Atrum Coal

COAL FOR STEEL

Annual Report 2017

CHAIRMAN'S MESSAGE

Dear Fellow Shareholder,

I welcome you to the 2017 Annual Report for Atrum Coal Limited (ASX: ATU), the first in my new role as Atrum's Chairman.

The past year has seen a lot of positive changes for the company, particularly in terms of our Board and Management, and I am confident the year ahead will see a much stronger and more stable leadership team, which will enable Atrum to achieve its goals as we work to become the world's largest exporter of ultra-high-grade anthracite.

With the appointment of Max Wang as our new Managing Director and CEO in August 2017 and a solid Board in place, we can now focus our attention on our projects and the best way forward. Max is an experienced coal executive based in Canada, with an extensive network in the coal and steel industry throughout North Asia, Canada and the USA. He is the former chairman of the Coal Association of Canada and still serves on its board. We believe he can provide the leadership and discipline we need to continue the exploration and development of our Groundhog Project in British Columbia, Canada, the world's largest undeveloped ultra-high grade anthracite deposit.

In 2017, we continued to work on Groundhog and more specifically the Groundhog North development plan, while also growing our visibility, reputation and experience in the anthracite market by working with North American anthracite producer Atlantic Carbon Group ("ACG") through our Joint Sales Venture. However, both these areas of our operations have faced obstacles in the past year and we have not been able to achieve all that we hoped.

We have a bulk sample permit to extract up to 100,000 tonnes of material from Groundhog North to deliver high-grade anthracite to potential customers to test in production plants while we continue the process to apply for a mining permit. We supplied small samples from Groundhog North to Asian steel mills and plan for extraction of larger samples. In 2017, we have completed environmental baseline monitoring of the Canadian spring "freshet" which is water run-off from melting snow. We also completed surface hydrology monitoring and baseline surface water quality – designed to assess the existing hydrological environment, which will be critical for further exploration and mine planning at Groundhog.

Our Joint Venture with Japan Oil, Gas and Metals National Corporation ("JOGMEC") at the Panorama North Project is progressing well. On top of the positive findings from the 2016 drilling program, the work in 2017 identified three separate target seams, and more drilling is planned for Panorama North in 2018. This partnership has encouraged Atrum to consider joint venture arrangements for other projects including Groundhog Central, and we continue to seek suitable partners to help us explore and develop those areas.

The Export Sales Joint Venture we have with ACG has not seen any export sales due to a strong US domestic market where the price is higher than seaborne export prices, leading ACG to concentrate on sales in the US domestic market. Our marketing efforts have produced some encouraging signs of international interest from water filtration groups who may be able to offer a higher price for a premium product than the sinter and blast furnace market, so we will explore this more in 2018. Nonetheless, the marketing JV with ACG has allowed Atrum to gain significant insight and experience into the global anthracite market.

Post year-end, we announced our subsidiary Kuro Coal could potentially seek a separate listing on the ASX, TSX-V or alternative international exchange as well as acquiring all shares in Canada-incorporated Elan Coal Ltd, which holds properties consisting of six areas that are known to hold shallow emplacements of premium grade coking coal. We are extremely excited about this acquisition, especially considering the very positive market outlook for metallurgical coal. The Elan project has the potential to be transformative for Atrum.

We will keep the market informed as these activities progress.

While our Board has undergone considerable changes in the past year, I am pleased to be at the helm since my recent appointment and look forward to using my 40 years of experience in business to Atrum's advantage. It is exciting to be working with high calibre board members including new Non-Executive Directors George Edwards and Charles Fear providing support to Max. I am convinced we have the right board and management to lead Atrum to a successful future.

I take this opportunity to thank our Management and staff for their efforts in 2017, as well as the Shareholders who have continued to support Atrum through this period.

The year ahead will be a busy one as we will be focusing on closing the Elan Coal acquisition and kicking off a major exploration there while undertaking more exploration and mining planning at Groundhog and Panorama. We will continue to build our profile as an emerging anthracite and coking coal producer, and I look forward to keeping you updated on our progress.

Chuck Blixt
Chairman

OPERATIONS REVIEW

Groundhog Anthracite Project, British Columbia, Canada (Atrum 100%)

The Groundhog Anthracite Project ("Groundhog") is in the Groundhog Coalfield in northwestern British Columbia, Canada and covers an area of almost 1,000km^2 (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 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.

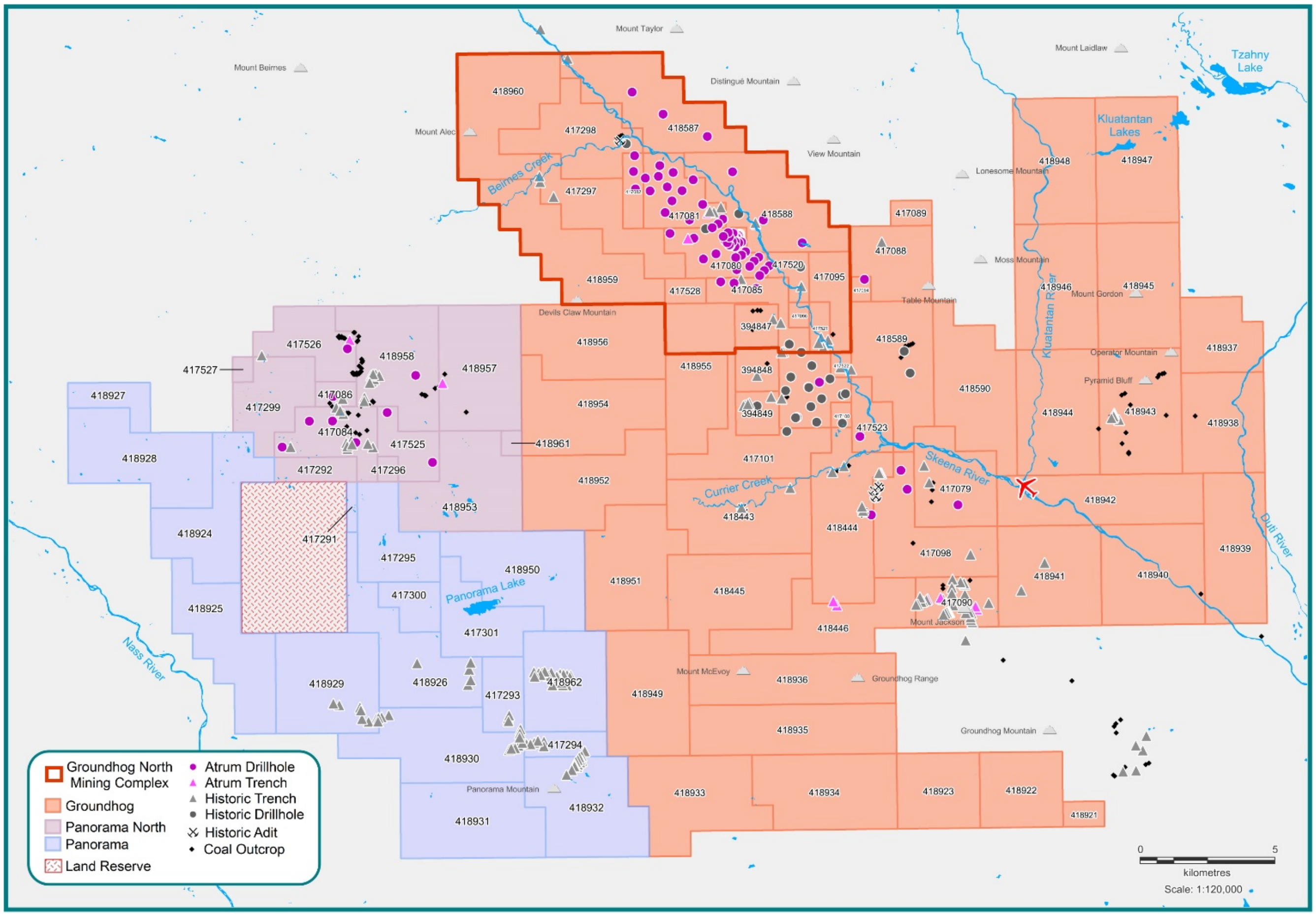

Figure 1. Atrum Groundhog properties

Bulk Sample Permit

Atrum was awarded a Bulk Sample Permit and related access and environmental permits required to support the commencement of mining activities at Groundhog North. These permits allow Atrum to extract a bulk sample of up to 100,000 tonnes of high grade and ultra-high grade anthracite for delivery to potential customers to test in their production plants.

Atrum commenced preparation and planning work for future mining operations as well as planning relating to the implementation of the Special Use Permit which enables Atrum to establish ground-based site access from the rail line south of Groundhog North that connects to export coal ports at Prince Rupert and Vancouver.

Atrum supplied small samples of Groundhog North anthracite to various Asian steel mills, and planned for the extraction of larger samples for these mills and other potential customers.

Atrum planned an exploration drilling program at Groundhog to enable the extraction of larger core samples for testing by prospective customers and to gain more information on geological structure, seam yields and anthracite characteristics. Large diameter drilling was also planned at other locations to collect material for testing by various customers.

Ongoing exploration and development activities included geological analysis, chemical analysis of samples, correlation of Groundhog and Panorama seam packages, site monitoring, environmental gap analysis and mapping of anthracite characteristics across Groundhog North, however Atrum decided to hold off commencement of major exploration expenditure in 2017 until a Managing Director/CEO was appointed.

Environmental programs

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

Information obtained through the program will be critical for further exploration and mine planning at Groundhog, and is required for permit applications in British Columbia. It will help Atrum evaluate further exploration and development options for the Company’s Groundhog Central project, an area south of Groundhog North which has encouraging historic drill results and a 500,000tpa mine scoping study completed.

Licences

During the year, all Atrum’s Groundhog Project coal licence applications were converted to coal licences by the British Columbia government, which was a positive development for Atrum, providing considerable additional exclusive coal exploration and development in the Groundhog Project area.

Panorama North Project (subject to JOGMEC earn-in)

The Panorama North Project is located 15km southwest of Groundhog North in British Columbia (Figure 1). Atrum entered into an exploration agreement with Japan Oil, Gas and Metals National Corporation

(“JOGMEC”) regarding the Panorama North Project. Under the Agreement, JOGMEC can acquire up to 35% interest in the Panorama North Project by investing C$5.0 million in exploration expenditures across the project over a three-year period. The Joint Venture is progressing for a second year.

Diamond core drilling of four holes at Panorama during October 2016 was successfully completed. Holes were geophysically logged, studied and interpreted. Anthracite samples were prepared for testing and analysis, with laboratory results confirming high-grade and ultra-high grade anthracite emplaced at Panorama North.

Exploration undertaken under the First Farm-in Period (ending 31 March 2017) aimed to explore two licence areas of the Panorama North property to identify potential economic targets. Exploration undertaken included field mapping, and completing four fully-cored drill holes and a total of 1,194 metres.

Atrum received encouraging coal quality results from this work. A total of 19 seams were identified within the Currier Formation, with three separate seams identified as prime targets. These were tentatively correlated across the exploration area given the Company’s detailed understanding of the broader Groundhog Coalfield. Physical and chemical testing of intersected anthracite seams showed they have the potential to produce low-ash, low volatile matter, high grade anthracite products.

The next stage of exploration at Panorama North commenced in August 2017, with planning for this undertaken in the June quarter. Five drill holes were completed at the time of publishing this report, and these holes are geographically dispersed across the Panorama North property, extending on previous exploration.

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.

Groundhog Central (Atrum 100%)

Anthracite was discovered at Groundhog Central in the early 1920s, leading to several small mines being constructed to extract it. The adits to some of these mines still exist. Areas of Groundhog Central were explored in the 1970s and 1980s and again in 2008.

Atrum drilled holes and collected core samples from Groundhog Central in 2012 and 2014.

During the June quarter, management reviewed results from this work and embarked on a program to update the 500,000tpa historic mine scoping study and commence preparation of a JORC compliant resource estimate for Groundhog Central.

Due to the success of Atrum’s joint venture with JOGMEC at Panorama North, Atrum is evaluating Groundhog Central as another potential joint venture area.

Export Sales Joint Venture with Atlantic Carbon Group PLC

During the year, Atrum announced it would form an unincorporated joint venture with Atlantic Carbon Group PLC (“ACG”) to market and sell anthracite from ACG’s operations in north-eastern Pennsylvania, USA to customers outside the US. ACG is an ultra-high grade anthracite producer operating three mines and two processing plants near Hazleton, Pennsylvania.

Definitive agreements to form the joint venture were signed and Atrum ordered an initial 20,000t in late December 2016.

By year-end, no export sales had been achieved by the JV due to an arbitrage where the available seaborne export price is lower than the US market, leading ACG to concentrate on sales to the US domestic market with little supply available for export.

However, Atrum is encouraged by international interest in ACG anthracite by water filtration groups, to whom it is sending samples with the aim of securing small sales volumes at much higher prices than the sinter and blast furnace market. Through the process, Atrum has also gained valuable insight and exposure to the diversified global anthracite market.

ACG and Atrum agreed a payment schedule to refund the US$1.5m paid by Atrum to purchase a 20,000t stockpile from ACG, with the first US$100,000 payment received late in the June quarter. If Atrum is unable to sell the stockpile, ACG will make regular refund payments to re-acquire the stockpile for domestic sales.

Kuro Coal Ltd

Kuro Coal Ltd is a subsidiary of Atrum Coal. During the year, Kuro reconsidered a potential separate ASX listing and prepared plans to undertake an exploration program this year at the Elan Coking Coal Project in Alberta, Canada, which is prospective for coking coal (Figure 2). Atrum personnel visited Alberta in April to progress plans for the 2017 program.

Further site visits, field mapping and a trenching program were undertaken during and subsequent to the end of the June quarter, with trenches intersecting large coal seams at surface. Samples were taken and sent for analysis, and structural interpretation of the field work commenced.

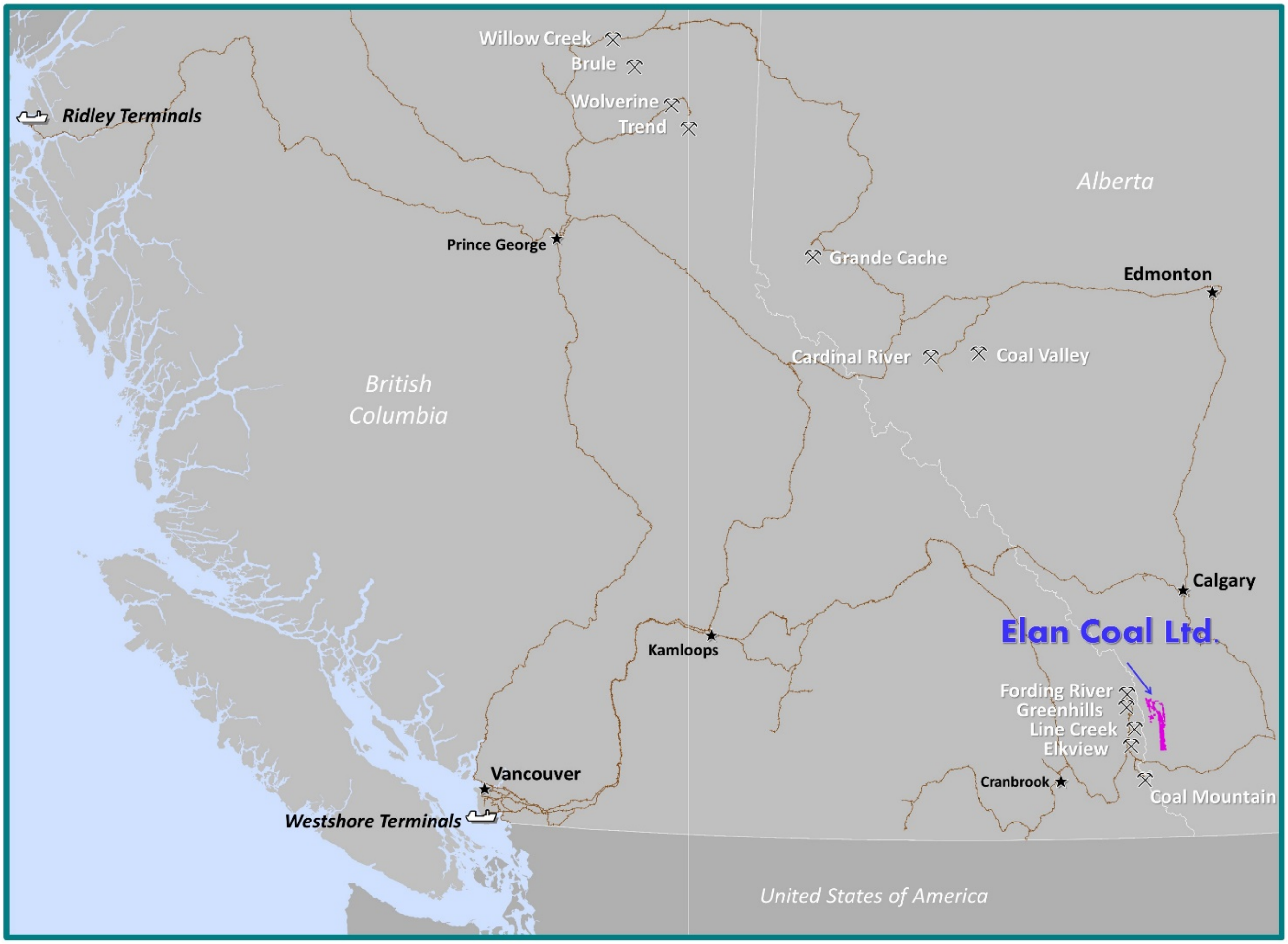

Figure 2. Location map of Elan coking coal project, Alberta, Canada

Post year-end, in August 2017, Atrum and its subsidiaries Kuro Coal Ltd ("Kuro") and Kuro Coal Canada Inc entered a share sale deed which proposed that:

- Kuro Coal Canada will purchase all the shares in Elan Coal Ltd ("Elan") (a company incorporated in Canada); and
- Kuro will seek to separately list on the ASX, TSX-V or an alternative international exchange.

