

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 JUNE 2017

HIGHLIGHTS

- Appointment of Charles Blixt as Non-Executive Director to the Board
 - Resignation of Tom Borman as Non-Executive Director to the Board
 - Appointment of Justyn Stedwell as Company Secretary
 - Appointment of Jay Hosanee as Chief Financial Officer
 - Freshet Baseline Monitoring Program at Groundhog completed
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Atrum Coal Limited (“Atrum” or the “Company”) (ASX: ATU) is pleased to provide its Quarterly Activities Report for the period ending 30 June 2017.

Non-Executive Director, James Chisholm commented: *“In the June Quarter, we completed critical environmental monitoring required for mine permitting at Groundhog, and continued planning our exploration and development activities for the summer quarter. We are currently mobilizing onsite at Panorama, and look forward to another successful field season.”*

“Product sales from the Atlantic Carbon Group Sales Joint Venture (ACG JV) have not yet occurred as export market prices have been depressed in comparison with US domestic market prices, and Atlantic Carbon Group PLC have concentrated on supplying their domestic customers. We have modified our strategy to focus on higher value niche markets and the response so far has been encouraging.”

“We are very pleased that Mr Charles (Chuck) Blixt has joined the Board of Directors. Mr Blixt brings significant experience in strategy development and execution, with a successful track record in diverse businesses and on boards across a 40-year career. We look forward to his involvement in, and contributions to, the work of the Board, and welcome him to Atrum Coal.”

“Subsequent to the quarter, on July 24, 2017, Mr Tom Borman resigned from the Board of Directors for personal reasons. Tom was appointed to the Board on 18 April 2017 and his positive impact on Board deliberations was felt immediately. We shall miss his counsel and wish him well in the future.”

OPERATIONS

Groundhog Anthracite Project (Atrum 100%)

The Groundhog Anthracite Project (“Groundhog”) is located in the Groundhog Coalfield in north-western British Columbia, Canada and covers an area of almost 1,000km² (Figure 1). Drilling and laboratory tests have confirmed that the Groundhog field contains high grade and ultra-high grade anthracite which is suitable for use in the manufacture of blast furnace steel, as well as a reductant in electric arc furnaces, as a filter media, and as a feedstock for chemical production. The Company has prepared various scoping studies and a pre-feasibility study on appropriate development of the first area under consideration, Groundhog North.

