

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 MARCH 2019

HIGHLIGHTS

- Updated Elan South Indicated and Inferred Resource estimate of 97Mt (+170%).
- Detailed testwork confirms Tier 1 hard coking coal quality of Elan South.
- Updated Elan North Indicated and Inferred Resource Estimate of 201Mt.
- Expanded and accelerated 2019 field program for Elan South and Isolation South areas; dual approach reflects strategy to rapidly advance multiple, large Tier 1 hard coking coal developments across the Elan Project.
- Appointment of experienced finance and coal industry executive, Mr Richard Barker, to Atrum Board.
- Successful A\$20M equity raising at A\$0.175 per share.
- Maiden Inferred Resource of high-grade anthracite at Panorama North JV.

Atrum Coal Ltd ("Atrum" or the "Company") (ASX: ATU) is pleased to provide its Quarterly Activities Report for the period ending 31 March 2019.

Non-Executive Chairman, Mr. Charles Blixt, commented: "We are pleased to have received strong support from a number of new and existing institutional investors through the equity raising we completed during the quarter. We believe it highlights a rapidly growing appreciation for the underlying value potential of our flagship Elan Hard Coking Coal Project.

"We are now well funded to accelerate our drilling and evaluation activities at Elan. To that end, we are busy putting the final detail around our 2019 field program, with our teams already on the ground engaging First Nations and commencing roadworks. It will be a busy summer as we look to rapidly advance potential Tier 1 hard coking coal developments at both Elan South and Isolation South."



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Board of Directors

Chairman (Non-Exec)	C. Blixt
Managing Director/CEO	M. Wang
Non-Executive Director	R. Barker
Non-Executive Director	J. Chisholm
Non-Executive Director	G. Edwards
Non-Executive Director	C. Fear
Company Secretary	J. Stedwell

Key Projects

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

Elan Hard Coking Coal Project

Updated resource estimate – Elan South

Atrum announced an updated Elan South Resource estimate during the quarter, which saw an increase of 170% to 97Mt (31Mt indicated and 66 Mt inferred). The updated estimate was underpinned by Atrum's 2018 exploration program at Elan South (total metres drilled of approx. 6,900m).

For full details on the updated Elan South resource, see Atrum ASX release dated 8 January 2019, *Elan South Hard Coking Coal Resource Increased by 170% to 97Mt*.

Updated resource estimate – Elan North (all Elan areas outside of Elan South)

Following a detailed review of historical exploration data, testwork and technical studies, Atrum announced an Elan North Resource estimate of 201Mt (39Mt indicated and 162Mt inferred) during the quarter. Elan North includes the key coal deposition areas of Isolation South, Savanna, Isola and Wildcat.

For full details on the updated Elan North resource, see Atrum ASX release dated 22 January 2019, *Additional 201Mt JORC Resources defined for Elan Project*.

Coal quality testing

Results of coal characterisation tests (including movable-wall oven samples) conducted by specialized laboratory, CoalTech Petrographic Associates Inc. (USA), confirmed Tier1 hard coking coal quality at Elan South. These results indicated an average coke strength after reaction (CSR) of 71% and strong comparability with Teck's premium products (refer Table 1).

For full details on the coal quality results, see Atrum ASX releases dated 5 April 2019, *Coke Strength Tests Confirm Tier 1 Hard Coking Coal at Elan*, 25 February 2019, *Additional Clean Coal Quality Results at Elan South*, and 4 February 2019, *Coal Quality Results Confirm Premium Hard Coking Coal*.

Table 1. Elan South indicative coal specifications relative to major Canadian and Australian comparables

Mine / Project	Operator/ Index	VM % ad	Ash % ad	TS % ad	CSN	RoMax %	Fluidity ddpm	Phos % ad (5)	CSR	Reactives
Elan South	Atrum Coal	25.9	7	0.65	7.5	1.13	160	0.050	71	68
Teck Premium	Teck	25.5	9	0.50	7.5	1.14	350	0.090	72	71
Grassy Mountain	Riversdale	23.5	9	0.50	-	1.19	150	0.040	65	-
Peak Downs HCC benchmark	Platts	20.7	10.5	0.60	8.5	1.42	400	0.030	74	71