Kuro acquired an interest in the Elan Coking Coal properties located in Alberta, Canada ("Elan properties") in 2014 (Figure 3). The acquisition of the interest in the Elan properties occurred via one of Kuro's Canadian subsidiaries, which entered into a joint venture with Elan and other related companies. Under the joint venture, Kuro could earn up to 70% of the Elan properties (based on its contributions to exploration expenditure).

Kuro embarked on a drilling campaign in late 2014 and encouraging results were obtained from the drilling program:

- Net coal thickness of 20.8m between 54.6m and 82.3m (GNDH-14-02)
- Net coal thickness of 14.3m between 18.3m and 34.4m (GNDH-14-05)
- Net coal thickness of 12.2m between 77.9m and 94.6m (GNDH-14-04)

- Net coal thickness of 10.0m between 55.6m and 67.8m (GNDH-14-07)
- Net coal thickness of 9.6m between 28.9m and 46.8m (GNDH-14-06)
- Net coal thickness of 8.2m between 64.5m and 77.2m (GNDH-14-01)
- Net coal thickness of 5.2m between 23.0m and 29.3m (GNDH-14-03).

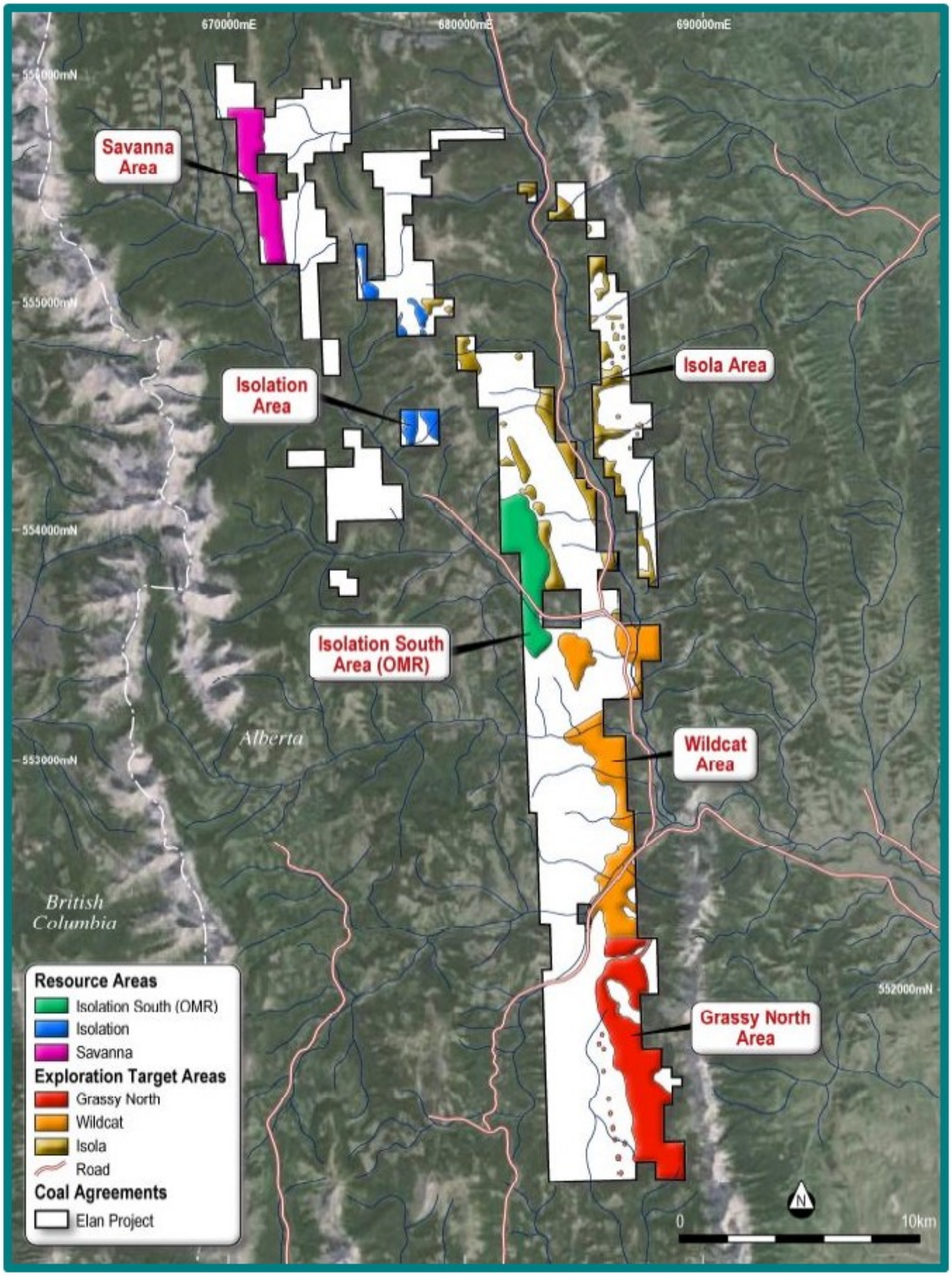

Figure 3. Map of Elan Project target areas

Atrum had planned to spin out Kuro into a separate ASX listing, however the investment market for coal declined and Atrum did not continue with this.

In late 2016 and during 2017, coking coal markets have experienced renewed growth and price forecasts for premium quality hard coking coal are robust. During early 2017, Kuro and the joint venture partners opened discussion on the best way to develop the Elan properties and the result of those discussions was an agreement for Kuro to acquire a 100% interest in the Elan properties by acquiring all the shares in Elan, under certain conditions precedent, and subject to these conditions being met, to make agreed cash and scrip payments to the vendors of Elan.

The shares in Elan will be purchased from the following parties ("Vendors"):

- Eugene Wusaty, Robert Engler, Dermot Lane and Douglas Porter; and
- Altitude Resources Ltd (incorporated in Canada).

The Elan properties are the only projects held by Elan. Atrum has received a determination from the ASX that the Proposed Transaction will not result in a significant change in the nature or scale of Atrum (and that the Proposed Transaction will not require Atrum shareholder approval under Listing Rule 11.1.2 or re-compliance with Chapters 1 and 2 of the Listing Rules by Atrum under Listing Rule 11.1.3). However, Atrum shareholders will be required to approve the Proposed Transaction under Listing Rule 11.4.

Completion of the Proposed Transaction is subject to conditions precedent that have not yet been satisfied, including the following:

- The results of any geological, legal, commercial, financial and tax due diligence investigation carried out by (or on behalf of) Kuro Coal Canada in relation to Elan and the Elan properties being satisfactory to Kuro Coal Canada;
- Kuro and Atrum obtaining all necessary shareholder approvals and regulatory approvals required to complete the Proposed Transaction; and
- Kuro receiving conditional approval to list on the ASX or an alternative international stock exchange ("Alternative Stock Exchange") and raising the funds required to make agreed payments to the Vendors and source working capital for further exploration ("Kuro Capital Raising").

As consideration for the acquisition of Elan, the Vendors will receive cash consideration of C$3.1 million (including C$100,000 which was paid on the signing of the share sale deed) and Kuro Coal Canada will also be required to issue $3.65 million in scrip. The terms of the Kuro Capital Raising (including the offer pricing and the jurisdiction in which Kuro will seek to conduct the Kuro Capital Raising) have not yet been decided by the Atrum or Kuro boards.

Further details relating to the Kuro Capital Raising will be released to the ASX in due course. Kuro has already received approaches from potential financiers.

Under the share sale deed, Kuro has an exclusivity period until 31 March 2018. A further exclusivity extension to 30 June 2018 is available if Kuro lodges a listing application with the ASX or an Alternative Stock Exchange before the end of Q1 2018 or concludes an alternatively acceptable settlement outcome with the Vendors. The exclusivity can be extended at any time by mutual agreement.

Kuro's exploration planning will seek to prove the Elan properties have potential to produce multiple potential coal mining projects, which can be built around a central processing hub for export to Asia.

Naskeena Anthracite Project (Atrum 100%)

The Naskeena Anthracite Project ("Naskeena") is located in western British Columbia, 50km from the town of Terrace and 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 year.

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.

Atrum will undertake further desktop work during the first half of FY18 to quantify the potential of the 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 year.

Atrum continues to assess these project and other coking coal opportunities to increase its exposure to the metallurgical coal market.

CORPORATE

Capital Raising

Atrum completed a block trade and placement, resulting in the issuing of 27 million new fully paid ordinary shares in Atrum at an issue price of $0.50 raising a total of $13.5 million, increasing from $10 million due to strong demand.

The funds raised by the Placement allowed Atrum to complete activities including delivering bulk samples to customers, and further mining studies to support permitting at Groundhog North. Funds also allowed Atrum to order its first anthracite stockpile from ACG as part of the sales joint venture.

Convertible Notes

Atrum issued 2,048,038 shares and an equal number of options to convertible note holders who converted their notes into Atrum scrip. The funds from the notes were used to supplement the Company's working capital.

Change in Share Ownership and Block Trade

Argonaut Equity Partners Pty Ltd ("AEP") acting in its capacity as Facility Agent and Security Trustee acquired 24 million shares in Atrum in accordance with the terms of a loan agreement between Mr Russell Moran and a syndicate of lenders. These shares were sold to institutional and sophisticated investors at $0.50 per share in a block trade executed as a Special Crossing on the ASX.

AEP advised Atrum it had also reached a confidential settlement on the loan with Mr Gino D'Anna.

Partly Paid Shares Paid in Full

During the December quarter, the remaining 2,761,600 partly paid shares held by former director and founder Mr Russell Moran were paid up so there were no longer any partly paid shares in the Company.

This allowed the Company to put forward a resolution at its Annual General Meeting in November to vote on converting the Company from a No Liability Company (NL) to a Public Company Limited by Shares (Ltd) structure. This resolution was subsequently passed by shareholders at the AGM. The change in company name and type was recorded on 20 January 2017.

Board and Management Changes

Post year-end in August 2017, Atrum announced the appointment of Max Wang as the Company's Managing Director and Chief Executive Officer. Mr Wang is a registered professional engineer and an experienced coal executive based in Canada. He is the former chairman of the Coal Association of Canada and still serves on the board. He was also a former board member of Winsway Coking Coal Holdings Ltd – a Hong Kong Stock Exchange-listed company. Prior to his career in the coal industry, he held a position as Director of Engineering, Major Projects, for Suncor, the largest energy company in Canada. He holds a Bachelor degree in Railway Engineering from Southwest Jiaotong University in China and a PhD in Civil Engineering from the University of Calgary.

Charles (Chuck) Blixt joined the Board as a Non-Executive Director in May 2017 and was appointed Non-Executive Chairman in August 2017. Mr Blixt has significant experience in strategy development and execution, with success in diverse businesses and serving as a Director across a 40-year career. Mr Blixt replaced Executive Chairman Robert (Bob) Bell who resigned due to ill health in January 2017.

George Edwards and Charles Fear were also appointed as Non-Executive Directors in August 2017.

Charles Fear co-founded Argonaut Limited in 2002 to provide M&A advice, undertake primary and secondary capital raisings, and provide stock-broking services to natural resources companies and companies that operate in the resources sector.

George Edwards is a metallurgy graduate from the University of New South Wales, and has spent his life in the coal sector, initially in metallurgy, then establishing, operating and selling his own export coal mines, in coal negotiations and trade missions around the world, and then in trading coal shipments. He has worked for BHP, Coal and Allied, the Joint Coal Board and was latterly Chief Executive Officer in Australia for Consolidation Coal Company of the USA (now Consol Energy).

Former BHP Billiton senior executive Tom Borman was appointed as a Non-Executive Director in April 2017, however personal reasons saw him resign from the role in July 2017.

Other Non-Executive Directors to serve on Atrum's Board during the year were Stephen Boulton, John Wasik, Cameron Vorias, Craig Burton and Michael Jardine.

Proposed ACG takeover

On 4 August 2016, Atrum announced it had entered an agreement related to the proposed acquisition of a 26.68% interest in Atlantic Carbon Group PLC ("ACG"), an unlisted public company registered in the United Kingdom operating three high grade and ultra-high grade anthracite mines in northeast Pennsylvania, USA.

On 20 September 2016, the Company announced that it had approached ACG in relation to making a possible takeover offer for all the shares issued by ACG. Under the UK City Code on Takeovers and Mergers, following an application to the UK Takeover Panel, Atrum had until 5pm on 26 October 2016 (UK time) before it was required to either announce its intention to proceed with the takeover offer (and announce the terms of the offer) or announce that no offer would be submitted.

Due to the time constraints of the UK City Code and the difficulty in sourcing information from regulators in relation to ACG's US subsidiaries, the Company announced on 27 October 2016 that it had terminated the agreement to purchase a 26.68% minority stake.

The Export Sales Joint Venture was subsequently established with ACG.

DIRECTORS

Charles Blixt (Non-Executive Chairman) (appointed 29 May 2017)
James Chisholm (appointed 25 October 2011)
George Edwards (appointed 17 August 2017)
Charles Fear (appointed 17 August 2017)

COMPANY SECRETARY

Justyn Stedwell (appointed 1 May 2017)

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BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

SOLICITORS

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Sierra Legal Pty Ltd.
Level 5, 9 Sherwood Road
Toowong QLD 4066

Maddocks
Level 27, Angel Place
123 Pitt Street
Sydney NSW 2000

Minter Ellison
40 Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Canada

McCarthy Tetrault
777 Dunsmuir Street
Vancouver BC V7Y 1K2

AUSTRALIAN SECURITIES EXCHANGE

Atrum Coal Ltd. shares (ATU) are listed on the Australian Securities Exchange.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Atrum Coal Ltd. and the entities it controlled at the end of, or during, the year ended 30 June 2017. Throughout the report, the consolidated entity is referred to as the group.

DIRECTORS

The names of the directors of the Company in office during the year and up to the date of this report are as follows:

Robert Bell	Executive Chairman (retired 16 January 2017)
Charles Blixt	Non-Executive Chairman (appointed as Director 29 May 2017 and Non-Executive Chairman on 18 August 2017))
Craig Ian Burton	Non-Executive Director (appointed on 1 January 2017 and retired 23 August 2017)
Thomas Borman	Non-Executive Director (appointed on 18 April 2017 and retired 24 July 2017)
Steven Boulton	Non-Executive Director (retired 24 November 2016)
James Chisholm	Non-Executive Director (appointed 25 October 2011)
George Edwards	Non-Executive Director (appointed 17 August 2017)
Charles Fear	Non-Executive Director (appointed 17 August 2017)
Michael John Jardine	Non-Executive Director (appointed on 17 February 2017 and retired 17 August 2017)
Cameron Vorias	Non-Executive Director (retired 21 January 2017)
John Wasik	Non-Executive Director (retired 24 November 2016)

The directors remain appointed as at the date of this report unless otherwise stated. The particulars of the qualifications, experience and special responsibilities of each current director are as follows:

Charles Blixt - Chairman (appointed 29 May 2017)

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 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. He served as Non-Executive Director of Targacept Inc. prior to its merger with Catalyst Biosciences Inc. in 2015. Mr. Blixt also serves as a director of several privately held small companies. He 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.

As at 29 September 2017, Mr. Blixt holds 100,000 fully paid ordinary shares in the Company.

James Chisholm – Non - Executive Director (appointed 25 October 2011)

James Chisholm is a qualified engineer, holding a degree in electrical engineering, who has worked in the engineering and mining sectors for the past 29 years, initially in engineering, then management, then M&A roles. James co-founded The Chairmen1 Pty Ltd (which is the largest shareholder of Guildford Coal Limited ASX: GUF), Ebony Iron Pty Ltd (now part of Strategic Minerals PLC, AIM: SML), Fertoz Limited (ASX: FTZ) and Ebony Energy Limited. Mr Chisholm is currently a non-executive director of ASX listed Fertoz Limited (ASX: FTZ) and is currently a director of unlisted Ebony Coal Limited. Mr Chisholm was not a director of any other publicly listed companies in the last three years.