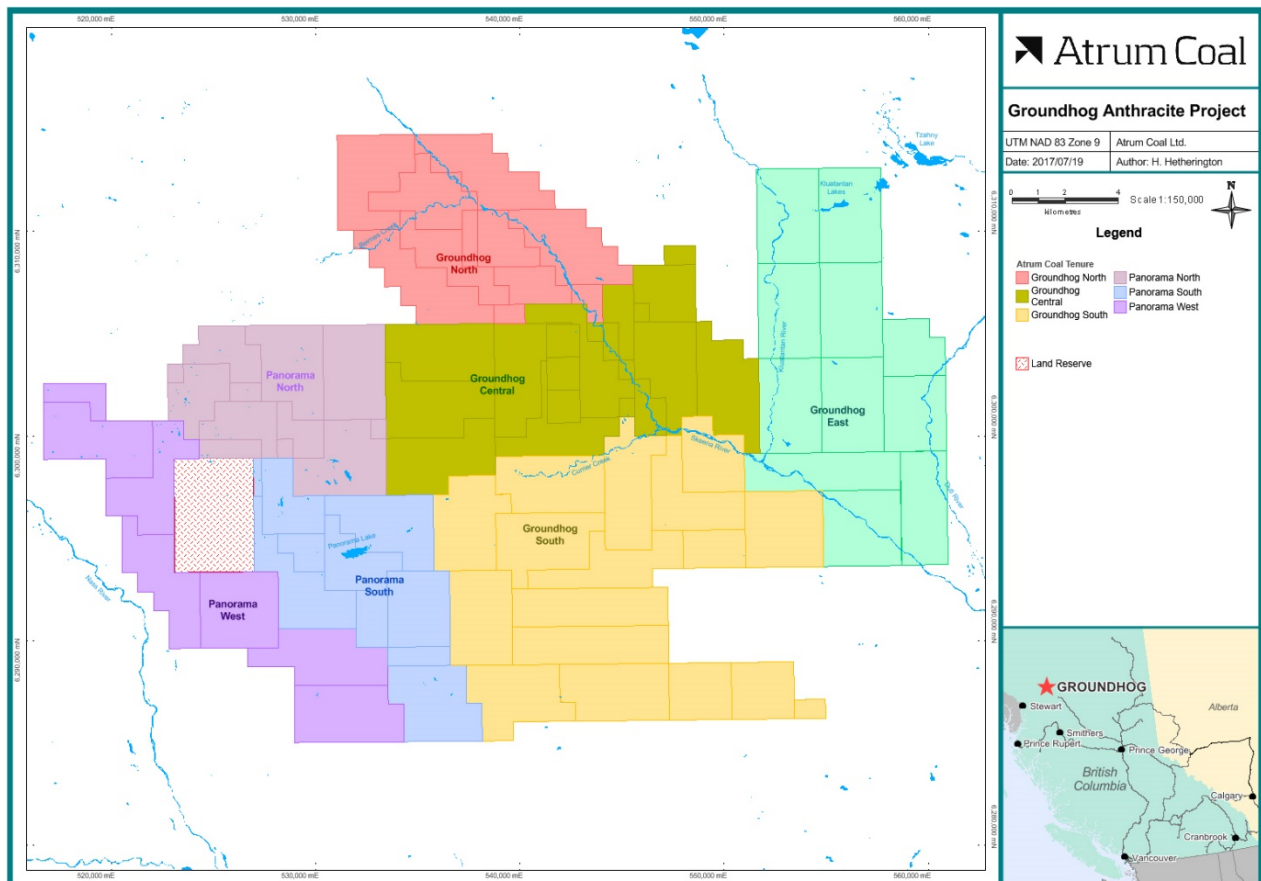


Figure 1: Atrum Groundhog Properties

Freshet Baseline Monitoring Program

During the quarter, Atrum undertook an environmental baseline monitoring program during the spring “freshet” season in northern British Columbia, where significant water run-off occurs from the melting of snow (Figures 2 and 3). The freshet monitoring program consisted of two components, namely, surface hydrology monitoring and a baseline surface water quality program. The surface hydrology program is designed to assess baseline conditions of water quantity via the installation of several hydrometric stations. The surface water quality program involved the collection of weekly water samples to be used to characterize the existing hydrological environment and provide additional data for assessing potential water quality effects, mitigation measures and monitoring.

The information obtained from the program will be critical for further exploration and mine planning at Groundhog, and is information required for permit applications in British Columbia. It will also prove useful in evaluating further exploration and development options for the Company’s Groundhog Central project, an area to the south of Groundhog North which has encouraging historical drill results and a 500,000tpa mine scoping study already completed.