QLD Premium Low Vol	TSI / Platts	21.0	10	0.45	8	1.35	600	0.050	71	68
HCC 64 Mid Vol Benchmark	Platts	25.5	8	0.60	-	-	100	0.050	64	55
Moranbah North	AAMC	24.0	8.5	0.60	8	1.20	1200	0.040	65	60
Goonyella C	BMA	22.8	9	0.55	8	1.20	500	0.040	70	58
Hail Creek	Glencore	20.4	10	0.31	8	1.35	160	0.070	68	50
Illawarra	South 32	23.2	9.5	0.45	7.5	1.25	1200	0.060	73	53

Notes: (1) Elan South coal quality results are based on 2018 LDC samples from two locations at Elan South.
(2) Grassy Mountain specification sourced from Nov 2015 company presentation.
(3) Platts index specifications source from:
https://www.spglobal.com/platts/plattscontent/_assets/_files/en/our-methodology/methodology-specifications/metcoalmethod.pdf
(4) Other comparable HCC specifications sourced from:
<https://www.platts.com/im.platts.content/productservices/products/coaltraderintl.pdf>.
(5) Tests on 2014 core samples further north of the 2018 exploration areas showed 0.01–0.02% phosphorous.

Accelerated 2019 field program at Elan

Atrum is now in a well-funded position to accelerate exploration, evaluation and development activities at Elan this year. The dual area field approach adopted for 2019 (Elan South and Isolation South) reflects the Company's strategy to advance multiple, large Tier 1 hard coking coal developments on the Elan Project. Atrum is targeting around 20,000m of drilling over the field season, split predominantly between these two key areas.

Infill drilling at Elan South will target both increases to the current resource base (97Mt total; 31Mt Indicated and 66Mt Inferred) and, critically, upgraded classification of a significant part of the existing estimate into Measured and (additional) Indicated categorisation (for the purposes of targeted conversion to Ore Reserves as part of a Pre-Feasibility Study (**PFS**)).

Extension drilling will also be undertaken on three identified zones of Elan South that, based on exploration drilling in 2018, have the potential to host shallow emplacements of coal that may present early, low strip mining opportunities.

Extension drilling at Isolation South (part of the Elan North tenements) is targeted to increase the currently delineated resource (120Mt total; 39Mt Indicated and 81Mt Inferred). Infill drilling is also planned to upgrade a significant part of the existing resource into Measured and (additional) Indicated categorisation.

Other key objectives of the 2019 field program include advancing environmental monitoring and studies, conducting mining and infrastructure studies, and commencing permitting preparations at Elan South.

The planned environmental baseline studies will expand the environmental monitoring which commenced in June 2018 to full-scope, comprehensive field data collection and analyses (which will be required for planned Environmental Impact Assessment (EIA) submission as part of a PFS process).

A Scoping Study on the Elan South development is expected to be completed by 4Q 2019. The results of this work are then expected to feed into a PFS to be completed by 2H 2020.



Figure 1. Rehabilitation of access roads to drilling and environmental monitoring sites during 1Q 2019

During the quarter, the Company also conducted consultations with the First Nations groups to obtain their ongoing support for the Elan exploration program.

For further details of the planned 2019 field activities at Elan, see Atrum ASX release dated 1 April 2019, *Accelerated 2019 Field Program at Elan*.

Panorama North JV

In early April 2019, Atrum announced a maiden Inferred Resource estimate of 174Mt for the Panorama North JV (Atrum 65%) in northern BC. Approximately 50% of the resource estimate is at less than 100m depth, with the remainder at less than 200m depth. Coal quality testing on the samples exhibited characteristics of a high-grade anthracite, consistent with previous testwork.

JOGMEC has now completed its earn-in to 35% of Panorama North via the sole-funding of C\$5M in exploration work on the project. The JV now plans to undertake a high-level scoping study or mine development option assessment during the year.

For full details of the Panorama North resource estimate and JV arrangements, see Atrum ASX release dated 2 April 2019, *Initial High-Grade Anthracite Resource Defined at Panorama North*.

Corporate

Appointment of Director

During the quarter, the Company appointed Mr Richard Barker to its Board of Directors. Mr Barker has more than 30 years of experience in metals and mining industry financing, investment banking and M&A advisory (including significant coal industry roles).

For further details of Mr Barker's executive and Board experience, see Atrum ASX release dated 4 February, *Appointment of Mr Richard Barker to the Board of Directors*.

Tenements

Atrum is considering further rationalisation of its non-core anthracite tenements in British Columbia.

Placement of A\$20M

The Company successfully completed both tranches of the A\$20 million share placement announced during the quarter (see Atrum ASX release dated 8 March 2019, *Successful A\$20M Equity Raising*).