As at 29 September 2017, Mr Chisholm has an indirect holding of 38,662,266 fully paid ordinary shares through Lenark Pty Ltd and an indirect holding of 89,118 fully paid ordinary shares through Bucket Super Pty Ltd in the Company and 750,000 performance rights in the Company.

George Edwards – Non Executive Director (appointed 17 August 2017)

George Edwards is a metallurgy graduate from the University of New South Wales, and has spent his life in the coal sector, initially in metallurgy, then establishing, operating and selling his own export coal mines, in coal negotiations and trade missions around the world, and then in trading coal shipments. He has worked for BHP, Coal and Allied, the Joint Coal Board and was latterly Chief Executive Officer in Australia for Consolidation Coal Company of the USA (now Consol Energy). Since establishing his own companies 32 years ago he has been responsible for export sales of up to 5 million tonnes of coal a year from his own and other mines in Australia, and some from other countries. He has close links with Asian and Indian coal buyers and has been mandated by several Chinese companies to secure coal and coal projects. He was Chairman of SAI Global Limited (ASX listed) from listing in 2003 until 2008, the Energy Council of Australia (from 1993 to 2006) and Standards Australia (from 2000 to 2004); in 1995 he was President of The AusIMM. He has authored more than 150 talks, articles and presentations in Australia and in 14 countries overseas, mainly on mining and coal-related matters.

As at 30 September 2017, Mr. Edwards holds has an indirect holding of 102,675 fully paid ordinary shares in the Company through Edwards Global Services Pty Ltd.

Charles Fear – Non Executive Director (appointed 17 August 2017)

Charles Fear is Chairman of Argonaut Limited. He co-founded Argonaut Limited in 2002 to provide M&A advice, undertake primary and secondary capital raisings, and provide stock-broking services to natural resources companies and companies that operate in the resources sector. Over the last ten years, Argonaut has advised on over $4B worth of M&A transactions, raised more than $3B in equity and more than $1.5B in debt for resource companies and projects. Argonaut works across the globe, and has conducted business in Australia, North and South America, throughout the Asia-Pacific region, and in Africa.

As at 29 September 2017, Mr. Fear holds zero fully paid ordinary share in the Company. He is a director of Argonaut Equity Partners Pty Limited which holds 2,5550,000 fully paid shares in the Company and of Argonaut Investments Pty Ltd, which holds directly 500,000 options and 500,000 options through nominees.

Justyn Stedwell – Corporate Secretary (appointed 1 May 2017)

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. Mr Stedwell's qualifications include a Bachelor of Commerce (Economics and Management) from Monash University, a Graduate Diploma of Accounting at Deakin University and a Graduate Diploma in Applied Corporate Governance at the Governance Institute of Australia.

He is currently Company Secretary at several ASX-listed companies, including Lifespot Health (ASX: LSH); Axxis Technology Group (ASX:AYG), Motopia Ltd (ASX:MOT), Rhinomed Ltd (ASX:RNO), Imugene Ltd (ASX:IMU), Australian Natural Proteins Ltd (ASX:AYB), Rectifier Technologies Ltd (ASX:RFT), Lanka Graphite Ltd (ASX:LGR), WONHE Multimedia Commerce Ltd (ASX:WMC) and Broo Ltd (ASX:BEE).

CORPORATE INFORMATION

Corporate Structure

Atrum is incorporated and domiciled in Australia.

Nature of Operations and Principal Activities

The principal continuing activities during the year, of entities within the Group was anthracite exploration and development in British Columbia, Canada.

OPERATING AND FINANCIAL REVIEW

Review of Operations

A review of operations for the year, and the results of those operations is contained within the company review.

Operating Results

Consolidated loss after income tax for the year was $10,597,929 (2016: $11,745,289).

Financial Position

At 30 June 2017, the Group had cash reserves of $4,390,934 (2016: $1,871,124).

Financing and Investing Activities

On 1 July 2016, 2,500,000 fully paid ordinary shares were issued following exercise of options.

On 5 July 2016, 1,800,000 fully paid ordinary shares were issued following exercise of options.

On 8 August 2016, 433,210 fully paid ordinary shares options were issued following conversion of convertible notes.

On 11 August 2016, 203,465 fully paid ordinary shares options were issued in a settlement agreed with former employee.

On 12 August 2016, 108,754 fully paid ordinary shares options were issued following conversion of convertible notes.

On 22 August 2016, 10,000 fully paid ordinary shares were issued following exercise of options.

On 6 September 2016, 19,792 fully paid ordinary shares were issued following exercise of options.

On 13 September 2016, 481,818 fully paid ordinary shares options were issued following conversion of convertible notes.

On 30 September 2016, 581,818 fully paid ordinary shares were issued following conversion of convertible notes.

On 3 November 2016, 442,438 fully paid ordinary shares were issued following conversion of convertible notes.

On 4 November 2016, 2,761,600 partly paid shares were issued fully paid ordinary shares.

On 28 December 2016, 300,000 fully paid ordinary shares were issued as payment for services.

On 28 December 2016, 27,000,000 fully paid ordinary shares were issued following a private placement.

On 17 February 2017, 198,007 fully paid shares were issued in a settlement agreed with a former contractor.

Dividends

No dividends were paid during the year and no recommendation is made as to dividends with respect to the year ended 30 June 2017.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Group during the year are detailed in the Company review.

Other than as disclosed, there has been no matter or circumstance that has arisen that has significantly affected, or may significantly affect:

1. the Group's operations in future financial years, or
2. the results of those operations in future financial years, or
3. the Group's state of affairs in future financial years.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Company that occurred during the period under review not otherwise disclosed in this report or in the financial report.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

On 23 August 2017, the Company's wholly-owned subsidiaries, Kuro Coal Limited ("Kuro") and Kuro Coal Canada Inc ("Kuro Coal Canada"), have entered into a share sale deed under which it is proposed that:

- Kuro Coal Canada will purchase all of the shares in Elan Coal Ltd ("Elan") (a company incorporated in Canada); and
- Kuro will seek to separately list on the ASX, TSX-V or an alternative international exchange, ("Proposed Transaction").

Key Acquisition Terms

Completion of the Proposed Transaction is subject to a number of conditions precedent that have not yet been satisfied, including the following:

- the results of any geological, legal, commercial, financial and tax due diligence investigation carried out by (or on behalf of) Kuro Coal Canada in relation to Elan and the Elan properties being satisfactory to Kuro Coal Canada;
- Kuro and Atrum obtaining all necessary shareholder approvals and regulatory approvals required to complete the Proposed Transaction; and
- Kuro receiving conditional approval to list on the ASX or an alternative international stock exchange ("Alternative Stock Exchange") and raising the funds required to make agreed payments to the Vendors and source working capital for further exploration ("Kuro Capital Raising").

As consideration for the acquisition of Elan, the Vendors will receive cash consideration of $3.1million (including $100,000 which was paid on the signing of the share sale deed) and Kuro Coal Canada will also be required to issue $3.65 million in script.

The terms of the Kuro Capital Raising (including the offer pricing and the jurisdiction in which Kuro will seek to conduct the Kuro Capital Raising) have not yet been decided by the Atrum or Kuro boards. Further details relating to the Kuro Capital Raising will be released to the ASX in due course. Given the current interest in the neighbouring Riversdale Resources Grassy Mountain project, Kuro has already received approaches from potential financiers indicating a willingness to invest in the development of the Elan properties.

Under the share sale deed, Kuro has an exclusivity period until 31 March 2018. A further exclusivity extension to 30 June 2018 is available if Kuro lodges a listing application with the ASX or an Alternative Stock Exchange before the end of Q1 2018 or concludes an alternatively acceptable settlement outcome with the Vendors. The exclusivity can be extended at any time by mutual agreement.

Issue of shares and options

Subsequent to the year end, the following issue of options occurred:

On 12 July 2017 1,063,636 options with exercise price of $0.60 and expiring on 31 October 2018, were issued with respect to the conversion of notes in November 2016.

Board of Directors

On 24 July 2017 Tom Borman resigned as director

On 17 August 2017, the board appointed Max Wang of Alberta, Canada as Managing Director and Chief Executive Officer,

On 17 August 2017, Michael Jardine and Graig Burton resigned from the board and Charles Fear and George Edwards were appointed as directors

On 18 August 2017, Charles Blixt was appointed Non-Executive Chairman of the board

Proceeds from sale of inventory

On 21 July 2107, the Company concluded an agreement, effective from June 30, 2017, whereby the supplier of the inventory agreed to retake the inventory at the original price. Sales proceeds for the entire inventory are expected to be received during the period ending 31 December 2017. Prior to year ended June 30, 2017, the Company received $128,072 (USD100,000) and subsequently received a further $195,413 (US$150,000) (See note 7)

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company will continue to pursue its principal activity of exploration and evaluation, particularly in respect to the Projects as more particularly outlined in the company review. The Company will also continue to pursue other potential investment opportunities to enhance shareholder value.

The Company continues with the ongoing development at the Groundhog Anthracite Project following the award of the bulk sample permit for the north-west zone of Groundhog.

MEETINGS OF DIRECTORS

The numbers of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director was as follows:

	2017 Board of Directors		2016 Board of Directors	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
R Bell	6	6	7	7
Charles Blixt	1	1	-	-
Thomas Borman	2	2	-	-
Steve Boulton	5	5	8	8
Craig Ian Burton	4	2	-	-
J Chisholm	10	10	8	8
Michael J Jardine	4	4	-	-
Cameron Vorias	6	4	8	8
John Wasik	5	5	7	7

Outside of the above meetings of directors, the Company conducted its directors meetings and resolved certain corporate matters via circular resolutions of directors.

REMUNERATION REPORT (AUDITED)

The directors are pleased to present Atrum Coal Ltd's 2017 remuneration report which sets out the remuneration information for the company's non-executive directors, executive directors and other key management personnel.

This report details the nature and amount of remuneration for each director and executive of Atrum Coal Ltd. The information provided in the remuneration report includes remuneration disclosures that are audited as required by section 308(3C) of the Corporations Act 2001.

For the purposes of this report Key Management Personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

For the purposes of this report the term "executive" includes those key management personnel who are not directors of the parent company.

(a) Remuneration policy
(b) Remuneration structure
(c) Service agreements
(d) Details of remuneration for the year
(e) Details of share-based compensation and equity instruments held by Key management personnel
(f) Voting and comments made at the Company's 2016 Annual General Meeting
(g) Other transactions with key management personnel

REMUNERATION REPORT (AUDITED) (CONT.)

The KMP's covered in this report include:

Robert Bell	Executive Chairman (retired 16 January 2017)
Charles Blixt	Non-Executive Chairman (appointed as Director 29 May 2017 and Non-Executive Chairman on 18 August 2017))
Craig Ian Burton	Non-Executive Director (appointed on 1 January 2017 and retired 23 August 2017)
Thomas Borman	Non-Executive Director (appointed on 18 April 2017 and retired 24 July 2017)
Steven Boulton	Non-Executive Director (retired 24 November 2016)
James Chisholm	Non-Executive Director (appointed 25 October 2011)
Michael John Jardine	Non-Executive Director (appointed on 17 February 2017 and retired 17 August 2017)
Cameron Vorias	Non-Executive Director (retired 21 January 2017)
John Wasik	Non-Executive Director (retired 24 November 2016)

REMUNERATION GOVERNANCE

Remuneration Committee

The full Board carries out the roles and responsibilities of the Remuneration Committee and is responsible for determining and reviewing the compensation arrangements for the Directors themselves, the Managing Director and any Executives.

Executive remuneration is reviewed annually having regard to individual and business performance, relevant comparative remuneration and internal and independent external advice. No independent advice has been sought by the Company during the respective financial year in relation to remuneration structure and levels.

A. Remuneration policy

The Board policy is to remunerate directors at market rates for time, commitment and responsibilities. The Board determines payments to the directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of directors' fees that can be paid is subject to approval by shareholders in a general meeting, from time to time. The current maximum aggregate amount as approved by shareholders at the Company's general meeting held on 20 April 2012 is $250,000 per annum. However, to align directors' interests with shareholders' interests, the directors are encouraged to hold shares and options in the company.

The Company's aim is to remunerate at a level that reflects the size and nature of the Company. Company officers and directors are remunerated to a level consistent with the size of the Company.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed.

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

In accordance with its remuneration policy, the Company granted performance rights to Key Management Personnel and Employees as disclosed in Part E of this remuneration report.

REMUNERATION REPORT (AUDITED) (CONT.)

B. Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive compensation is separate and distinct.

Non-executive Director Compensation

Objective

The Board seeks to set aggregate compensation at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination approved by shareholders on 20 April 2012 was an aggregate compensation of $250,000 per year.

The amount of aggregate compensation sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Non-Executive Directors' remuneration may include an incentive portion consisting of options and/or performance rights, as considered appropriate by the Board, which may be subject to Shareholder approval in accordance with ASX listing rules. At the date of this report the Company had not engaged remuneration consultants.

Executive Compensation

Objective

The entity aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the entity so as to:

- reward executives for company and individual performance against targets set by appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the Company; and
- ensure total compensation is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Due to the limited size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles. At the date of this report the Company had not engaged remuneration consultants.

Compensation may consist of the following key elements:

- Fixed Compensation;
- Variable Compensation;
- Short Term Incentive (STI); and
- Long Term Incentive (LTI).

REMUNERATION REPORT (AUDITED) (CONT.)

Fixed Remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Board having regard to the Company and individual performance, relevant comparable remuneration in the mining exploration sector and external advice.

The fixed remuneration is a base salary or monthly consulting fee.

Variable Pay – Short Term Incentives

The purpose of the short term incentive plan is to reward achievement of business objectives on a year by year basis. Each financial year the board, in conjunction with senior management, sets the business objectives aimed to be achieved during the year to implement the Company's business plan.

The business objectives are clearly defined outcomes in product development and commercialisation, achievement of which can be readily and objectively measured at the end of the financial year. Measurement of achievement of the business objectives also involves comparison with factors external to the Company.

No remuneration linked to short term incentives have been issued to date.

Variable Pay — Long Term Incentives

The objective of long term incentives is to reward directors/executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. The incentive portion is payable based upon attainment of objectives related to the director's/executive's job responsibilities. The objectives vary, but all are targeted to relate directly to the Company's business and financial performance and thus to shareholder value.

Typically, the grant of LTIs occurs at the commencement of employment or in the event that the individual receives a promotion and, as such, is not subsequently affected by the individual's performance over time.

Variable Pay — Long Term Incentives – Performance Rights

The Company has implemented a Performance Rights Plan for the Directors, Key Management and Staff. The objective of the Performance Rights Plan is to align the interests of all personnel involved in the operations of the Company and to reward them for the achievement of milestones relating to market and non-market objectives. Please refer to Section E for further information on the milestones set in relation to the Performance Rights Plan.

C. Service Agreements

The employment arrangements of the directors are contained in formal letters of appointment, and in the case of Executive Directors, contracts for services. Included in these contracts, amongst other things, are reference to the performance rights plan and participation.

The contract details of each of the Key Management Personnel are as follows:

<u>Robert Bell – Executive-Chairman</u>

Agreement Commenced: 19 November 2015
Agreement Terminated: 16 January 2017
Term of Agreement: Full-time employment
Details: Salary of C$400,000 per annum plus 3% superannuation
3 Months termination notice by Mr. Bell, 2 months severance if terminated by Atrum.
1,500,000 Performance rights (200,000 granted at commencement of employment) based upon achieving milestones set out in the employment agreement.

<u>Max Wang – Managing Director and CEO</u>

Agreement Commenced: 21 August 2017
Term of Agreement: Full time employment
Details: Salary of C$350,000 per annum plus 5% superannuation
3 Months termination notice by Mr. Wang; 1 – 12 months termination notice depending on years of service if terminated by the Company.
10,000,000 options at exercise prices between $0.18 and $1.00 with expiry dates that are between 12 and 36 months from the issue dates and vested upon achieving milestones set out in the employment agreement, subject to shareholders' approval.

REMUNERATION REPORT (AUDITED) (CONT.)