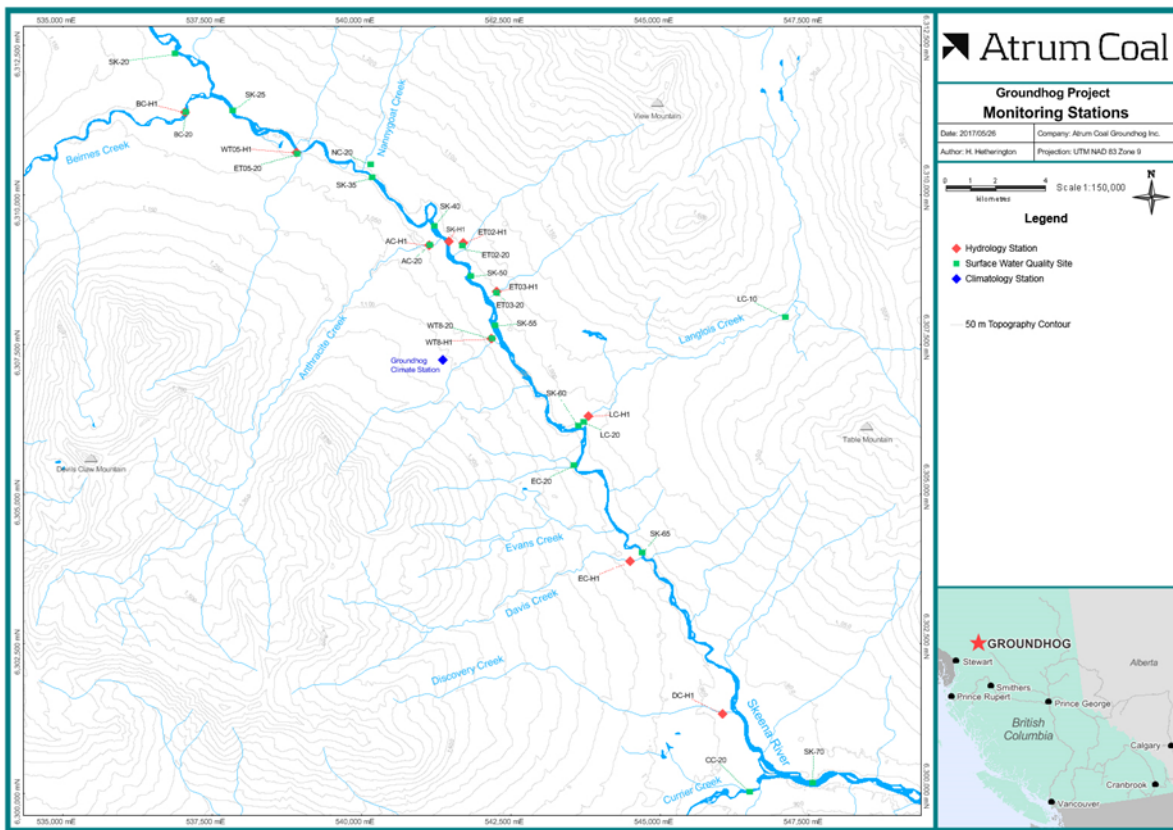


Figure 2: Freshet monitoring sites at Groundhog North



Figure 3: Freshet monitoring site at Groundhog North, May 2017

Although the Company undertook the environmental baseline monitoring program at Groundhog North in the quarter, other major expenditure at Groundhog North has been delayed pending the appointment of a CEO/Managing Director.

Panorama North Project (subject to JOGMEC earn-in)

The Panorama North Project is located 15km south-west of Groundhog North in British Columbia (Figure 1). Atrum's joint venture with Japan Oil, Gas and Metals National Corporation ("JOGMEC") for the Panorama North Project is progressing for the second year, and the next tranche of exploration at Panorama North will begin in August 2017.

Planning for this drilling program was completed during the quarter. Approximately six drill holes are planned, to be geographically dispersed across the Panorama North property. Approval from the British Columbia Government was obtained in the quarter to enable the drilling program this summer to extend across the entire Panorama North tenure area.

