

## REPLACEMENT APPENDIX 3B

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Please find attached a replacement Appendix 3B.

This replaces the Appendix 3B lodged by Atrum Coal Limited (**ASX: ATU**) on the 28 December 2016, which incorrectly disclosed that the Company was not an eligible entity that had obtained shareholder approval under Listing Rule 7.1A. and did not include the relevant Listing Rule 7.1A disclosures.

### For further information, contact:

**James Chisholm**  
Non-Executive Director  
**M** +61 419 256 690  
[james@atrumcoal.com](mailto:james@atrumcoal.com)

**Chris Brown**  
Company Secretary  
**M** +61 402 060 141  
[cbrown@atrumcoal.com](mailto:cbrown@atrumcoal.com)

**Nathan Ryan**  
Investor Relations  
**M** +61 420 582 887  
[nathan@atrumcoal.com](mailto:nathan@atrumcoal.com)



#### Registered Office

Level 19, 1 O'Connell St, Sydney,  
NSW, 2000  
**T** +61 2 8249 1884  
**E** [info@atrumcoal.com](mailto:info@atrumcoal.com)  
[www.atrumcoal.com](http://www.atrumcoal.com)

#### Board of Directors

Non-Executive Director	C. Burton
Non-Executive Director	J. Chisholm
Company Secretary	C. Brown

#### Key Projects

Groundhog	Ownership: 100%
Naskeena	Ownership: 100%
Bowron River	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, 04/03/13

Name of entity

Atrum Coal Limited

ABN

27 153 876 861

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 in the Company and new unlisted options   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <p>27,000,000 fully paid ordinary shares issued pursuant to the completion of the Private Placement as announced on 16 December 2016.</p> <p>300,000 fully paid ordinary shares issued as payment for services rendered.</p> <p>984,402 unlisted options issued pursuant to the conversion of convertible notes.</p> |

+ See chapter 19 for defined terms.

## Appendix 3B

### New issue announcement

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3	Principal terms of the +securities (e.g. 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>27,300,000 fully paid ordinary shares that rank equally with existing fully paid ordinary shares on issue.</p> <p>541,964 unlisted options with an exercise price of \$0.75 per option, each option exercisable for one fully paid ordinary share in the Company at any time up to and including 5pm (Sydney time) on 15 August 2018.</p> <p>442,438 unlisted options with an exercise price of \$0.65 per option, each option exercisable for one fully paid ordinary share in the Company at any time up to and including 5pm (Sydney time) on 14 November 2018.</p>
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+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date 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"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes for Shares – the fully paid ordinary shares rank equally with existing fully paid ordinary shares on issue.</p> <p>No for Unlisted Options – the unlisted options are a new class of securities and may only be exercised in accordance with their terms and conditions. Upon exercise of the unlisted options to fully paid ordinary shares, the shares will rank equally with existing fully paid ordinary shares on issue.</p>
<p>5 Issue price or consideration</p>	<p>\$0.50 per share for each of the 27,000,000 fully paid ordinary shares issued.</p> <p>\$0.564 per shares for each of the 300,000 fully paid ordinary shares issued.</p> <p>Unlisted options are granted for no additional consideration in accordance with the terms of the convertible notes.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The net proceeds raised by the Private Placement will supplement the Company's existing facilities and allow Atrum to complete significant milestones in 2017 at the Groundhog North Project. Planned activities to be funded include delivering bulk samples to customers and further development of mining studies and permitting at Groundhog North.</p> <p>The remaining shares were issued as payment for services rendered to the Company.</p> <p>The unlisted options were issued on conversion of convertible notes in accordance with the terms of the convertible notes.</p>

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+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?  If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	30/11/2016
6c	Number of +securities issued without security holder approval under rule 7.1	8,284,302
6d	Number of +securities issued with security holder approval under rule 7.1A	20,000,000
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	Nil
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.	Yes - Issue date 28 December 2016 - Issue price \$0.50 per share - 15 day VWAP – \$0.5019 per share - Calculated source: Shaw and Partners
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	Refer Annexure 1

+ See chapter 19 for defined terms.

7	<p><b>+Issue dates</b></p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	28 December 2016																
8	<p>Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in section 2 if applicable)</p>	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>231,794,642</td><td>Fully paid ordinary shares</td></tr></table>	Number	+Class	231,794,642	Fully paid ordinary shares												
Number	+Class																	
231,794,642	Fully paid ordinary shares																	
9	<p>Number and +class of all +securities not quoted on ASX (<i>including</i> the +securities in section 2 if applicable)</p>	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>100,000</td><td>Options exercisable at \$1.40 each expiring 14/03/2017</td></tr><tr><td>8,975,418</td><td>Options exercisable at \$0.80 each expiring 25/08/2017</td></tr><tr><td>2,150,000</td><td>Options exercisable at \$0.80 each expiring 7/09/2017</td></tr><tr><td>8,198,786</td><td>Options exercisable at \$0.60 each expiring 2/07/2018</td></tr><tr><td>541,964</td><td>Options exercisable at \$0.75 each expiring 15/08/2018</td></tr><tr><td>442,438</td><td>Options exercisable at \$0.65 each expiring 14/11/2018</td></tr><tr><td>5,000,000</td><td>Performance Rights</td></tr></table>	Number	+Class	100,000	Options exercisable at \$1.40 each expiring 14/03/2017	8,975,418	Options exercisable at \$0.80 each expiring 25/08/2017	2,150,000	Options exercisable at \$0.80 each expiring 7/09/2017	8,198,786	Options exercisable at \$0.60 each expiring 2/07/2018	541,964	Options exercisable at \$0.75 each expiring 15/08/2018	442,438	Options exercisable at \$0.65 each expiring 14/11/2018	5,000,000	Performance Rights
Number	+Class																	
100,000	Options exercisable at \$1.40 each expiring 14/03/2017																	
8,975,418	Options exercisable at \$0.80 each expiring 25/08/2017																	
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8,198,786	Options exercisable at \$0.60 each expiring 2/07/2018																	
541,964	Options exercisable at \$0.75 each expiring 15/08/2018																	
442,438	Options exercisable at \$0.65 each expiring 14/11/2018																	
5,000,000	Performance Rights																	
10	<p>Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	The company does not have a dividend policy																

## Part 2 - Pro rata issue

+ See chapter 19 for defined terms.