D. Details of remuneration for the year

Remuneration

Details of the remuneration of each Director and named executive officer of the Company, including their personally-related entities, during the year was as follows:

		Short Term Benefits	Post Employment	Share Based Payments		Performance related	
	Year	**Salary and fees (includes Directors Fees) $**	**Superannuation $**	**Performance Rights $**	**Total $**	**Fixed %**	**LTI %**
Directors							
Robert Bell(1)	**2017**	361,539	-	104,724	**466,263**	78%	22%
Charles Blixt(2)	**2017**	3,000	-	-	**3,000**	100%	0%
Craig Ian Burton(3)	**2017**	22,500	-	-	**22,500**	100%	0%
Tom Borman(4)	**2017**	-	-	-	**-**	-	-
Steven Boulton(5)	**2017**	24,000	-	(28,980)	**(4,980)**	-	-
James Chisholm	**2017**	204,000	-	-	**204,000**	100%	0%
Michael John Jardine(6)	**2017**	13,285	-	-	**13,285**	100%	0%
Cameron Vorias(7)	**2017**	36,000	-	(36,193)	**(193)**	-	-
John Wasik(5)	**2017**	51,000	-	-	**51,000**	100%	0%
Total	**2017**	**715,324**	**-**	**39,551**	**754,875**	**95%**	**5%**

		Short Term Benefits	Post Employment	Share Based Payments		Performance related	
	Year	**Salary and fees (includes Directors Fees) $**	**Super annuation $**	**Performance Rights $**	**Total $**	**Fixed %**	**LTI %**
Directors							
Robert Bell(1)	**2016**	287,736	-	114,085	**401,821**	72%	28%
James Chisholm	**2016**	138,100	-	-	**138,100**	100%	-
Cameron Vorias(7)	**2016**	36,000	3,420	-	**39,420**	100%	-
Steve Boulton(5)	**2016**	36,000	-	-	**36,000**	100%	-
John Wasik(5)	**2016**	30,000	-	-	**30,000**	100%	-
Total	**2016**	**527,836**	**3,420**	**114,085**	**645,341**		

(1) Resigned as Executive Chairman on 16 January 2017

(2) Appointed as Non-Executive Director on 29 May 2017

(3) Appointed as Non-Executive Director on 1 January 2017 and resigned on 17 August 2017

(4) Appointed as Non-Executive Director on 18 April 2017and resigned on 24 July 2017

(5) Resigned as Non-Executive Director on 24 November 2016. As a consequence, there was a reversal of unvested Share Based Payments recognised in previous years.

(6) Appointed as Non-Executive Director on 17 February 2017 and resigned on 17 August 2017

(7) Resigned as Non-Executive Director on 21 January 2017. As a consequence, there was a reversal of unvested Share Based Payments recognised in previous years.

REMUNERATION REPORT (AUDITED) (CONT.)

E. Details of share-based compensation and equity instruments held by Key management personnel

Details of Performance Rights:

(i) Terms and conditions of each grant affecting directors remuneration in the current and future reporting periods as follows:

Grant Date	Performance Right Class	Vesting Period [(1)] (Years)	Expiry	Value per right [(2)]	Performance condition achieved?	% Vested
4/04/2016	21	1	N/A	$0.50	Yes	100%
4/04/2016	28	2	N/A	$0.50	No	0%

1) Vesting probability is assessed at grant date as being 0% for the non-market conditions. 0% indicates no expense will be recognised until the performance condition is met. Probabilities are re-assessed at each reporting period.
2) The value of performance rights with non-market conditions is based on the share price at the date of grant. The value of performance rights with market conditions is calculated using a Hoadley Barrier valuation methodology.

Details of Performance Right Vesting Conditions are detailed in Note 21 to the financial statements.

Performance rights granted carry no dividend or voting rights. When vesting conditions relative to the performance right are met and the performance right is exercised, each performance right entitles the holder to be issued 1 ordinary share for nil consideration.

(ii) Details of the performance rights movements for each Key Management Person:

The number of Performance Rights held during the financial year by each director of Atrum Coal Ltd. and other key management personnel of the Group, including their personally related parties, is set out below.

	Balance at the start of the year	Granted as remuneration	Disposed / Lapsed / Forfeited	Vested and Exercised	Balance at the end of the year
Year ended 30 June 2017					
Directors					
Robert Bell	1,300,000	-	(1,147,500)		152,500
James Chisholm	750,000	-	-	-	750,000
Cameron Vorias	60,000	-	(60,000)		-
Steven Boulton	60,000	-	(60,000)		-
	2,170,000	**-**	**(1,267,500)**	**-**	**902,500**

Details of performance rights affecting the value of Key Management Personnel remuneration during the year are:

KMP	Year of grant	# performance rights granted		TOTAL	Total value at grant date [1]	No. of rights vested during prior years	No. of rights vested during the year	Total rights vested to date	No. of rights forfeited during the year	Vested %	Maximum yet to vest
		Market based	Non-market based								
Robert Bell	2016	600,000	700,000	1,300,000	$428,810	(200,000)	(100,000)	(300,000)	(1,147,500)	26%	-
James Chisholm	2012	937,500	1,687,500	2,625,000	$185,000	(1,875,000)	-	(1,875,000)	-	71%	$60,000
Cameron Vorias	2014	20,000	40,000	60,000	69,685	-	-	-	(60,000)	-	-
Steve Boulton	2014	20,000	40,000	60,000	60,405	-	-	-	(60,000)	-	-
Total		**1,577,500**	**2,467,500**	**4,045,000**	**$743,900**						

1) Value based on grant date value per performance right and class as disclosed above.

REMUNERATION REPORT (AUDITED) (CONT.)

E. Details of share-based compensation and equity instruments held by Key management personnel (CONT.)

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the group, including their personally related parties, is set out below:

Ordinary Shareholding (Fully and Partly Paid)	Balance at the start of the year	Issued on exercise of performance rights	Additions	Disposals	Balance at the end of the year
Year ended 30 June 2017					
Directors					
Charles Blixt	-	-	-	-	-
James Chisholm	38,736,384	-	15,000	-	38,751,384
George Edwards	-	-	-	-	-
Charles Fear	-	-	-	-	-
Total	38,736,384	**-**	15,000	**-**	38,751,384

The shareholdings presented in the table above comprise all ordinary shares
No options were granted to key management personnel during the year.

F. Voting and comments made at the Company's 2016 Annual General Meeting

The Company received 0.06% of votes "against" the adoption of the remuneration report for the 2016 financial period. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

G. Other transactions

The Company paid and accrued interest on loans due to companies related to directors in the amount of $206,907. At 30 June 2017, loan due to companies related to directors amounted to $1,787,546 (See note 12)

During the year ended June 30, 2017, 1,000,000 options exercisable at a price of $0.75 on or before 16 February 2019 were granted to a company related to a director (see note 21(ii))

*** This is the end of the Audited Remuneration Report. ***

INSURANCE OF OFFICERS

The Company has insured the Directors and Officers of the Company against any liability arising from a claim brought by a third party against the Company or its Directors and officers, and against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a Director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

In accordance with a confidentiality clause under the insurance policy, the amount of the premium paid to the insurers has not been disclosed. This is permitted under Section 300(9) of the Corporations Act 2001.

SHARE OPTIONS

During the year, 3,984,402 options were issued (see note 21(ii)), 4,329,793 were exercised (see note 13(b)) and 130,000 expired unexercised.

No person entitled to exercise these options had or has any right, by virtue of the option, to participate in any share issue of any other body corporate.

LEGAL PROCEEDINGS

There are currently no legal proceedings against the Company.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

ENVIRONMENTAL REGULATIONS

The Directors believe that the Group has, in all material respects, complied with all particular and significant environmental regulations relevant to its operations.

AUDITOR

BDO Audit (WA) Pty Ltd continues in office in accordance with Section 327 of the Corporations Act 2001.

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 3 to the financial statements as per the requirements of the Corporations Act 2001. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

Auditor's Remuneration

(a) Non-Audit Services

	Consolidated	
	2017	2016
	$	$
Amounts received by, related practices of BDO Audit (WA) Pty Ltd for non-audit services (incl overseas offices)	**89,287**	**79,133**
	89,287	**79,133**

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the year ended 30 June 2017, as required under section 307C of the Corporations Act 2001, has been received and is included within the financial report.

Signed in accordance with a resolution of directors.

Charles Blixt

Charles Blixt
Non-Executive Chairman
North Carolina, 29 September 2017

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Atrum is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Atrum on behalf of the shareholders by whom they are elected and to whom they are accountable. This statement reports on Atrum's key governance principles and practices.

1. COMPLIANCE WITH BEST PRACTICE RECOMMENDATIONS

The Company, as a listed entity, must comply with the Corporations Act 2001 and the ASX Limited (ASX) Listing Rules. The ASX Listing Rules require the Company to report on the extent to which it has followed the Corporate Governance Recommendations published by the ASX Corporate Governance Council (ASXCGC).

During the financial year, Atrum continued its corporate governance regime reflected in the 2013 Corporate Governance Statement, which complied with the 2nd Edition of the ASC Corporate Governance Council's Principles and Recommendations to the level disclosed in the 2013 Annual Report.

On 27 March 2014, the ASX Corporate Governance Council released the 3rd Edition of its Corporate Governance Principles and Recommendations (3rd Edition Recommendations). Atrum has reviewed and updated its corporate governance practices and reporting to enable it to early-adopt the 3rd Edition Recommendations.

The table below sets out the Company's position as at 25 September 2017 with regards to its compliance with the 3rd Edition Recommendations:

Principle # / Company Response	**ASX Corporate Governance Council Recommendations**
Principle 1	**Lay solid foundations for management and oversight**
1.1	A listed entity should disclose: a) the functions reserved to the board and those delegated to senior management; and b) Those matters expressly reserved to the board and those delegated to management.
Company response	The Company has formalised and disclosed the functions reserved to the board and those delegated to management. These functions can be viewed at the Company's website: www.atrumcoal.com. Post reporting date, the Company board comprises four directors, all of whom are non-executive Directors. The roles and functions of directors within the Company are designed to allow it to best function within its level of available resources. The full board currently meets regularly, and specific significant matters are endorsed and executed via circular resolution.
1.2	A listed entity should: a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.
Company response	The Company analyses and reviews the qualifications and experience of any potential candidate. Background checks are performed where deemed appropriate for the position, including speaking with personal and professional references. The Company provides biographical details of proposed directors, as well as information relating to other directorships and interest which may reasonably be perceived to influence their capacity to bring independent judgement to the board.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.
Company response	Each director and senior executive has a written contract that sets out the terms of their appointment, including their responsibilities and remuneration.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

<table>
<tr><th>Principle # / Company Response</th><th>ASX Corporate Governance Council Recommendations</th></tr>
<tr><td>Company response</td><td>The company secretary is directly accountable to the board. Communication between the board and the company secretary is encouraged, and matters of corporate governance and compliance are a standing agenda item for board discussion.

Professional development of directors, officers and management are encouraged by the Company and facilitated through the company secretary.

The Company adopts a policy of circulating board minutes at the earliest possible opportunity following the board meetings, to expedite the formalisation of items discussed at the meetings.</td></tr>
<tr><td>1.5</td><td>A listed entity should:
a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity’s progress in achieving them;
b) disclose that policy or a summary of it; and
c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board in accordance with the entity’s diversity policy and its progress towards achieving them, and either;
1. the respective proportions of men and women on the board, in senior management positions and across the whole organisation (including how the entity has defined “senior executive” for these purposes); or
2. if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</td></tr>
<tr><td>Company response</td><td>The Company is an equal opportunity employer and strives to foster diversity across the organisation. The Company has adopted a diversity policy that is disclosed on its Company website.

Due to the current size, nature and scale of the Company’s activities the Board has not yet developed measurable objectives regarding gender diversity. As the size and scale of the Company grows the Board will set and aim to achieve gender diversity objectives as director and senior executive positions become vacant and appropriately qualified candidates become available.

As at the end of the year, the Company had the following proportion of men and women across the organisation:

<table>
<tr><th></th><th>Men</th><th>Women</th></tr>
<tr><td>Board</td><td>4</td><td>-</td></tr>
<tr><td>Senior Executives</td><td>3</td><td>1</td></tr>
<tr><td>Whole Organisation</td><td>10</td><td>3</td></tr>
</table></td></tr>
<tr><td>1.6</td><td>A listed entity should:
a) have and disclose the process for periodically evaluating the performance of the board, its committees and individual directors; and
b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</td></tr>
<tr><td>Company response</td><td>The Company undertakes an annual review of its board, and of individual directors. The review is a peer review, and the process is managed by the Chairman of the Board.
Feedback in relation to the performance of the Board as a whole is tabled at the meeting following the review.
An annual review was/was not completed during the period.</td></tr>
<tr><td>1.7</td><td>A listed entity should:
a) have and disclose a process for periodically evaluating the performance of senior executives; and
b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</td></tr>
<tr><td>Company response</td><td>Currently, the Company engages all senior executives as contractors, and contracts are reviewed annually. For those contractors that have been engaged by the Company for longer than 12 continuous months under the current financial year, those contractors underwent a performance appraisal pursuant to their contracts.

The Company is in the process of developing performance evaluation processes and shall undertake reviews of its senior executives on the anniversary of their start dates.</td></tr>
</table>

Principle # / Company Response	**ASX Corporate Governance Council Recommendations**
Principle 2	**Structure the board to add value**
2.1	The board of a listed entity should: a) have a nomination committee which: 1. has at least three members, a majority of whom are independent directors; and 2. is chaired by an independent director, and disclose 3. the charter of the committee; 4. the members of the committee; and 5. as at the end of the reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.
Company response	The Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed. A nomination committee will be put in place in the forthcoming financial year. Nominations of new Directors are considered by the full Board. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process for selection and review is stringent and full details of all Directors are provided to shareholders in the annual report and on the Company's website.
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

<table>
<tr><th>Principle # / Company Response</th><th>ASX Corporate Governance Council Recommendations</th></tr>
<tr><td>Company response</td><td>The current mix of board skills is represented in the matrix below:
<table>
<tr><th></th><th></th><th colspan="3">Director (A-C)/ Ranking (1-5)</th></tr>
<tr><th>Skill</th><th>Skill Overview</th><th>A</th><th>B</th><th>C</th></tr>
<tr><td>Mineral Exploration</td><td>Ability to identify and evaluate resource opportunities, undertake due diligence on resource acquisitions, plan and oversee exploration programs, and understand and evaluate JORC reporting, oversee and evaluate laboratory testing of mineral resources.</td><td>3</td><td>5</td><td>4</td></tr>
<tr><td>Project Development</td><td>Ability to use human and financial resources to develop and oversee project development to first production including managing budgets, sourcing and hiring appropriate personnel and overseeing the establishment of appropriate mining policies.</td><td>3</td><td>5</td><td>5</td></tr>
<tr><td>Mining</td><td>Experience with mining operations, management of mining equipment and human capital, including health and safety. Ability to analyse mining operations and make decisions to maximize profitability.</td><td>3</td><td>5</td><td>4</td></tr>
<tr><td>Risk & Compliance</td><td>Identify key risks to the organisation related to each key area of operations. Ability to monitor risk and compliance and knowledge of legal and regulatory requirements. Ability to prepare and review ASX compliant press releases and continuous reporting obligations.</td><td>3</td><td>5</td><td>5</td></tr>
<tr><td>Financial & Audit</td><td>Experience in accounting and finance to analyse financial statements, assess financial viability, contribute to financial planning, oversee budgets, and oversee funding arrangements.</td><td>3</td><td>4</td><td>4</td></tr>
<tr><td>Strategy</td><td>Ability to identify and critically assess strategic opportunities and threats to the organisation. Develop strategies in context to our policies and business cycles.</td><td>5</td><td>5</td><td>5</td></tr>
<tr><td>Governance & Policy Development</td><td>Ability to identify key issues for the organisation and develop appropriate policy parameters within which the organisation should operate. Ability to manage conflicts of interest to ensure shareholders benefit.</td><td>3</td><td>3</td><td>3</td></tr>
</table>
The board has taken on additional board candidates that will allow the Company to increase its overall mining related skill set.</td></tr>
<tr><td>2.3</td><td>A listed entity should disclose:
a) the names of the directors considered by the board to be independent directors;
b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
c) the length of service of each director.</td></tr>
<tr><td>Company response</td><td>The Board considers its four directors, namely Mr Charles Blixt, Mr. James Chisholm, Mr Charles Fear and Mr George Edwards, to be independent directors.

Director appointment and resignation dates are disclosed in the Company’s annual report.</td></tr>
<tr><td>2.4</td><td>A majority of the board of a listed entity should be independent directors.</td></tr>
<tr><td>Company response</td><td>Three of the four current directors are deemed independent. Subsequent to the reporting date this has been increased to four of the five directors being deemed independent.</td></tr>
<tr><td>2.5</td><td>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</td></tr>
<tr><td>Company response</td><td>The chair of the board, Mr Charles Blixt is an independent director.