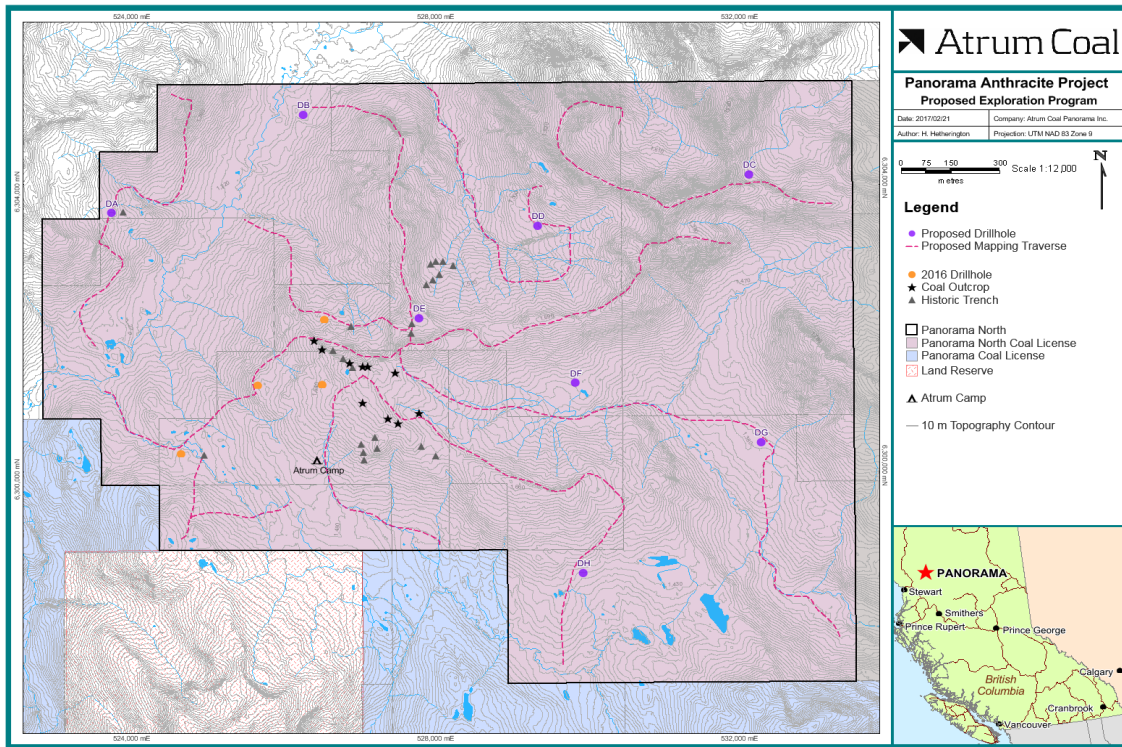


Figure 4: Map of Potential 2017 Drilling Locations at Panorama North



Figure 5: 2016 Drilling Site at Panorama North Project

Resource Estimate

Coal resources for the Panorama North Project have not yet been estimated. Current geological information derived by the Company does not yet support the development of a detailed geological model and the subsequent calculation of resources.

Given the success to date of the Panorama Project, the Company is evaluating previous trenching and drilling results in Panorama South and Groundhog Central with the view to potentially securing partners to advance exploration in those areas as well.

Groundhog Central

Due to the success of the JOGMEC Joint Venture, the Company has been evaluating Groundhog Central as another potential joint venture area.

Anthracite was first discovered in Groundhog Central in the early 1920's and a number of small mines were constructed there to extract anthracite (Figure 6). The adits to some of these mines still exist.



Figure 6: 1920's Groundhog Central mine adit

The Groundhog Central areas were explored in the 1970's and 1980's and then again in 2008. The Company drilled holes and collected core samples in 2012 and 2014. During the quarter, management reviewed the drilling and quality results and embarked on a program to update the 500,000tpa historical mine scoping study and prepare a JORC report for Groundhog Central.

Export Sales Joint Venture with Atlantic Carbon Group PLC ("ACG")

Last quarter, Atrum announced an agreement to form an unincorporated joint venture (the "Export Sales Joint Venture") with ACG to market and sell anthracite from ACG's operations to customers outside the US ("ACG JV"). ACG is an ultra-high grade anthracite producer with operations in north eastern Pennsylvania, USA. It operates three mines and two processing

plants near the town of Hazleton, Pennsylvania. Definitive agreements to form the joint venture were signed and Atrum placed an order for an initial 20,000t in late December 2016.

At this stage, unfortunately, no export sales have been achieved by the ACG JV. An arbitrage currently exists, where the available seaborne export price is lower than that available in the US market. ACG have decided to concentrate their sales in the US domestic market, leaving little supply available for export. However, the Company has been encouraged by international interest in the ACG anthracite by water filtration groups and is currently sending samples to interested parties, with the aim of securing small sales volumes at much higher prices than the sinter and blast furnace market.

ACG and Atrum have agreed a payment schedule to refund the US\$1.5m paid by Atrum to purchase the 20,000t stockpile from ACG, with the first US\$100,000 payment received late in the quarter. If the stockpile is not sold, ACG will make regular refund payments over the coming half year to re-acquire the 20,000t stockpile for domestic sales.

Kuro Coal Ltd.