Tranche 1 saw the issue of 83,170,813 shares at \$0.175 per share for gross proceeds of A\$14.6M. Tranche 2 saw the issue (following shareholder approval) of 31,114,901 shares at \$0.175 for gross proceeds of A\$5.4M.

Settlement of Lenark loan

The remaining Lenark loan was fully repaid in the quarter. Other than typical operational accounts payable, the Company is debt free.

Kuro convertible note

The final A\$25,000 of the Kuro convertible note was converted to 250,000 Atrum shares during the quarter.

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Appendix 1: TOP 40 SHAREHOLDERS

	Rank	Holder Name	Designation	Current Securities as at 23/04/19	%
*	1	UBS NOM PL		49,371,697	10.39%
*	2	LENARK PL	LENARK INV A/C	42,701,384	8.98%
	3	NERO RESOURCE FUND PL	NERO RESOURCE FUND	22,472,371	4.73%
*	4	HSBC CUSTODY NOM AUST LTD		16,605,721	3.49%
*	5	CS THIRD NOM PL	HSBC CUST NOM AU L	15,557,452	3.27%
	6	MARFORD GRP PL		15,110,573	3.18%
*	7	STEPHENS B O + E J	STEPHENS GRP S/F A	12,100,000	2.55%
*	8	NATIONAL NOM LTD		10,793,275	2.27%
*	9	WUSATY EUGENE		10,376,888	2.18%
*	10	JONES RODNEY M + C R	HOPERIDGE ENT PL S	9,749,240	2.05%
	11	CARJAY INV PL		8,862,946	1.86%
*	12	J P MORGAN NOM AUST LTD		7,669,843	1.61%
*	13	CITICORP NOM PL		7,656,903	1.61%
*	14	ARELEY KINGS PL	C FEAR SUPER A/C	7,011,526	1.47%
*	15	BOSTON FIRST CAP PL		6,000,000	1.26%
*	16	MONEX BOOM SEC HK LTD	CLIENTS ACCOUNT	5,658,256	1.19%
*	17	YARANDI INV PL	GRIFFITH FAM NO 2	5,638,989	1.19%
*	18	TOPSFIELD PL		5,048,320	1.06%
	19	ABROLHOS EDGE PL	ABROLHOS EDGE SUPE	5,000,000	1.05%
*	20	BOOTH WILLIAM		4,379,408	0.92%
	21	ENGLER ROBERT FRANCIS		4,351,598	0.92%
*	22	WALLIS-MANCE PL	WALLIS-MANCE FAM A	4,125,000	0.87%
*	23	NIREB NOM PL	NIREB A/C	4,000,000	0.84%
	24	PRECISION OPPORTUNITIES F	INV A/C	3,607,144	0.76%
	25	HURST DOUGLAS CULMER		3,500,000	0.74%
	26	MUFASA PL		3,414,286	0.72%
*	27	CTSF PL	VC SUPER FUND A/C	3,413,976	0.72%
*	28	MIBRO NT PL	MIBRO INV A/C	3,289,447	0.69%
*	29	ASHABIA PL	ASHABIA S/F A/C	2,975,000	0.63%
*	30	ALTITUDE RESOURCES LTD		2,953,574	0.62%
	31	HOPERIDGE ENTPS PL		2,912,815	0.61%
	32	SOPASANN PL	SPANN S/F A/C	2,200,000	0.46%
	33	ONE MANAGED INV FUNDS LTD	TECHNICAL INVESTIN	2,186,200	0.46%
*	34	WILLSTREET PL		2,022,146	0.43%
	35	BERNATOVIC MARIO DAMIR		2,010,000	0.42%
	36	CAROJON PL	IMBRUGLIA S/F A/C	2,000,000	0.42%
*	37	PINNACLE SUPER PL	PJF S/F A/C	2,000,000	0.42%
*	38	MERRILL LYNCH AUST NOM PL		1,889,576	0.40%
	39	ELPHINSTONE HLDGS PL		1,806,667	0.38%
*	40	HANSEN JENNET JENIFFER	HANSEN FAM A/C	1,748,572	0.37%
			TOP 40 TOTAL	324,170,793	68.19%