The Company does not consider this to affect the independent decision making of the board or its effective operation.</td></tr>
</table>

Principle # / Company Response	**ASX Corporate Governance Council Recommendations**
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.
Company response	The Company Secretary ensures that all new directors are inducted into the Company. Upon commencement, the director formalises a letter of appointment setting out the terms of their appointment and is provided with a 'Corporate Governance Pack' containing the Company's Constitution, Corporate Governance Policies and details of the Company's directors' and officers' insurance policies. The skill set of the Board is monitored regularly by the Board as a whole, taking into consideration the stage of development of the Company's assets, and the limited capital available to the Company.
Principle 3	**Act ethically and responsibly**
3.1	A listed entity should: a) have a code of conduct for its directors, senior executives and employees; and b) disclose that code or a summary of it.
Company response	The Company has adopted a code of conduct which outlines the behaviour expected of directors, contractors and employees. The code of conduct can be viewed on the Company's website www.atrumcoal.com.
Principle 4	**Safeguard integrity in corporate reporting**
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner
Company response	The Board does not currently have a separate audit committee, instead, the roles and responsibilities of the audit committee are undertaken by the Board as a whole. An audit committee will be put in place in the forthcoming financial year. The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
Company response	The Company obtains a declaration from the CEO and CFO (or the persons acting in those capacities) prior to the completion of its half year and annual financial statements.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.
Company response	The Company ensures that its external auditor attends its AGM and time is set aside for the shareholders to ask questions of the auditor.

Principle 5	**Make timely and balanced disclosure**
5.1	A listed entity should: a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and b) disclose that policy or a summary of it.
Company response	The Company has a Continuous Disclosure Policy that forms part of its Corporate Governance Policies, which is available on the Company's website www.atrumcoal.com
Principle 6	**Respect the rights of security holders**
6.1	A listed entity should provide information about itself and its governance to investors via its website.
Company response	The Company's website contains comprehensive details about the Company, its directors and management and its operations. All Company announcements, as well as its annual and half year financial reports can be located through the website www.atrumcoal.com
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.
Company response	The Company has adopted a Shareholder Communication Policy as part of its Corporate Governance Policies. The Company also engages a dedicated investor relations firm to facilitate investor relations.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.
Company response	The Company considers the country of residency of its shareholders when determining the most appropriate location to hold its shareholder meetings. Time is set aside at each meeting whereby attendees are encouraged to query the Board on operational and financial items.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.
Company response	To the extent permissible by law, the Company sends all communication electronically in an effort to reduce its environmental footprint. As new shareholders join the Company, they are invited to communicate with the Company and the share registry electronically.
Principle 7	**Recognise and manage risk**
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework
Company response	The Company is not currently considered to be of a size, nor is its affairs of such complexity to justify the establishment of a separate Risk Management Committee. Instead, the Board, as part of its usual role and through direct involvement in the management of the Company's operations ensures risks are identified, assessed and appropriately managed. Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk. A risk committee will be put in place in the forthcoming financial year. Further details of the risk management processes employed by the Company are detailed in pages 52-57 of the annual report.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.
Company response	The Board reviewed its risk assessment and management framework during the current period as part of a risk review conducted at the November 2013 Board meeting. The Board considers the risk management process to be adequate for its stage of development.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

Company response	The Company does not have an internal audit function. Internal control measures currently adopted by the Board include: • weekly reporting to the Board in respect of operations and monthly reporting in respect of the Company's financial position, with a comparison of actual results against budget; and • regular reports to the Board by members of the management team and/or independent advisers, outlining the nature of particular risks and highlighting measures which are either in place or can be adopted to manage or mitigate those risks.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.
Company response	The Company is an anthracite exploration and development company and is inherently exposed to the economic, environmental and social sustainability risks that are associated with its industry. The Company carefully considers its operations and their impact on the environment and local communities and engages extensively with local communities and first nations groups. The Company has no formal hedging policy for its foreign currency expenditure and is exposed to fluctuations in the exchange rates of the Australian Dollar, the United States Dollar and the Canadian Dollar. Exchange rates are monitored closely by senior management and treasury decisions are made on an opportunistic basis. Where necessary, the Company will enter into FX hedging instruments and has done so in the past.
Principle 8	**Remunerate fairly and responsibly**
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.
Company response	The Board has not established a separate Remuneration Committee due to the size and scale of its operations, however the Board as a whole takes responsibility for such issues. A remuneration committee will be put in place in the forthcoming financial year. The responsibilities include setting policies for senior officers remuneration, setting the terms and conditions for the Managing Director, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both executive and non-executive directors and undertaking reviews of the Executive Chairman's performance. The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.
Company response	In accordance with best practice corporate governance, the structure of Non-Executive Directors is separate and distinct from Executive Directors and Senior Executives. In determining remuneration, the Board holds special meetings as required. No Director participated in any deliberation regarding his or her own remuneration or related issues. The Board are confident that this process for determining remuneration is stringent and full details of remuneration policies and remuneration received by directors and executives in the current period is contained in the "Remuneration Report" within the Directors' Report of the Annual Report.
8.3	A listed entity which has an equity-based remuneration scheme should: a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and b) disclose the policy or a summary of it.
Company response	The Company has both an employee share plan and a performance rights plan in place. Neither of the plans contain a policy as to whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

		Consolidated	
		2017	2016
	Note	**$**	$
Revenue from continuing operations			
Interest income		**953**	10,680
Other income		**-**	213,034
Expenses			
Administration expense		**(404,741)**	(486,524)
Compliance & regulatory expense		**(2,108,520)**	(4,023,612)
Consultancy expense		**(1,278,782)**	(779,632)
Depreciation & amortisation		**(157,402)**	(158,349)
Directors' fees		**(277,285)**	(125,578)
Employee benefit expense		**(1,416,778)**	(963,437)
Exploration expenditure		**(1,292,155)**	(2,314,256)
Finance costs		**(695,610)**	(833,735)
Foreign exchange gain/(loss)		**(53,124)**	(254,904)
Impairment expense	8,9	**(1,372,887)**	-
Occupancy expense		**(383,408)**	(429,291)
Pre-feasibility study expenses		**-**	(40,206)
Public relations and marketing expense		**(65,510)**	(132,940)
Reclamation costs		**(101,854)**	-
Share based payments expense		**(19,972)**	(937,322)
Settlement costs		**(615,958)**	-
Travel expenditure		**(354,896)**	(489,217)
Loss before income tax expense		**(10,597,929)**	(11,745,289)
Income tax expense	2	-	-
Loss after income tax expense		**(10,597,929)**	(11,745,289)
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss		**-**	-
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(422,795)**	(437,552)
Other comprehensive loss for the year, net of tax		**(422,795)**	(437,552)
Total comprehensive loss for the year attributable to members		**(11,020,724)**	(12,182,841)
Loss per share attributable to members of Atrum Coal Ltd.			
Basic (loss) per share – cents per share	4	**(0.05)**	(0.06)
Diluted (loss) per share – cents per share		**(0.05)**	(0.06)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

		Consolidated	
		2017	2016
	Note	**$**	$
ASSETS			
Current Assets			
Cash and cash equivalents	5	**4,390,934**	1,871,124
Trade and other receivables	6	**906,145**	1,219,302
Inventory	7	**1,919,221**	-
Total Current Assets		**7,216,300**	3,090,426
Non-Current Assets			
Plant and equipment	8	**269,225**	1,410,499
Assets held for resale	8b	**62,563**	-
Exploration and evaluation expenditure	9	**6,139,872**	7,046,511
Total Non-Current Assets		**6,471,660**	8,457,010
TOTAL ASSETS		**13,687,960**	11,547,436
LIABILITIES			
Current Liabilities			
Trade and other payables	10	**3,304,869**	4,751,087
Other financial liabilities	11	**800,000**	2,070,634
Total Current Liabilities		**4,104,869**	6,821,721
Non-Current Liabilities			
Borrowings	12	**1,787,546**	1,618,081
Total Non-Current Liabilities		**1,787,546**	1,618,081
TOTAL LIABILITIES		**5,892,415**	8,439,802
NET ASSETS		**7,795,545**	3,107,634
EQUITY			
Issued capital	13	**71,226,236**	56,107,573
Reserves	22	**4,595,676**	4,428,499
Accumulated losses		**(68,026,367)**	(57,428,438)
TOTAL EQUITY		**7,795,545**	3,107,634

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

2017 Consolidated	Issued Capital $	Share-Based Payment Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2016	**56,107,573**	**3,933,773**	**494,726**	**(57,428,438)**	**3,107,634**
Other Comprehensive Income					
Movement in reserve	-	-	(422,795)		(422,795)
Loss for the year	-	-	-	(10,597,929)	(10,597,929)
Total comprehensive income/(loss) for the year	-	-	(422,795)	(10,597,929)	(11,020,724)
Transactions with equity holders:					
Securities issued during the year	16,767,770	-	-	-	16,767,770
Capital raising costs	(1,649,107)	-	-	-	(1,649,107)
Share-based payments/Options	-	589,972	-	-	589,972
Total contribution by equity holders	15,118,663	589,972	-	-	15,708,635
Balance as at 30 June 2017	**71,226,236**	**4,523,745**	**71,931**	**(68,026,367)**	**7,795,545**

2016 Consolidated	Issued Capital $	Share-Based Payment Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2015	**43,169,269**	**3,086,451**	**932,278**	**(45,683,148)**	**1,504,850**
Other Comprehensive Income					
Movement in reserve	-	-	(437,552)		(437,552)
Loss for the year	-	-	-	(11,745,289)	(11,745,289)
Total comprehensive income/(loss) for the year	-	-	(437,552)	(11,745,289)	(12,182,842)
Transactions with equity holders:					
Securities issued during the year	13,428,998	-	-	-	13,428,998
Capital raising costs	(580,694)	-	-	-	(580,694)
Share-based payments/Options	90,000	847,322	-	-	937,322
Total contribution by equity holders	12,938,304	847,322	-	-	13,785,626
Balance as at 30 June 2016	**56,107,573**	**3,933,773**	**494,726**	**(57,428,438)**	**3,107,634**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2017

		Consolidated Group	
		2017	2016
	Note	**$**	$
Cash flows from operating activities			
Receipts from customers and authorities		**440,276**	3,349,178
Payments to suppliers and employees		**(9,644,286)**	(5,910,142)
Interest received		**953**	10,677
Exploration expenditure		**(1,292,155)**	(6,048,626)
Net cash used in operating activities	5(a)	**(10,495,212)**	(8,598,913)
Cash flows from investing activities			
Purchase of plant and equipment		**-**	(71,641)
Net cash used in investing activities		**-**	(71,641)
Cash flows from financing activities			
Proceeds from issue of shares and convertible notes		**15,204,879**	12,204,614
Payment of capital raising costs and loans		**(1,079,106)**	(1,872,280)
Repayment of loans		**(424,555)**	-
Interest paid		**(430,702)**	
Net cash provided by financing activities		**13,270,516**	10,332,334
Net (decrease)/increase in cash and cash equivalents		**2,775,314**	1,661,780
Cash and cash equivalents at the beginning of the year		**1,871,124**	253,058
Effect of foreign currency translation		**(255,494)**	(43,714)
Cash and cash equivalents at the end of the year	5	**4,390,934**	1,871,124

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparing the financial report of the Group, are stated to assist in a general understanding of the financial report. These policies have been consistently applied to all years presented, unless otherwise indicated.

Atrum Coal Ltd. ('Company" or "Parent Entity") is a Company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the official list of the Australian Securities Exchange (code: ATU). The financial statements are presented in Australian dollars which is the Company's functional currency.

The nature of the operations and principal activities of the Company are disclosed in the Directors' Report.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporation Act 2001*. Atrum Coal Ltd. is a for-profit entity for the purpose of preparing the financial statements.

i. Compliance with IFRS

The consolidated financial statements of Atrum Coal Ltd. also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

ii. Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following:

- available-for-sale financial assets, financial assets and liabilities (including derivative instruments) certain classes of property, plant and equipment and investment property – measured at fair value, and
- assets held for sale – measured at fair value less cost of disposal.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The separate financial statements of the parent entity, Atrum Coal Ltd., have not been presented within this financial report as permitted by the Corporations Act 2001.

When required by the Accounting Standards, comparative figures have been adjusted to confirm to changes in presentation for the current financial year.

(b) Going concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group has incurred a net loss after tax for the year ended 30 June 2017 of $10,597,929 and experienced net cash outflows from operating activities of $10,495,202. These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe there are reasonable grounds to believe that the Group can meet all liabilities as and when they fall due, and continue as a going concern after considering the following factors:

- The impending receipt of funds from the Mineral Exploration Tax Credit (METC) from the Canada Revenue Agency;
- Sales of inventory for $1,919,221;
- The receipt of funds from Joint Venture Partner with respect to exploration expenses on Panorama;
- The successful completion of capital raises totalling $15,204,879 through private placement and exercise of options during the year ended 30 June 2017, as a basis that future capital raises will also be successful;
- Active cost cutting measures which have been undertaken after year end;
- Cash on hand of $4,390,934 as at 30 June 2017;
- A working capital of $3,111,431 at 30 June 2017.

1. Summary of significant accounting policies (cont.)

(b) Going concern (cont.)

The financial statements have therefore been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

(c) Adoption of new and revised standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the Group's accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2017. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

(d) Statement of compliance

The financial report was authorised for issue by the Directors on 29 September 2017.

The financial report complies with the Corporations Act 2001, Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of Atrum Coal Ltd. and its subsidiaries as at 30 June each year ("Consolidated Entity" or "Group"). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

1. Summary of significant accounting policies (cont.)

(e) Basis of consolidation *(cont.)*

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of Profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of the Company.

When the group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the Statement of Profit or Loss and Other Comprehensive Loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(f) Foreign currency translation

Functional and presentation currency
The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances
Foreign currency transactions are translated into functional currency using average exchange rates for the period, or where possible, the exchange rates prevailing at the date of the transaction. Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the year-end exchange rate.

Group companies
The functional currency of the overseas subsidiaries is currency Canadian and US dollars. The Board of Directors assesses the appropriate functional currency of these entities on an ongoing basis.

(g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

1. *Summary of significant accounting policies (cont.)*

(h) Cash and cash equivalents

Cash comprises of cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

(i) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement within 30 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

An allowance account for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income. When a trade receivable for which an impairment allowance has been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes purchase price of coal inventory on the date it was purchased. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

1. *Summary of significant accounting policies (cont.)*

(k) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

1. *Summary of significant accounting policies (cont.)*

(l) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the GST incurred on a purchase of goods and service is not recoverable from the taxation authorities, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense item as applicable and receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(m) Leasehold improvements, plant and equipment

Leasehold improvements, plant and equipment are stated at historical costs less accumulated depreciation. Historical costs include expenditure that is directly attributable to the items. Repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the reporting period in which they were incurred. Depreciation is calculated using both the straight line method to allocate asset costs over their estimated useful lives, or in the case of leasehold improvements, the unexpired period of the lease. Annual depreciation / amortisation rates applying to each class of depreciable asset are as follows:

Leasehold improvements	Lease term
Computer equipment	33%
Machinery & equipment	20-50%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

(n) Financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace

(i) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are either: i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Except for effective hedging instruments, derivatives are also categorised as fair value through profit or loss. Fair value movements are recognised in Statement of Profit or Loss and Other Comprehensive Income.

1. *Summary of significant accounting policies (cont.)*

(n) Financial assets (cont.)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process. The Group's receivables fall into this category of financial instruments. Receivables are considered for impairment when they are past due or when there are objective evidence that a specific counter party will default or the amount will not be recoverable.

(iii) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in Statement of Profit or Loss and Other Comprehensive Income.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

(o) Mineral exploration and evaluation expenditure

Exploration and evaluation expenditures incurred by the purchase or acquisition of the asset from a private vendor, or through government applications and licensing processes are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

  (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or

  (b) exploration and evaluation activities in the area have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence, or otherwise, of economically recoverable reserves and active and significant operations in, or relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost. Ongoing exploration costs are expensed as incurred.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

1. *Summary of significant accounting policies (cont.)*

(p) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(q) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(r) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position.

(s) Issued capital

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

1. Summary of significant accounting policies (cont.)

(t) Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding nay costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(u) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(v) Share-based payment transactions

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

When provided, the cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. When the valuation is deemed to be significant, the fair value is determined by using the Black-Scholes model or the binomial option valuation model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Atrum Coal Ltd. or its subsidiaries (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

The statement of profit or loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

Share-based payment transactions with consultants are measured based on the fair value of services provided or where this cannot be determined, is valued by reference to the fair value of the equity instruments at the grant date.

1. *Summary of significant accounting policies (cont.)*

(v) Share-based payment transactions (cont.)

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Performance Rights

The Group issues performance rights to its Key Management Personnel and employees as part of their remuneration as required in the service/employment agreement.

Each Performance right gives the holder a right to one share upon vesting conditions being met. Shares are issued upon Performance rights which vest.

(w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

(x) Assets held for sale

Non-current assets and liabilities that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale the assets are re-measured in accordance with the Consolidated Group's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(y) Significant accounting judgments, estimates and assumptions

In the process of applying the Group's accounting policies, management has made the following judgments, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements.

(i) Exploration and evaluation assets

The Group's accounting policy for exploration and evaluation expenditure is set out at Note 1(o). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the statement of profit or loss and other comprehensive income.

(ii) Impairment of assets held for sale

The fair value of assets is determined with reference to the recoverable amount of the assessed being assed based on its fair value less costs of disposal.