The Elan Coking Coal Project in Alberta, Canada is prospective for coking coal, as noted in the Company's previous press releases on 16 April 2015 "*Kuro Coal Classification Announcement – Elan Project*" and on 11 December 2014 "*Major Coal Intersections at Elan Coking Coal Project.*" Further site visits, field mapping and a trenching program were conducted during and subsequent to the quarter. Trenches intersected large coal seams at surface. Samples were taken, and sent for analysis. Structural interpretation of the field work is now being undertaken.



Figure 7: Trenching program at Elan Coking Coal Project

Naskeena Anthracite Project (Atrum 100%)

The Naskeena Anthracite Project (“Naskeena”) is located in western British Columbia, approximately 50km from the town of Terrace and approximately 140km from the Port of Prince Rupert. It is an early stage project on the far western extent of the Groundhog Basin. No ground based activities were undertaken at Naskeena during the quarter. Although part of the Bowser Basin, coal quality in the region indicates a high-ash semi-anthracite coal which may be suitable as a PCI coking coal. Further desktop work will be undertaken during the coming half to quantify the potential of the Naskeena project.

Bowron River Coal Project (Atrum 100%)

The Bowron River Project (“Bowron River”) is located 60km east of the town of Prince George and is accessible from Prince George by 50km of paved road and then by 10km of all-weather gravel road. It is another early stage exploration project. The Company holds a total land position of 3,750 hectares at Bowron River. No ground based activities were undertaken at Bowron River during the quarter.

The Company continues to assess the above projects and other coking coal opportunities to increase the Company’s exposure to the metallurgical coal market.

CORPORATE

Board and Management Changes

On 18 April 2017, Atrum announced the appointment of former BHP Billiton senior executive Mr. Tom Borman as a Non-Executive Director to the Board. Mr. Borman had to resign from the Board with immediate effect on July 24, 2017 for personal reasons. Tom’s positive contributions to the Board were immediately felt. We shall miss his counsel and wish him well in the future.

On 31 May 2017, the Company announced the appointment of Mr Charles (Chuck) Blixt as a Non-Executive Director of the Board. Mr Blixt has significant experience in strategy development and execution, with a successful track record in diverse businesses and on boards across a 40-year career.

Mr Blixt began his 40-year career in private legal practice before taking on legal counsel roles, initially at Fiat-Allis and then at Caterpillar. In 1985, he joined R. J. Reynolds Tobacco as assistant Counsel Litigation. He spent 20 years at R. J. Reynolds in various legal roles including as Executive Vice President, General Counsel and Assistant Secretary for Reynolds American Inc from 1999 to 2006. He served as a Non-Executive Director of Krispy Kreme Doughnuts Inc (NYSE: KKD) from 2007 to 2016. Mr Blixt currently serves as a Non-Executive Director at Lamb Weston Holdings Inc (NYSE: LW), the largest North American frozen potato producer (and second largest worldwide) with a market capitalisation over US\$6.5b. He also serves as a Non-Executive Director of the \$6.5b market cap Swedish Match AB (Stockholm: SWMA), one of the world’s largest Tobacco products manufacturers.

Mr Blixt served as Non-Executive Director of Targacept Inc prior to its merger with Catalyst Biosciences Inc in 2015. He also serves as a director of several privately held small companies and is currently a principal in C&D Ventures, which invests in entrepreneurial start-ups and other businesses which require capital and/or business and legal expertise.

Effective 1 May 2017, Mr Justyn Stedwell was appointed as Company Secretary. Mr. Stedwell is a professional company secretary with a decade of experience with ASX listed companies in various industries, including mining and exploration, IT & telecommunications, biotechnology and agriculture.

On 31 May 2017, the Company announced that Mr Jayram (Jay) Hosanee was appointed as Chief Financial Officer. Mr Hosanee is based in Vancouver and has significant experience in CFO roles in several resources companies including Golden Dawn Minerals Inc and Great Quest Fertilizer Ltd. Mr Hosanee is a Chartered Professional Accountant (CPA.CGA) and a Fellow of the Chartered Certified Accountants (FCCA).

