

PHASE 3 DRILLING COMMENCES AT ELAN SOUTH

HIGHLIGHTS

- **Phase 3 large diameter cored drilling has started at Elan South**
- **Cores from the six hole program will be subjected to detailed coal quality and coke characterisation testing programs**
- **Updated Elan South JORC resource estimate expected in late 2018**

Atrum Coal Ltd ("**Atrum**" or the "**Company**") (**ASX: ATU**) is pleased to advise of the commencement of Phase 3 drilling at Elan South, with the first borehole being successfully completed.

The Phase 3 program involves large diameter (LD) cored drilling of six coal quality boreholes. Each hole will involve coring through multiple coal seams to extract 150mm diameter core samples. The cored intervals will twin coal seams intersected in the previously drilled holes and are targeting shallow, unoxidised coal seams.

LD core recoveries have been very encouraging in the first hole completed, which bodes well for sample representivity and the success of the analytical testing program. See attached sample field photos of the extracted cores.

The large diameter core samples will be subjected to physical and chemical analysis, sizing and washability and coke characterisation testwork to obtain detailed coal quality results. Preliminary coal quality analysis has already indicated high-quality hard coking coal parameters for Elan South.

An updated JORC resource estimate for Elan South remains on track for late 2018, with a resource estimate for other Elan Project areas expected late November, 2018.



Registered Office

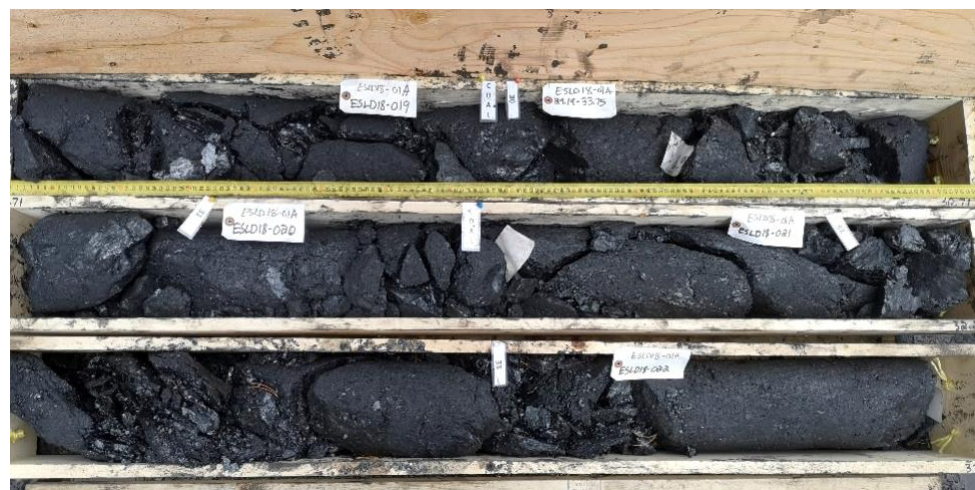
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Non-Executive Director	G. Edwards
Company Secretary	J. Stedwell

Key Projects

Groundhog	Ownership: 100%
Bowron River	Ownership: 100%
Elan Coal	Ownership: 100%



Field Photos of 150mm Diameter Coal Core Samples from the First Borehole

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