1. *Summary of significant accounting policies (cont.)*

(y) Significant accounting judgments, estimates and assumptions (cont.)

(ii) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Hoadley barrier valuation methodology. Should the assumptions used in these calculations differ, the amounts recognised could significantly change.

The Company issued performance based rights during the year ended 30 June 2017 based upon conditions outlined in note 21. The Company follows the guidelines of AASB 2 'Share Based Payments' and takes into account market and non-market vesting conditions and estimates the probability and expected timing of achieving the performance conditions.

The Company measures the cost of equity-settled transactions with consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of shares granted is determined by utilising the market price of the Company's share at the date which shares are granted. The fair value of options is determined by an internal valuation using a Black-Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted.

(iii) Convertible notes

In determining the carrying value of the Kuro Convertible Notes, the Group has determined that it is likely that the Company will either repurchase the Convertible Notes or renegotiate the due date for redemption. The Company is currently preparing a Notice of Meeting to call the noteholders to a Noteholders meeting. The Convertible notes were issued at $5,000 face value. No interest is applicable. Notes convert to ordinary shares at $0.10 per share in Kuro Coal Limited, may be redeemed for cash by the noteholder, or may be repurchased by the Company. Due to the intention to call a Notice of meeting of noteholders, the convertible notes have been recognised as a liability in the financial statements.

(iv) Tax in foreign jurisdictions

The Group operates in overseas jurisdictions and accordingly is required to comply with the taxation requirements of those relevant countries. This results in the consolidated entity making estimates in relation to taxes including but not limited to Income tax, sales tax, VAT, withholding tax and employee income tax. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact profit or loss in the period in which they are settled.

(z) Reclamation costs

An obligation to incur reclamation costs arises when environmental disturbance is caused by the exploration or development of a mineral interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset and the environment in which the mine operates.

Pre-tax discount rates that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Group have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Group will make a provision for reclamation obligations where it estimates that the disturbance to date on the Group's exploration and evaluation properties may become significant.

1. Summary of significant accounting policies (cont.)

(aa) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective have not been adopted by the Consolidated Entity for the year ended 30 June 2017. At this time the following standards and interpretations may have an impact, but the extent of this is not expected to be material:

- *AASB 2016-1 Recognition of Deferred Tax Assets for Unrealised Losses* - The amendments to AASB 12 Income Taxes clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. Effective for annual periods beginning on or after 1 January 2017. (Company 1 July 2017).

- *ASB 2016-2 Disclosure Initiative* - The amendments to AASB 107 Statement of Cash Flows require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

- *AASB 9 Financial Instruments - A new Principal standard which replaces AASB 139*. This new Principal version includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. Effective for annual periods beginning on or after 1 January 2018. (Company 1 July 2018).

- *AASB 15 Revenue from Contracts with Customers*. The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Effective for annual periods beginning on or after 1 January 2018. (Company 1 July 2018).

- *AASB 16 Leases.* AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases. Effective for annual periods beginning on or after 1 January 2019. (Company 1 July 2019).

At this time the following interpretation may have an impact, but the extent of this has not been determined:

- *IFRIC 23 Uncertainty over Income Tax Treatments*. The Interpretation clarifies the application of the recognition and measurement criteria in IAS 12 Income Taxes when there is uncertainty over income tax treatments. Effective for annual periods beginning on or after 1 January 2019. (Company 1 July 2019).New Accounting Policies and Accounting Standards and Interpretations issued, but some not yet applicable at 30 June, 2017.

	Consolidated	
	2017	2016
	$	$

2. Income tax

(a) Income tax expense

Current tax expense	**-**	-
Deferred tax expense	**-**	-
	-	-

(b) Reconciliation of income tax expense to prima facie tax payable

Net loss before income tax	**(11,020,724)**	(11,745,289)
Income tax at 27.5% (2016: 30%)	**(3,030,699)**	(3,523,588)
Effect of expenses not deductible in determining taxable income	**1,474,365**	1,352,325
Effect of tax rates in foreign jurisdictions (i)	**78,555**	172,657
Tax losses and other timing differences not recognised	**1,477,779**	1,998,606
Total income tax expense/(benefit)	**-**	-

(i) The subsidiaries of the Group operate in tax jurisdictions with differing tax rates.

Atrum Coal Ltd. has unrecognised tax losses arising in Australia, Canada and the USA, which are available indefinitely to offset against future profits of the Company providing the tests for deductibility against future profits are met

(c) Unrecognised deferred tax assets arising on timing difference and losses

(ii)	Losses – revenue	**1,228,921**	2,254,155
	Foreign losses - revenue	**4,761,415**	6,682,273
	Other	**5,014,903**	3,361,004

(iii) The benefit for tax losses will only be obtained if:

(i) the Group derives future assessable income in Australia or Canada of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;

(ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia and Canada; and

(iii) there are no changes in tax legislation in Australia or Canada which will adversely affect the Group in realising the benefit from the deductions for the losses.

3. Auditors' remuneration

(a) Audit services

	Consolidated 2017 $	 2016 $
The auditor of Atrum Coal Ltd. is BDO Audit (WA) Pty Ltd		
Audit and review services	**137,944**	75,480
	137,944	75,480

(b) Non-audit services

	Consolidated 2017 $	 2016 $
Amounts received by BDO for non-audit services:		
Preparation and lodgement of income tax returns		
Canada	**66,355**	61,725
Australia	**18,669**	13,186
United States	**4,263**	4,222
	89,287	79,133

4. Earnings per share (EPS)

	Consolidated 2017 $	 2016 $
Basic loss per share – cents	**(0.05)**	(0.06)
Loss used in calculation of basic loss per share	**(10,597,929)**	(11,745,289)
Weighted average number of ordinary shares outstanding during the year used In the calculation of basic and diluted loss per share	**216,850,554**	184,741,624

5. Cash and Cash Equivalents

	Consolidated 2017 $	 2016 $
Cash at bank	**273,849**	1,495,726
Deposits at call	**4,117,085**	375,399
	4,390,934	1,871,124

Cash at bank earns interest at floating rates based on daily deposit rates. This note should be read in conjunction with Note 19: Financial instruments.

(a) Reconciliation of loss for the year to net cash flows from operating activities

	Consolidated 2017 $	 2016 $
Loss for the year	**(10,597,929)**	(11,745,289)
Add back:		
Depreciation & amortisation	**157,402**	158,349
Share Based Payments	**19,972**	937,332
Unrealised foreign currency losses	**-**	(98,877)
Impairment expenses	**1,372,887**	-
Interest accrued	**695,610**	-
Reclamation costs	**101,354**	-
Non-cash settlements	**260,467**	-
Changes in assets and liabilities:		
Movements in trade and other receivables	**313,157**	2,886,739
Movement in trade and other payables	**(898,911)**	(737,166)
Movement in inventory	**(1,919,221)**	-
Net cash flows from operating activities	**(10,495,212)**	(8,598,913)

6. Trade & other receivables

	Consolidated	
	2017	2016
	$	$
Current		
Rental Bonds and Deposits	**19,749**	37,015
GST receivables	**129,050**	350,916
Environmental Bond Deposit	**177,620**	157,670
Royalty Prepayments	**501,751**	414,921
Other Prepayments	**77,975**	258,780
	906,145	1,219,302

Terms and conditions relating to the above financial instruments:

- There are no past due and impaired trade receivables.
- The above amounts do not bear interest and their carrying value amount is equivalent to their fair value.

Information about the Group's exposure to credit risk is disclosed in Note 19: Financial instruments.

7. Inventory

Inventory consists of

	Consolidated	
	2017	2016
	$	$
Raw anthracite	**1,919,221**	-
	1,919,221	-

The Company acquired 15,000 tons of raw coal for resale outside the United States. Due to poor market conditions prevailing at the beginning of the year, the supplier has agreed to retake the inventory at the original selling price over the period ending 31 December 2017. During the year ended 30 June 2017, the Company returned 100 tons for an amount of US100,000.

8. Non-current assets – plant and equipment

	Consolidated	
	2017	2016
	$	$
Computer Equipment – at cost	**87,958**	89,751
Less: Accumulated depreciation	**(47,673)**	(26,616)
Closing Balance	**40,285**	63,135
Leasehold Improvements – at cost	**72,345**	74,619
Less: Accumulated amortisation	**(72,345)**	(65,785)
Closing Balance	**-**	8,834
Machinery and equipment – at cost	**612,282**	632,904
Less: Accumulated depreciation	**(389,318)**	(275,637)
Closing balance	**222,964**	357,267
Building – at cost (in storage)	**953,782**	972,309
Less: Transfer to assets held for resale	**(953,782)**	-
Closing balance	**-**	972,309
Furniture & Fixtures – at cost	**13,428**	13,881
Less: Accumulated depreciation	**(7,452)**	(4,926)
Closing balance	**5,976**	8,955
	269,225	1,410,500

8. Non-current assets – plant and equipment

Reconciliations

Reconciliations of the written down values and the beginning and end of the current and previous financial year are set out below:

	Computer Equipment $	Leasehold Improvements $	Machinery & Equipment $	Building $	Furniture & Fixtures $	Total $
Balance at 1 July 2016	**63,134**	**8,834**	**357,267**	**972,309**	**8,955**	**1,410,499**
Transfer to assets held for resale	-	-	-	(972,309)	-	(972,309)
Depreciation charge	(23,193)	(6,978)	(124,504)	-	(2,727)	(157,402)
Effect of foreign exchange	344	(1,856)	(9,799)	-	(252)	(11,563)
Closing net book amount	**40,285**	**-**	**222,964**	**-**	**5,976**	**269,225**

	Computer Equipment $	Leasehold Improvements $	Machinery and Equipment $	Building $	Furniture & Fixtures $	Total $
Balance at 1 July 2015	16,320	32,251	490,744	961,531	11,893	1,512,739
Additions	49,181	-	-	-		49,181
Depreciation charge	(3,731)	(23,290)	(128,509)	-	(2,818)	(158,349)
Effect of foreign exchange	1,365	(127)	(4,968)	10,778	(120)	6,928
Closing net book amount	**63,134**	**8,834**	**357,267**	**972,309**	**8,955**	**1,410,499**

8(b) Non-current assets – Assets for resale

	Consolidated	
	2017 $	2016 $
Balance at 1 July 2016	**-**	-
Transferred from Building	**972,309**	-
Impairment (i)	**(891,219)**	-
Effect of foreign exchange	**(18,527)**	-
Closing balance	**62,563**	-

(i) The recognised impairment charge was determined with reference to the recoverable amount of the asset being assessed based on its fair value less costs of disposal.

9. Non-current assets – exploration and evaluation expenditure

	Consolidated	
	2017	2016
	$	$
Peace River Project	**-**	130,712
Naskeena Project	**35,484**	404,528
Groundhog Coal Project	**1,452,448**	1,524,203
Panorama Project	**4,651,940**	4,987,068
	6,139,872	7,046,511
Opening balance	**7,046,511**	7,181,227
Impairment (i)	**(481,683)**	-
Provision for reclamation	**(101,354)**	
Foreign exchange translation differences	**(323,602)**	(134,716)
Closing Balance	**6,139,872**	7,046,511

The Group policy in relation to exploration and evaluation expenditure is to capitalise activities relating to capital acquisitions and development assets and to expense ongoing exploration costs.

(i) Impairment indicators in AASB 6 are considered on a project by project basis as at the balance date i.e. 30 June 2017. Due to the relinquishment of some tenements and expenditure priorities, the Company has no plans at this stage to undertake active and significant operations on its Peace River and Naskeena projects and on this basis an impairment test was required.

Due to the stage at which the Company's Peace River and Naskeena projects are at, and in the absence of an offer to purchase from a third party and because the assets are not traded in an active market there is no basis for making a reliable estimate of the amount obtainable from the sale of any of the projects in an arm's length transaction between knowledgeable and willing parties, an impairment expense of $481,683 has been recognised.

The value of the Group's interest in exploration and evaluation expenditure is dependent upon:

- the continuance of the consolidated entity's rights to tenure of the areas of interest;
- the results of future exploration;
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale; and
- no significant changes in laws and regulations that greatly impact the company's ability to maintain tenure.

10. Current liabilities - trade and other payables

	Consolidated	
	2017	2016
	$	$
Trade payables	**1,008,428**	2,084,639
Confirmed Capital Receivables Facility	**1,648,498**	2,026,606
Other payables	**647,943**	639,842
	3,304,869	4,751,087

Terms and conditions relating to the above financial instruments:

- All amounts are expected to be settled.
- Trade payables are non-interest bearing and are normally settled on 30 day terms.
- Due to the short term nature of trade payable and accruals, their carrying value is assumed to approximate their fair value.
- The Confirmed Capital Receivables facility from Moneytech Finance Pty Limited, is secured over the Mineral Exploration Tax Credit (METC) claimed for expenses incurred in the period 1 July 2014 to 30 June 2015. Interest is payable at 14.85% per annum.

Information about the Group's exposure to credit risk is disclosed in Note 19.

	Consolidated	
	2017	2016
	$	$

11. Other Financial Liabilities

Other financial liabilities comprise:		
Promissory note - Future Royalty Obligations[(a)]	-	1,270,634
Kuro Coal Limited Convertible Notes[(b)]	800,000	800,000
	800,000	2,070,634

(a) Future Royalty payable to Anglo Pacific on extinguishment of balance of Promissory note was settled through the issue of 200,000 fully paid shares of the Company.

(b) Convertible notes issued at $5,000 face value. No interest is applicable. Notes convert automatically to ordinary shares at $0.10 per share in Kuro Coal Limited, may be redeemed for cash by the noteholder, or maybe repurchased by the Company. It is likely that the Company will either repurchase the Convertible Notes or renegotiate the due date for redemption. The Company is currently preparing a Notice of Meeting to call the noteholders to a Noteholders meeting.

12. Non-Current liabilities - borrowings

Loans from related parties - Offset loan agreement (see Note 17)	**1,787,546**	1,618,081
	1,787,546	1,618,081

On 30 July 2013, Atrum announced that it has executed an Offset Loan Agreement (“Loan Agreement”) with Lenark Pty Ltd (“Lenark”), an entity associated with Chairman Mr James Chisholm, providing a limit of $2,681,927 effective from 30 June 2014 which, upon advancement, could be used to offset the outstanding balance owing against 13,412,500 partly paid shares held by Lenark Pty Ltd.

The facility accrues capitalised interest at a rate of 6% per annum (increased to 10% on 23 February 2015) and matured on the date by which the last of the partly paid shares were converted to fully paid ordinary i.e. September 2014.

On 30 September 2013, the Company entered into a variation to the Offset Loan Agreement in place with Lenark Pty Ltd. Pursuant to the variation that was executed, Lenark Pty Ltd increased the credit available pursuant to the Offset Loan Agreement by an additional $2 million.

The original Facility Limit of $2,681,927 was repaid by way of the conversion of partly paid shares to fully paid shares. The subsequent $2 million has been drawn down by the Company as noted in previous quarterly reports and a $500,000 increase was agreed between the Company and Lenark in 2015. On 27 August 2015, $1,079,384 of the outstanding loan was converted into 2,158,766 ordinary fully paid shares in order to take up the Lenark entitlement under a prorate rights issue. During the year ended 30 June 2017 a further $636,000 was advanced to the Company by nominees of Lenark. The amount was fully refunded during the year.

At 30 June 2017, the outstanding loan was $1,787,546. The Board considers that the terms of the facility with Lenark Pty Ltd are arms-length.

13. Issued Share Capital

	2017		2016	
	Number	$	Number	$
(a) Issued and paid up capital				
Ordinary shares – fully paid	**231,992,649**	**71,226,236**	195,151,746	56,107,352
Ordinary shares – partly paid	-	-	2,761,600	221
		71,226,236		56,107,573

(b) Movement in ordinary shares on issue

Ordinary shares – fully paid	Number	$
Balance at 30 June 2016	**195,151,746**	**56,107,352**
Issued for cash	**27,000,000**	**13,500,000**
Issued on exercise of options(1)	**4,329,793**	**23,834**
Issued on conversion of partly paid shares	**2,761,600**	**552,519**
Issued on conversion of convertible notes	**2,048,038**	**1,128,747**
Issued on settlement of litigation(2)	**401,472**	**260,467**
Issued as payment for services rendered(2)	**300,000**	**169,200**
Equity settlement cost on extinguishment of promissory note(3)	-	**1,133,224**
Capital raising costs	-	**(1,649,107)**
Balance at end of year	**231,992,649**	**71,226,236**
Ordinary shares – partly paid		
Balance at 30 June 2016	**2,761,600**	**221**
Paid up to fully paid ordinary	(2,761,600)	(221)
Balance at end of year	-	-
Balance at end of year	**231,992,649**	**71,226,236**

1. An amount of $1,290,000 from the exercise of 4,300,000 options at a price of $0.30 per option was received and credited to equity prior to 30 June 2016.
2. The cost of the equity-settled shares was measured by reference to the fair value of the shares at the date of issue, calculated using a volume weighted average price for the five days preceding the issue.
3. Equity settlement cost on the extinguishment of the balance of the Anglo Pacific Promissory Note.