Issued Capital

Issued capital at 30 June 2017 was:

- 231,992,649 fully paid ordinary shares (listed);
- 8,975,418 options exercisable at \$0.80, expiring 25 August 2017 (unlisted);
- 2,150,000 options exercisable at \$0.80, expiring 7 September 2017 (unlisted);
- 8,198,786 options exercisable at \$0.60, expiring 2 July 2018 (unlisted);
- 541,964 options exercisable at \$0.75, expiring 15 August 2018 (unlisted);
- 442,438 options exercisable at \$0.65, expiring 14 November 2018 (unlisted);
- 3,000,000 options exercisable at \$0.75, expiring 16 February 2019 (unlisted);
- 2,972,500 performance rights (unlisted).

Subsequent to the quarter, 1,063,636 unlisted options with an exercise price of \$0.60 and expiring 31 October 2018 were issued.

Finance

Financial Summary Overview

An agreement has been entered into with Atlantic Carbon Group (ACG) for the repurchase of the anthracite inventory which provides for payment of US\$1.5m over the next six months. An amount of US\$100,000 (A\$128K) has already been received in the quarter.

During the quarter, total cash outflow amounted to \$2.6m compared to \$4.7m in the previous quarter, mainly due to lower outgoings in administration and corporate expenses, more specifically, in legal and due diligence costs and lower staff costs. Further reduction is expected in staff costs and administration and corporate costs as the company streamlines its processes and reduces its overheads.

Total cash outflow this quarter was in close approximation with the estimated cashflow provided in Section 9 of Appendix 5B for the previous quarter. A lower outgoing in salaries offset the part repayment of the loan to Moneytech amounting to \$579k, including interest.

As noted in Appendix 5B of the previous quarter, the company repaid the Lenark Nominee Loan Agreements amounting to \$653k (including interest), which matured on 2 April 2017.

Cash on hand at 30 June 2017 amounted to \$4.2m. As noted above, during the quarter, the Lenark Nominee Loans totaling \$653k (including interest) were repaid. In addition, annual tenement rental fees of \$356k were paid. The Board repaid \$579k (including interest) of the Moneytech Capital Receivables Facility advance of \$2.2m which is guaranteed by the METC refund. During the quarter, the Company submitted additional supporting information to the Canadian Revenue Agency in relation to the Mineral Exploration Tax Credit ("METC") refund. The Company has been advised that the review of the METC refund is progressing and the refund should be forthcoming in the near future.

Total cash expenditure for Q1 FY2018 is expected to be \$1.5m, which includes \$367k in regular staffing costs, \$498k in administration costs (e.g., rents, travel, marketing, advisory services), \$653k in exploration and evaluation expenses (of which \$264k is for annual lease payments with respect to mineral properties). A comparison of the associated 5B statements for this and the previous quarter will show the significant reduction in staff/administration/corporate costs. Further savings are being investigated. The Company is expected to incur \$1,473k in refundable exploration and evaluation expenses on the Panorama project and make a \$1.6m repayment of the Moneytech loan upon the receipt of the METC refund from the Canada Revenue Agency.

Tenements

There was no change in tenement holdings in the quarter. Please refer to the attached listing for current tenement details.

For further information, contact:

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jstedwell@atrumcoal.com

Nathan Ryan
Investor Relations
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nathan@atrumcoal.com

TENEMENT SUMMARY – 30 June 2017

Tenure Number	Owner	Project	Tenure Type	Tenure Sub Type	Area (ha)
394848	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	259
394849	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	259
417079	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	991
417088	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	777
417089	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	142
417090	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	568
417094	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	71
417098	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1204
417100	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	71
417101	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	960
417522	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	71
417523	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	354
418443	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1416
418444	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1416
418445	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1417
418446	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1205
418589	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1273
418590	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1415
418921	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	143
418922	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	853
418923	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	853
418934	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1421
418935	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1420
418936	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1419
418937	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	778
418938	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1133
418939	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1276
418940	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1418
418941	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1418
418942	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1417

