director
Non-Executive Director
Non-Executive Director
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J. Chisholm
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Key Projects

Groundhog
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Ownership: 100%
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For further information contact:

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