### Appendix 3B

#### New issue announcement

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11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the <sup>+</sup> securities will be offered	N/A
14	<sup>+</sup> Class of <sup>+</sup> securities to which the offer relates	N/A
15	<sup>+</sup> 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
18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

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<sup>+</sup> See chapter 19 for defined terms.

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 offer documents 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
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

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+ See chapter 19 for defined terms.



## Appendix 3B

### New issue announcement

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|----|--|-----|
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | +Issue 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

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+ 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	<p>Do the +securities rank equally in all respects from the +issue date 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"> <li>the date from which they do</li> <li>the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	N/A				
41	<p>Reason for request for quotation now</p> <p><small>Example: In the case of restricted securities, end of restriction period</small></p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	N/A				
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Number</th> <th style="width: 50%; text-align: center;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; vertical-align: top;">N/A</td> <td></td> </tr> </tbody> </table>	Number	+Class	N/A	
Number	+Class					
N/A						

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+ 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 is not available now, we 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: ..... Date: 2 February 2017  
(Company secretary)

Print name: Chris Brown

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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 Amended 04/03/13

### Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	186,602,960
<b>Add</b> the following: <ul style="list-style-type: none"> <li>Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>Include only ordinary securities here – other classes of equity securities cannot be added</li> <li>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	0  12,648,786  2,761,600
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	0
<b>“A”</b>	202,013,346

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	30,302,001
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <b>Note:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	17,169,333
<b>“C”</b>	
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<b>“A” x 0.15</b>  <i>Note: number must be same as shown in Step 2</i>	30,302,001
<b>Subtract “C”</b>  <i>Note: number must be same as shown in Step 3</i>	17,169,333
<b>Total [“A” x 0.15] – “C”</b>	13,132,668  <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	202,013,346
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	20,201, 334
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <i>Notes:</i> <ul style="list-style-type: none"> <li>• This applies to equity securities – not just ordinary securities</li> <li>• Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</li> <li>• 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</li> <li>• It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	20,000,000
<b>“E”</b>	20,000,000

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
“A” x 0.10  <i>Note: number must be same as shown in Step 2</i>	20,201,334
<b>Subtract “E”</b>  <i>Note: number must be same as shown in Step 3</i>	20,000,000
<b>Total</b> [“A” x 0.10] – “E”	201,334  <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.

2 February 2017

Market Announcement Platform  
Australian Securities Exchange

### Issue of Placement Shares – Information Disclosures Under Listing Rule 3.10.5A

On 28 December 2016, Atrum Coal Limited ("**Atrum**" or the "**Company**") (ASX: ATU) completed a share placement to raise \$13.5 million before costs as announced on 16 December 2016 (**Placement**). Under the Placement, the Company issued 27,000,000 fully paid ordinary shares at an issue price of \$0.50 per share. Of the 27,000,000 shares issued, the Directors have determined to allocate 20,000,000 of these shares under the Listing Rule 7.1A capacity approved by shareholders on 30 November 2016.

Further to the Replacement Appendix 3B released today, Atrum provides the following disclosure information under Listing Rule 3.10.5A in relation to the 20,000,000 securities issued under Listing Rule 7.1A.

- (a) The issue of 20,000,000 shares pursuant to Listing Rule 7.1A diluted the voting power of existing shareholders by approximately 8.6%.
- (b) The Company issued the shares as a placement under Listing Rule 7.1A as it was of the view that there were significant benefits in introducing new investors to the Company. The Board also believes that an issue under Listing Rule 7.1A was the most efficient and expedient way to complete the fund raising within the short time frame available.
- (c) The Company confirms that there were no underwriting arrangements in place with respect to the Placement.



**Registered Office**  
Level 19, 1 O'Connell St,  
Sydney NSW, 2000  
**T** +61 2 8249 1884  
**E** [info@atrumcoal.com](mailto:info@atrumcoal.com)  
[www.atrumcoal.com](http://www.atrumcoal.com)

**Board of Directors**  
Non-Executive Director  
Non-Executive Director  
Company Secretary

J. Chisholm  
C. Burton  
C. Brown

**Key Projects**  
Groundhog  
Naskeena  
Bowron River

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



(d) The Company entered into mandate agreements with Blackwood Capital and Argonaut Capital which requires the payment of fees equating to 5% of gross capital raised by each party. Blackwood Capital is also entitled to a management fee of \$95,000. The Company estimates that these fees and other costs associated with the Placement to be approximately \$800,000.

In addition, it has been agreed to issue 2 million options with an exercise price of \$0.75 per option expiring two years from issue date to Blackwood Capital and 1 million options with an exercise price of \$0.75 per option expiring two years from issue date to Argonaut Capital.

For and on behalf of the Company

Chris Brown  
Company Secretary