Tenure Number	Owner	Project	Tenure Type	Tenure Sub Type	Area (ha)
418943	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1416
418944	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1416
418945	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1414
418946	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1414
418947	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1413
418948	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1413
418952	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1417
418954	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1416
418955	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1265
418956	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1415
394847	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	259
417080	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	565
417081	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	636
417082	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	212
417085	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	1031
417095	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	425
417096	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	71
417297	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	918
417298	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	1059
417520	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	212
417521	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	142
417528	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	142
418587	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	1411
418588	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	1412
418959	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	1414
418960	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	1412
417291	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	73
417293	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	426
417294	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	284
417295	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	851
417300	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	355
417301	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	851
418926	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1280
418932	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1421
418950	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1418
418962	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1136
418933	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1421

Tenure Number	Owner	Project	Tenure Type	Tenure Sub Type	Area (ha)
418949	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1419
418951	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1418
418924	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1239
418925	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1332
418927	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	354
418928	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1416
418929	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1419
418930	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1420
418931	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1421
417084	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	708
417086	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	142
417292	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	279
417296	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	71
417299	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	779
417525	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	425
417526	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	707
417527	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	71
418953	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	1346
418957	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	1415
418958	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	1345
418961	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	71
417842	Atrum Coal Naskeena Inc.	Naskeena	Coal	Application	1200
417845	Atrum Coal Naskeena Inc.	Naskeena	Coal	Application	1125
419157	Atrum Coal Peace River Inc.	Bowron River	Coal	Application	937.5
419159	Atrum Coal Peace River Inc.	Bowron River	Coal	Application	937.5
418103	Atrum Coal Peace River Inc.	Bowron River	Coal	Application	1875

FORWARD LOOKING STATEMENT

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

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

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

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

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

ATTRIBUTIONS

The information in this report relating to exploration results at the Panorama North Project is extracted from the report that was lodged with ASX on 27 March 2017 titled “Panorama North Drilling Results”. A copy of the report is available on the Company’s website at www.atrumcoal.com.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Atrum Coal Limited

ABN

27 153 876861

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	128	128
1.2 Payments for		
(a) exploration & evaluation	(675)	(1,829)
(b) development	-	
(c) production	-	
(d) staff costs	(239)	(2,044)
(e) administration and corporate costs	(749)	(5,169)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	(220)	(480)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (GST received)	113	568
1.8 Other (Inventory purchase)	-	(1,962)
1.9 Net cash from / (used in) operating activities	(1,642)	(10,787)

1.1 "Receipts from customer" represents receipt of the first instalment of inventory repurchase by ACG.

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	14,076
3.2	Proceeds from issue of convertible notes	-	1,124
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(1,541)
3.5	Proceeds from borrowings	-	635
3.6	Repayment of borrowings	(1,011)	(1,086)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(1,011)	13,208
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,889	1,871
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,642)	(10,787)

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,011)	13,208
4.5	Effect of movement in exchange rates on cash held	(1)	(57)
4.6	Cash and cash equivalents at end of period	4,235	4,235

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,235	6,889
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,235	6,889

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000

(250)

-

Amount in 6.1 represents outstanding directors fees

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000

-

-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	4,163	4,163
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Capital Receivables Facility \$1.6m outstanding– interest rate 14.85%, secured over the Mineral Exploration Tax Credit (METC) claim for C\$3m. The Company is currently in discussions with the Canada Revenue Agency regarding the final assessment of the METC.

Lenark Offset Loan Agreement \$1.7m – interest rate 10%, unsecured, maturity date extended to 31 December 2017, subject to partial repayment on a capital raise.

Kuro Coal Ltd Convertible Notes \$800k – no interest rate, convertible into Kuro ordinary shares at \$0.10 per share, redeemable for cash by noteholders or repurchased by the company. The Company is currently investigating an IPO of Kuro.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	653
9.2 Development	-
9.3 Production	-
9.4 Staff costs	367
9.5 Administration and corporate costs	498
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,518

9.1 – Exploration and evaluation includes tenement lease payments (\$264k), geological work (\$147k) and \$242k on sample preparations, analysis of freshet and other environmental monitoring programs; In addition, exploration and evaluation work on Panorama for \$1,473k will be undertaken which is fully funded by JOGMEC

9.6- A repayment of the Moneytech loan of \$1.6m is expected in the coming quarter, upon the receipt of the METC refund from the Canadian Revenue Agency.

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10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

Date: 31 July 2017

(Director)

Print name James Chisholm

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.