(c) Terms and conditions of issued capital

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

The Group considers its capital to comprise its ordinary share capital, share premium and accumulated retained earnings as well as its perpetual preference shares which are classified as a financial liability in the statement of financial position.

For details of the Group's capital risk management refer to Note 19: Financial instruments.

13. Issued capital (cont.)

(d) Movements in performance rights

The following table sets out the movements in performance rights during the year:

Year Ended 30 June 2017

Class	Balance at start of year	# Granted during the year	Vested and Exercised	Cancelled/ Forfeited	Balance at end of year	Value Vested during the year ($)
7	572,500	-	-	(190,000)	382,500	(6,576)
8	697,500	-	-	(190,000)	507,500	(49,161)
9	140,000	-	-	(70,000)	70,000	(82,960)
10	160,000	-	-	(90,000)	70,000	-
11	160,000	-	-	(90,000)	70,000	6,050
13	160,000	-	-	(90,000)	70,000	(70,667)
14	50,000	-	-	(50,000)	-	11,897
15	100,000	-	-	(100,000)	-	19,605
16	100,000	-	-	(100,000)	-	9,692
17	100,000	-	-	(100,000)	-	9,692
18	100,000	-	-	(100,000)	-	-
19	130,000	-	-	(30,000)	100,000	(20,632)
20	130,000	-	-	(30,000)	100,000	(10,317)
21	200,000	-	-	-	200,000	76,164
22	100,000	-	-	(100,000)	-	14,365
23	100,000	-	-	(100,000)	-	8,980
24	100,000	-	-	(100,000)	-	13,688
25	100,000	-	-	(100,000)	-	9,284
26	200,000	-	-	(200,000)	-	20,326
27	550,000	-	-	(300,000)	250,000	-
28	400,000	-	-	(347,500)	52,500	50,000
29	250,000	-	-	-	250,000	-
30	600,000	-	-	-	600,000	-
31	50,000	-	-	-	50,000	6,147
32	50,000	-	-	-	50,000	4,195
33	150,000	-	-	-	150,000	-
	5,450,000	**-**	**-**	**(2,477,500)**	**2,972,500**	**19,772**

13. Issued capital (cont.)

(d) Movements in performance rights (cont.)

Year Ended 30 June 2016

Class	Balance at start of year	# Granted during the year	Vested and Exercised	Forfeited	Balance at end of year
7	477,500	-	-		477,500
8	852,500	-	-	(60,000)	792,500
9	140,000	-	-	-	140,000
10	160,000	-	-	-	160,000
11	160,000	-	-	-	160,000
13	160,000	-	-	-	160,000
14	50,000	-	-	-	50,000
15	100,000	-	-	-	100,000
16	100,000	-	-	-	100,000
17	100,000	-	-	-	100,000
18	100,000	-	-	-	100,000
19	130,000	-	-	-	130,000
20	130,000	-	-	-	130,000
21	-	200,000	-	-	200,000
22	-	100,000	-	-	100,000
23	-	100,000	-	-	100,000
24	-	100,000	-	-	100,000
25	-	100,000	-	-	100,000
26	-	200,000	-	-	200,000
27	-	550,000	-	-	550,000
28	-	400,000	-	-	400,000
29	-	250,000	-	-	250,000
30	-	600,000	-	-	600,000
31	-	50,000	-	-	50,000
32	-	50,000	-	-	50,000
33	-	150,000	-	-	150,000
34	-	200,000	(200,000)	-	-
	2,660,000	**3,050,000**	**(200,000)**	**(60,000)**	**5,450,000**

14. Commitments

Exploration commitments

Under Canadian legislation there is no minimum expenditure commitments in relation to the tenements held by the Company. The Company has minimum annual rents due on its projects as follows:

	2017 **$**	2016 $
Less than one year	**604,945**	302,211
Between one and five years	**-**	-
More than five years	**-**	-
	604,945	302,211

Operating lease agreements

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2017 **$**	2016 $
Less than one year	**108,780**	199,846
Between one and five years	**168,000**	319,512
More than five years	**-**	-
	276,780	519,358

14. Commitments (continued)

The Company leases office premises in Vancouver, British Columbia, under an operating lease. The lease periods run for 5 years, and commenced on March 26, 2015.

During the year ended 30 June 2017 an amount of $383,408 (2016: $415,103) was recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income in respect of operating leases.

Kuro Elan Aquisition

Following the share sale deed entered by Kuro Coal Canada Inc., one of the subsidiaries of the Group, the Group will be required to pay to the Vendor a consideration of $3.1 million and 3.65 million shares of subsidiary (see note 23 for details).

15. Contingent liabilities

The following contingent liabilities exist in relation to the Company's projects located in British Columbia, Canada.

Groundhog Anthracite Project

Annual Royalty	CAD$100,000 per annum (until production royalty commences, at which stage it is offset against future production royalties)
Performance Bonus	CAD$1,000,000 (upon the delineation of the first 200Mt of coal of a JORC Indicated status - to the extent that it can be considered a proven reserve) CAD$500,000 (upon the delineation of each subsequent 100Mt of coal of a JORC Indicated status - to the extent that it can be considered a proven reserve)
BFS Bonus	CAD$1,000,000 (upon completion of a positive BFS, paid 50% cash and 50% shares at the election of the Company)
Production Bonus	CAD$1,000,000 (upon commencement of production, paid 50% cash and 50% shares at the election of the Company)
Production Royalty	1% of ex-mine gate price of all saleable coal to Clive Brookes syndicate 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.
Future Royalty to Anglo Pacific	0.5% of FOB port selling price royalty overall production within Atrum's Groundhog Anthracite Project tenements for a period of ten years from the date that Atrum commences commercial production on the project; and subsequently 0.1% royalty from production within the Ground North Mining Complex project area.
Convertible Note Royalty	The Convertible Notes include a royalty component in respect of Atrum's Groundhog North project, whereby each investor is entitled to: (a) A$2.00 per tonne of high grade or ultra-high grade anthracite of the first 1 million tonnes of production over and above threshold production of 100,000 tonnes; (b) A$2.00 per tonne of high grade or ultra-high grade anthracite of the first 73,375 thousand tonnes of production over and above threshold production of 1,225,000 tonnes; (c) each multiplied by (d) that investor's proportion (expressed as a percentage) that their commitment under the relevant Convertible Note bears on the aggregate of all the investors' commitments under the Convertible Notes

Naskeena (North) Coal Project

Performance Bonus	CAD$100,000 (upon the delineation of the first 20Mt of coal of a JORC Indicated status) CAD$50,000 (upon the delineation of each subsequent 10Mt of coal of a JORC Indicated status)
BFS Bonus	CAD$500,000 (upon completion of a positive BFS, paid 50% cash and 50% shares at the election of the Company)

16. Financial reporting by segments

The Group has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the location of activity. For management purposes, the Group has organised its operations into two reportable segments on the basis of stage of development as follows:

- Exploration - mineral exploration and development in Canada
- All other segments – primarily involving corporate management and administration in Australia

The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 1.

2017	**Exploration $**	**All Other Segments $**	**Consolidated $**
Segment loss	(4,310,105)	(6,287,824)	(10,597,929)
Segment assets	7,418,885	6,269,075	13,687,960
Segment liabilities	(1,685,026)	(4,207,389)	(5,892,415)
Other segment information included in segment loss			
Interest revenue	-	953	953
Finance costs	-	(695,610)	(695,610)
Depreciation and amortisation	(135,375)	(22,027)	(157,402)
Impairment of exploration expense	(1,372,887)	-	(1,372,887)
Segment loss	(4,310,105)	(6,287,824)	(10,597,929)

2016	**Exploration $**	**All Other Segments $**	**Consolidated $**
Segment loss	(4,518,918)	(7,226,371)	(11,745,289)
Segment assets	9,240,217	2,307,218	11,547,435
Segment liabilities	(353,161)	(7,919,997)	(8,273,158)
Other segment information included in segment loss			
Interest revenue	212,508	11,206	223,714
Finance costs	(24,949)	(808,786)	(833,735)
Depreciation and amortisation	(146,826)	(11,523)	(158,349)
Impairment of exploration expense	-	-	-
Segment loss	(4,518,918)	(7,226,371)	(11,745,289)

17. Related party transactions

(a) Key management personnel

	Consolidated	
	2017	2016
	$	$
Short-term employee benefits	715,324	527,836
Post-employment benefits	-	3,420
Share-Based Payments	39,551	114,085
	754,875	645,341

Detailed remuneration disclosures are provided in the audited Remuneration Report in the Directors' Report.

(b) Other transactions with Key Management Personnel

(i) *Offset Loan Agreement with Non-Executive Director*

On 30 July 2013, Atrum announced that it has executed an Offset Loan Agreement ("Loan Agreement") with Lenark Pty Ltd ("Lenark"), an entity associated with the then Chairman Mr James Chisholm, providing a limit of $2,681,927 effective from 30 June 2014 which, upon advancement, could be used to offset the outstanding balance owing against 13,412,500 partly paid shares held by Lenark Pty Ltd.

The facility accrues capitalised interest at a rate of 6% per annum (increased to 10% on 23 February 2015) and matured on the date by which the last of the partly paid shares were converted to fully paid ordinary i.e. September 2014.

On 30 September 2013, the Company entered into a variation to the Offset Loan Agreement in place with Lenark Pty Ltd. Pursuant to the variation that was executed, Lenark Pty Ltd increased the credit available pursuant to the Offset Loan Agreement by an additional $2 million.

The original Facility Limit of $2,681,927 was repaid by way of the conversion of partly paid shares to fully paid shares. The subsequent $2 million has been drawn down by the Company as noted in previous quarterly reports and a $500,000 increase was agreed between the Company and Lenark in 2015. On 27 August 2015, $1,079,384 of the outstanding loan was converted into 2,158,766 ordinary fully paid shares in order to take up the Lenark entitlement under a prorate rights issue. During the year ended 30 June 2017 a further $635,000 was advanced to the Company by nominees of Lenark. The amount was fully refunded during the year.

During the year ended 30 June 2017 an amount of $206,907 has been accrued as interest on the loan, bringing the amount outstanding on the loan at 30 June 2017, to $1,787,546. The Board considers that the terms of the facility with Lenark Pty Ltd are arms-length.

(i) *Options*

During the year ended, the Group granted 500,000 options exercisable at $0.75 on or before 16 February 2018 to a company whose Officer is a director of the Company.

(c) Subsidiaries

The consolidated financial statements include the financial statements of Atrum Coal Ltd. and the subsidiaries listed in the following table.

	Country of Incorporation	% Equity Interest		Description of Activities
		2017	2016	
Atrum Coal Australia Pty Ltd	Australia	100	100	Dormant
Atrum Infrastructure and Logistics Pty Ltd	Australia	100	100	Dormant
Atrum Coal Groundhog Inc	Canada	100	100	Development of Groundhog Anthracite Project
Atrum Coal Peace River Inc	Canada	100	100	Development of Peace River and Bowron River Coal Project
Atrum Coal Naskeena Inc	Canada	100	100	Development of Naskeena Coal Project
Atrum Coal USA Inc	USA	100	100	Dormant
Kuro Coal Limited	Australia	100	100	Holding Company – Dormant
Atrum Coal Panorama Inc	Canada	100	100	Development of Panorama Anthracite Project

17. Related party transactions (contd)

(c) Subsidiaries (contd)

Atrum Coal Groundhog Inc., Atrum Coal Peace River Inc., Atrum Coal Naskeena Inc. and Atrum Coal USA Inc. have financial years of 30 June. There are no significant restrictions on the ability of the subsidiaries to transfer funds to the parent entity to pay dividends or loans.

(d) Parent entity

Atrum Coal Ltd. is the ultimate Australian parent entity and ultimate parent of the Group.

18. Parent entity disclosures

(a) Summary financial information

	Parent Entity	
	2017	2016
	$	$
Financial Position		
Assets		
Current assets	**6,269,075**	2,281,156
Non-current assets	**7,009,534**	7,556,219
Total Assets	**13,278,609**	9,837,375
Liabilities		
Current liabilities	**2,419,843**	5,600,143
Non-current liabilities	**1,787,546**	1,618,081
Total Liabilities	**4,207,389**	7,218,224
Equity		
Issued capital	**71,226,236**	56,107,572
Accumulated losses	**(66,653,678)**	(57,397,112)
Share Based Payment Reserve	**4,498,662**	3,908,690
Total Equity	**9,071,220**	2,619,150
Financial Performance		
Gain/(Loss) for the period	**(9,256,566)**	(7,223,540)
Other comprehensive loss	**-**	-
Total comprehensive income (loss)	**(9,256,566)**	(7,223,540)

(b) Guarantees

Atrum Coal Ltd. has not entered into any guarantees in relation to the debts of its subsidiary.

(c) Other Commitments and Contingencies

Atrum Coal Ltd. has no commitments to acquire property, plant and equipment, and has no contingent liabilities apart from the amounts disclosed in note 14.

19. Financial instruments

Financial risk management

The Group's principal financial instruments comprise receivables, payables, cash, short-term deposits and borrowings. The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The Group does not speculate in the trading of derivative instruments. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Ageing analysis of and monitoring of receivables are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 1 to the financial statements.

Risk exposures and responses

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

Foreign Currency Risk

Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency of the Group. The Group has deposits that are denominated in both Canadian and Australian dollars. At the year end the majority of deposits were held in Australian dollars. The Group treasury function manages the purchase of foreign currency to meet operational requirements. The Group manages its exposure to foreign currency risk through utilising forward exchange contracts and options. The impact of reasonably possible changes in foreign rates for the Group is not material.

The Group hedges against the foreign currency exposure through the use of Foreign Exchange Contracts ("FEC").

The maturity, settlement amounts and the average contractual exchange rates of the consolidated entity's outstanding forward foreign exchange contracts at the reporting date was as follows:

	Sell Australian Dollars		Average Exchange Rates	
	2017 $	2016 $	2017	2016
Buy Canadian dollars				
Maturity:	-	-	-	-
0 – 3 Months	-	-	-	-

19. Financial instruments (cont.)

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

	Assets		Liabilities	
	2017	2016	2017	2016
	$	$	$	$
Consolidated				
Australian Dollars	**4,270,323**	2,317,412	**(5,007,389)**	(2,420,637)
Canadian Dollars	**929,342**	758,499	**(819,510)**	(4,128)
US Dollars	**97,414**	905	**(65,516)**	(390,090)
	5,297,079	3,076,816	**(5,892,415)**	(2,814,855)

The group had net foreign currency assets of $141,730 as at 30 June 2017 (2016: net assets $365,186). Based on this exposure alone, had the Australian dollar moved against these foreign currencies with all other variables held constant, the consolidated entity's profit before tax for the year would have been affected as follows:

	Loss		Equity	
	2017	2016	2017	2016
	$	$	$	$
Movement in Australian dollar against foreign currency:	*Increase/ (decrease)*	*Increase/ (decrease)*	*Increase/ (decrease)*	*Increase/ (decrease)*
Strengthening of AUD by 10%	**14,173**	36,518	**14,173**	36,518
Weakening of AUD by 10%	**(14,173)**	(36,518)	**(14,173)**	(36,518)

Interest rate risk
The Group is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out of 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Group does not have short or long term debt, and therefore this risk is minimal.

The Group's exposure to risks of changes in market interest rates relates primarily to the Group's cash balances. The Group constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. As the company has no variable rate interest bearing borrowings its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits. The Offset Loan Agreement charges an interest rate of 10% per annum on outstanding balances, capitalised until the maturity of the loan. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

As at reporting date, the Group had the following financial assets exposed to variable interest rates that are not designated in cash flow hedges:

19. Financial instruments (cont.)

	Consolidated 2017 $	Consolidated 2016 $
Financial Assets		
Cash and cash equivalents (interest-bearing accounts)	**4,117,085**	375,398
Net exposure	**4,117,085**	375,398

During the financial year ended 30 June 2017, the Company earned interest on financial assets of the Group.

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectation of the settlement period of all other financial instruments. As such, the amounts might not reconcile to the statement of financial position.