Appendix 2: TENEMENTS LIST

Tenure Number	Owner	Business Unit	Tenure Type	Area (Ha)
394847	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	259
394848	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	259
394849	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	259
417079	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	991
417090	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	568
417098	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	1,204
417088	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	777
417089	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	142
417094	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	71
417095	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	425
417080	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	565
417081	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	636
417082	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	212
417085	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	1,031
417096	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	71
417100	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	71
417101	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	960
417297	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	918
417298	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	1,059
417291	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	73
417293	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	426
417294	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	284
417295	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	851
417300	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	355
417301	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	851
417522	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	71
417523	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	354
417520	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	212
417521	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	142
417528	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	142
418446	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	1,205
418443	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	1,416
418444	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	1,416
418445	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	1,417
418587	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	1,411
418588	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	1,412
418589	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	1,273
418590	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	1,415

Tenure Number	Owner	Business Unit	Tenure Type	Area (Ha)
418941	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	1,418
418942	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	1,417
418951	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	1,418
418952	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	1,417
418955	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	1,265
418944	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	1,416
418926	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	1,280
418932	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	1,421
418950	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	1,418
418962	Atrum Coal Groundhog Inc.	Groundhog	Coal Licence	1,136
419192	Atrum Coal Groundhog Inc.	Groundhog	Coal Application	600
417084	Atrum Coal Panorama Inc.	Panorama North	Coal Licence	708
417086	Atrum Coal Panorama Inc.	Panorama North	Coal Licence	142
417292	Atrum Coal Panorama Inc.	Panorama North	Coal Licence	279
417296	Atrum Coal Panorama Inc.	Panorama North	Coal Licence	71
417299	Atrum Coal Panorama Inc.	Panorama North	Coal Licence	779
417525	Atrum Coal Panorama Inc.	Panorama North	Coal Licence	425
417526	Atrum Coal Panorama Inc.	Panorama North	Coal Licence	707
417527	Atrum Coal Panorama Inc.	Panorama North	Coal Licence	71
418953	Atrum Coal Panorama Inc.	Panorama North	Coal Licence	1,346
418957	Atrum Coal Panorama Inc.	Panorama North	Coal Licence	1,415
418958	Atrum Coal Panorama Inc.	Panorama North	Coal Licence	1,345
418961	Atrum Coal Panorama Inc.	Panorama North	Coal Licence	71
418103	Atrum Coal Peace River Inc.	Bowron River	Coal Lease Application	1,050
419157	Atrum Coal Peace River Inc.	Bowron River	Coal Lease Application	1,350
419159	Atrum Coal Peace River Inc.	Bowron River	Coal Lease Application	1,350
120019501	Elan Coal Ltd.	Elan	Coal Lease Application	1,536
120019502	Elan Coal Ltd.	Elan	Coal Lease Application	1,616
120019503	Elan Coal Ltd.	Elan	Coal Lease Application	1,724
120019504	Elan Coal Ltd.	Elan	Coal Lease Application	1,662
120019505	Elan Coal Ltd.	Elan	Coal Lease Application	1,536
120019506	Elan Coal Ltd.	Elan	Coal Lease Application	768
120019507	Elan Coal Ltd.	Elan	Coal Lease Application	1,629
120071201	Elan Coal Ltd.	Elan	Coal Lease Application	1,936
120071202	Elan Coal Ltd.	Elan	Coal Lease Application	64
120071203	Elan Coal Ltd.	Elan	Coal Lease Application	1,840
120071204	Elan Coal Ltd.	Elan	Coal Lease Application	1,645
120071205	Elan Coal Ltd.	Elan	Coal Lease Application	1,582
120071206	Elan Coal Ltd.	Elan	Coal Lease Application	112
120071207	Elan Coal Ltd.	Elan	Coal Lease Application	960

Tenure Number	Owner	Business Unit	Tenure Type	Area (Ha)
120071208	Elan Coal Ltd.	Elan	Coal Lease Application	1,687
120286501	Elan Coal Ltd.	Elan	Coal Lease Application	16
120286502	Elan Coal Ltd.	Elan	Coal Lease Application	16
120286503	Elan Coal Ltd.	Elan	Coal Lease Application	64
120286504	Elan Coal Ltd.	Elan	Coal Lease Application	208
120286505	Elan Coal Ltd.	Elan	Coal Lease Application	48
120286506	Elan Coal Ltd.	Elan	Coal Lease Application	114
120286507	Elan Coal Ltd.	Elan	Coal Lease Application	144
120286508	Elan Coal Ltd.	Elan	Coal Lease Application	853
130011401	Elan Coal Ltd.	Elan	Coal Lease Application	256
130011402	Elan Coal Ltd.	Elan	Coal Lease Application	128
130011403	Elan Coal Ltd.	Elan	Coal Lease Application	97
130011404	Elan Coal Ltd.	Elan	Coal Lease Application	128
Total				72,888