30 June 2017	Weighted Average Effective Interest Rate %	Less than 1 month	1 to 3 month	3 months to 1 year	1 to 5 years	Total
Financial Assets						
Non-interest bearing		906,145	-	-	-	906,145
Variable interest rate instruments	0%	4,327,187	-	-	-	4,327,187
Fixed interest rate instruments	1.05%	-	63,747	-	-	63,747
		5,233,332	**63,747**	-	-	**5,297,079**
Financial Liabilities						
Non-interest bearing		(2,456,371)	-	-	-	(2,456,371)
Interest bearing – fixed rate						
Borrowings - Confirmed Capital Receivables facility	14.85%	-	-	(1,648,498)	-	(1,648,498)
Fixed interest rate instruments	10%	-	-	-	(1,787,546)	(1,787,546)
		(2,456,371)	**-**	**(1,648,498)**	**(1,787,546)**	**(5,892,415)**
Net Financial Assets/(Liabilities)		**2,776,961**	**63,747**	**(1,648,498)**	**(1,787,546)**	**(595,336)**

30 June 2016	Weighted Average Effective Interest Rate %	Less than 1 month	1 to 3 month	3 months to 1 year	1 to 5 years	Total
Financial Assets						
Non-interest bearing		1,219,302	-	-	-	1,219,302
Variable interest rate instruments	0%	1,464,874	-	-	-	1,464,874
Fixed interest rate instruments	2.53%	-	375,398	-	-	375,398
		2,684,176	**375,398**	-	-	**3,059,574**
Financial Liabilities						
Non-interest bearing		(4,615,115)	-	-	-	(4,615,115)
Interest bearing – fixed rate						
Borrowings - Confirmed Capital Receivables facility	14.85%	-	-	(2,206,606)	-	(2,206,606)
Fixed interest rate instruments	10%	-	-	-	(1,618,081)	(1,618,081)
		(4,615,115)	**-**	**(2,206,606)**	**(1,618,081)**	**(8,439,802)**
Net Financial Assets/(Liabilities)		**(1,930,939)**	**375,398**	**(2,206,606)**	**(1,618,081)**	**(5,380,228)**

19. Financial instruments (cont.)

Net fair value of financial assets and liabilities

The carrying amount of cash and cash equivalents approximates fair value because of their short-term maturity.

Interest Rate Sensitivity Analysis

At 30 June 2017, the effect on loss and equity as a result of changes in the interest rate, with all other variable remaining constant would be as follows:

	2017 $	2016 $
CHANGE IN LOSS		
Increase in interest rate by 1%	9,549	15,595
Decrease in interest rate by 1%	(9,549)	(15,595)

	2016 $	2016 $
CHANGE IN EQUITY		
Increase in interest rate by 1%	9,549	15,595
Decrease in interest rate by 1%	(9,549)	(15,595)

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has no significant exposure to liquidity risk. The Group manages liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained. All financial liabilities are due within 30 days.

Remaining contractual maturities

The following table details the expected maturity of the Group's financial liabilities based on the earliest date of maturity or payment respectively. The amounts are stated on an undiscounted basis and include interest.

Consolidated	W.Av Interest Rate %	Less than 1 month $	1 – 3 Months $	3 months – 1 year $	1 – 5 years $	Remaining contractual maturities $
2017						
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	1,656,371	-	-	-	-
Convertible notes	-	-		-	-	800,000
Interest bearing – fixed rate						
Borrowings - Confirmed Capital Receivables facility	14.85%	-	-	1,648,498	-	-
Borrowings – offset loan agreement	10%	-	-	-	1,787,546	-
Total non-derivatives		**1,656,371**	**-**	**1,648,498**	**1,787,546**	**800,000**
Derivatives		-	-	-	-	-
Total derivatives		-	-	-	-	-

19. Financial instruments (cont.)

Consolidated	W.Av Interest Rate %	Less than 1 month $	1 – 3 Months $	3 months – 1 year $	1 – 5 years $	Remaining contractual maturities $
2016						
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	3,815,115	-	-	-	-
Convertible notes	-	-		-	-	800,000
Interest bearing – fixed rate						
Borrowings - Confirmed Capital Receivables facility	14.85%	-	-	2,026,606	-	-
Borrowings – offset loan agreement	10%	-	-	-	1,618,081	-
Total non-derivatives		**3,815,115**	**-**	**2,026,606**	**1,618,081**	**800,000**
Derivatives		**-**	**-**	**-**	**-**	**-**
Total derivatives		**-**	**-**	**-**	**-**	**-**

Credit risk

Credit risk arises from the financial assets of the Group, which comprise deposits with banks and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. The carrying amount of financial assets included in the statement of financial position represents the Group's maximum exposure to credit risk in relation to those assets.

The Group operates in the mining exploration sector; it therefore does not have trade receivables and is not exposed to credit risk in relation to trade receivables. The Group does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. The Group does not hold any credit derivatives to offset its credit exposure which is considered appropriate for a junior explorer.

The Group trades only with recognised, credit worthy third parties and as such collateral is not requested nor is it the Group's policy to secure its trade and other receivables. The nature of the business is such that it is common not to maintain material receivables. Receivable balances are monitored on an ongoing basis with the result that the Group does not have a significant exposure to bad debts.

The Group's cash deposits are held with a major Australian banking institution (Commonwealth Bank of Australia and NAB) holding a AA- credit rating, otherwise, there are no significant concentrations of credit risk within the Group. The Company also holds bank accounts with Chase in the US (A+ Rating) and TD Canada Trust (AA-), Bank of Montreal.

Capital Management Risk

Management controls the capital of the Group in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and debt levels and share and option issues.

The Group has in place the Offset Loan Agreement and trade payables. There have been no changes in the strategy adopted by management to control capital of the Group since the prior year.

Due to the nature of the Group's activities, being mineral exploration, it does not have ready access to credit facilities and therefore is not subject to any externally imposed capital requirements. Accordingly, the objective of the Group's capital risk management is to balance the current working capital position against the requirements to meet exploration programmes and corporate overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

19. Financial instruments (cont.)

Commodity Price Risk

The Group's exposure to commodity price risk is limited given the Group is still in the development phase.

Fair Value

The methods of estimating fair value are outlined in the relevant notes to the financial statements. All financial assets and liabilities recognised in the statement of financial position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair values unless otherwise stated in the applicable notes.

20. Key management personnel

Refer to note 17 for details of remuneration paid to key management personnel and other related party transactions.

21. Share based payments

The follow table outlines the share based payment expense for 2017:

	$
Share based payment expense for the previous year (to 30 June 2016)	937,322
Share based payment expense for the current year (to 30 June 2017)	(46,718)

The following outlines the fair value calculations for share based payments issued during the period.

(i) Performance Rights

During the financial year the movements in performance rights issued by the Company was as follows:

Balance at Start of Year	Issued as Remuneration	Exercised	Forfeited/Cancelled	Balance at End of Year
5,450,000	-	-	(2,477,500)	2,972,500

Performance rights forfeited and cancelled during the year, and the value of rights issued in prior years that vested in the current year resulted in share based payments expenses of $19,972 (2016: $554,510). An amount of $39,551 (2016: $114,085) related to share based payment was made to the Directors of the Company.

(ii) Options

During the year ended 30 June 2017,

(i) 541,964 and 442,438 options exercisable at $0.75 and $0.65 and expiring on 15 August and 14 November 2018 respectively were issued as part of the conversion of convertible notes into shares and options;

(ii) 3,000,000 options were issued as broker options with respect to the placement of 27,000,000 shares. These options are exercisable at $0.75 on or before 16 February 2019. The fair value of the options of $570,000, expensed as share issuance fees, was based on Black-Scholes model with a risk-free rate of 1.95%, volatility of 90% and dividend rate of 0%.

During the year under review no options were issued as remuneration. Details of other performance rights movements and balances are set out in Note 13(d).

22. Reserves

Nature and purpose of reserves

Share based payments reserve

The reserve is used to record the fair value of share based payments, such options and performance rights, issued as remuneration to employees, or as consideration for the purchase of assets, services, or extinguishment of liabilities.

Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars.

23. Events since the end of the financial year

On 23 August 2017, the Company's wholly-owned subsidiaries, Kuro Coal Limited ("Kuro") and Kuro Coal Canada Inc ("Kuro Coal Canada"), have entered into a share sale deed under which it is proposed that:

- Kuro Coal Canada will purchase all of the shares in Elan Coal Ltd ("Elan") (a company incorporated in Canada); and
- Kuro will seek to separately list on the ASX, TSX-V or an alternative international exchange, ("Proposed Transaction").

Key Acquisition Terms

Completion of the Proposed Transaction is subject to a number of conditions precedent that have not yet been satisfied, including the following:

- the results of any geological, legal, commercial, financial and tax due diligence investigation carried out by (or on behalf of) Kuro Coal Canada in relation to Elan and the Elan properties being satisfactory to Kuro Coal Canada;
- Kuro and Atrum obtaining all necessary shareholder approvals and regulatory approvals required to complete the Proposed Transaction; and
- Kuro receiving conditional approval to list on the ASX or an alternative international stock exchange ("Alternative Stock Exchange") and raising the funds required to make agreed payments to the Vendors and source working capital for further exploration ("Kuro Capital Raising").

As consideration for the acquisition of Elan, the Vendors will receive cash consideration of C$3.1million (including C$100,000 which was paid on the signing of the share sale deed) and Kuro Coal Canada will also be required to issue $3.65 million in script.

The terms of the Kuro Capital Raising (including the offer pricing and the jurisdiction in which Kuro will seek to conduct the Kuro Capital Raising) have not yet been decided by the Atrum or Kuro boards. Further details relating to the Kuro Capital Raising will be released to the ASX in due course. Given the current interest in the neighbouring Riversdale Resources Grassy Mountain project, Kuro has already received approaches from potential financiers indicating a willingness to invest in the development of the Elan properties.

Under the share sale deed, Kuro has an exclusivity period until 31 March 2018. A further exclusivity extension to 30 June 2018 is available if Kuro lodges a listing application with the ASX or an Alternative Stock Exchange before the end of Q1 2018 or concludes an alternatively acceptable settlement outcome with the Vendors. The exclusivity can be extended at any time by mutual agreement.

Issue of shares and options

Subsequent to the year end, the following issues of shares and options have occurred:

On 12 July 2017 1,063,636 options with exercise price of $0.60 and expiring on 31 October 2018, were issued as a fee with respect to the conversion of notes in November 2016.

On 25 August 2017 and 7 September 2017, 8,975,418 and 2,150,000 options, exercisable at a price of $0.80, expired unexercised.

Board of Directors

On 24 July 2017 Tom Borman resigned as director.

On 17 August 2017, the board appointed Max Wang of Alberta, Canada as Managing Director and Chief Executive Officer.

On 17 August 2017, Michael Jardine and Graig Burton resigned from the board and Charles Fear and George Edwards were appointed as directors.

On 18 August 2017, Charles Blixt was appointed Non-Executive Chairman of the board.

Proceeds from sale of inventory

On 21 July 2107, the Company concluded an agreement, effective from June 30, 2017, whereby the supplier of the inventory agreed to retake the inventory at the original price. Sales proceeds for the entire inventory are expected to be received during the period ending 31 December 2017. Prior to year ended June 30, 2017, the Company received $128,072 (USD100,000) and subsequently received a further $195,413 (US$150,000) (See note 7).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors of the Company declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the Corporations Act 2001 and:
    - (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
    - (b) give a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year ended on that date.
2. The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
4. The Directors have been given the declarations by the chief executive officer and the chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the Directors.

Charles Blixt

Charles Blixt
North Carolina, 29 September 2017

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INDEPENDENT AUDITOR'S REPORT

To the members of Atrum Coal Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Atrum Coal Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1(b) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period.

These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying Value of Exploration and Evaluation Assets

Key audit matter	*How the matter was addressed in our audit*
The Group carries exploration and evaluation expenditure totalling $6,139,872 in accordance with the Group's accounting policy as set out in Note 9. The carrying value of the exploration and evaluation asset is a key audit matter due to: • The significance of the total balance; and • The level of procedures undertaken to evaluate management's application of the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources in particular whether any indicators of impairment may be present.	Our procedures included, but were not limited to: •Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, reviewing the Group's exploration budgets, ASX announcements and director's minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Reviewing the assessment of the carrying value of the exploration and evaluation costs, ensuring that management have considered the effect of potential impairment indicators, commodity prices and the stage of the Group's project also against the standard of AASB 6; and • We also assessed the adequacy of the related disclosures in Note 9 to the Financial Statements.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 13 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Atrum Coal Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Neil Smith

Neil Smith

Director

Perth, 29 September 2017

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DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF ATRUM COAL LIMITED

As lead auditor of Atrum Coal Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Atrum Coal Limited and the entities it controlled during the period.

Neil Smith

Director

BDO Audit (WA) Pty Ltd

Perth, 29 September 2017

Shareholders' information set out below was applicable as at 27 September 2017

The number of shareholders, by size of holding is:

Spread of Holdings	**Holders**
1-1,000	189
1,001-5,000	302
5,001-10,000	199
10,001-100,000	663
100,001 - and over	243
Total on register	1,566
	63
Total overseas holders	

Substantial Shareholders

The company has been notified of the following substantial shareholdings:

	Number	**Percentage**
Lenark Pty Ltd (and associated entities)	38,751,384	16.70%
Hoperidge Enterprises Pty Ltd (and associated entities)	11,775,761	5.08%

Voting Rights

The Constitution of the company makes the following provision for voting at general meetings:

On a show of hands, every ordinary shareholder present in person, or by proxy, attorney or representative has one vote. On a poll, every shareholder present in person, or by proxy, attorney or representative has one vote for any share held by the shareholder.

20 LARGEST HOLDERS OF SECURITIES AS AT 30 SEPTEMBER 2016:

	Fully paid	
Ordinary Shareholder	**Number**	**Percentage**
Lenark PL	38,751,384	16.70%
Jones R M + C R	9,749,240	4.20%
Carjay Investments Pty Ltd	8,862,946	3.82%
J P Morgan Nom Aust Ltd	6,185,074	2.67%
Citicorp Nom PL	5,634,313	2.43%
Wallis-Mance PL	5,075,000	2.19%
Monex Boom Sec HK LTD	4,715,214	2.03%
Moran Russell Harold	4,669,200	2.01%
Skye Alba PL	4,404,464	1.90%
D'Anna Gino	3,503,370	1.51%
Hurst Douglas Culmer	3,500,000	1.51%
Mibro NT PL	3,261,600	1.41%
Lujeta PL	3,231,566	1.39%
CTSF PL	3,213,976	1.39%
Topsfield PL	3,135,505	1.35%
Stephens B O + E J	3,115,000	1.34%
HSBC Custody Nom Aust LTD	3,054,424	1.32%
Hoperidge Entps PL	2,912,815	1.26%
Booth William	2,819,508	1.22%
Argonaut Equity Ptnrs PL	2,550,000	1.10%
	122,344,599	52.75%

PARTLY PAID SHARES

The Company does not have any partly paid shares on issue.

Tenure Number	Owner	Project	Tenure	Tenure Sub Type	Area
394847	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	259.00
394848	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	259.00
394849	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	259.00
417079	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	991.00
417080	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	565.00
417081	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	636.00
417082	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	212.00
417085	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1031.00
417088	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	777.00
417089	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	142.00
417090	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	568.00
417094	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	71.00
417095	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	425.00
417096	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	71.00
417098	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1204.00
417100	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	71.00
417101	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	960.00
417291	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	73.00
417293	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	426.00
417294	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	284.00
417295	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	851.00
417297	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	918.00
417298	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1059.00
417300	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	355.00
417301	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	851.00
417520	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	212.00
417521	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	142.00
417522	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	71.00
417523	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	354.00
417528	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	142.00
418443	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1416.00
418444	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1416.00
418445	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1417.00
418446	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1205.00
418587	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1411.00
418588	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1412.00
418589	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1273.00
418590	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1415.00
418921	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	143.00
418922	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	853.00
418923	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	853.00
418924	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1239.00
418925	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1332.00
418926	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1280.00
418927	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	354.00
418928	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1416.00
418929	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1419.00
418930	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1420.00
418931	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1421.00
418932	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1421.00
418933	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1421.00
418934	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1421.00
418935	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1420.00
418936	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1419.00
418937	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	778.00
418938	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1133.00
418939	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1276.00
418940	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1418.00
418941	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1418.00
418942	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1417.00
418943	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1416.00
418944	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1416.00
418945	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1414.00
418946	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1414.00
418947	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1413.00
418948	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1413.00
418949	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1419.00
418950	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1418.00
418951	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1418.00
418952	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1417.00
418954	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1416.00
418955	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1265.00
418956	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1415.00
418959	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1414
418960	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1412
418962	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1136.00
				Subtotal	73692.00

Tenure Number	Owner	Project	Tenure	Tenure Sub Type	Area
417084	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	708.00
417086	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	142.00
417292	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	279.00
417296	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	71.00
417299	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	779.00
417525	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	425.00
417526	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	707.00
417527	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	71.00
418953	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	1346.00
418957	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	1415.00
418958	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	1345.00
418961	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	71.00
				Subtotal	7359.00
418103	Atrum Coal Peace River Inc.	Bowron River	Coal	Application	1875.00
419157	Atrum Coal Peace River Inc.	Bowron River	Coal	Application	1350.00
419159	Atrum Coal Peace River Inc.	Bowron River	Coal	Application	1350.00
				Subtotal	4575.00
417842	Atrum Coal Naskeena Inc.	Naskeena	Coal	Application	1200.00
417845	Atrum Coal Naskeena Inc.	Naskeena	Coal	Application	1125.00
				Subtotal	2325.00