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# ATRUM COAL NL

ACN 153 876 861

## NOTICE OF ANNUAL GENERAL MEETING

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**TIME:** 11:00 am (AEDT)

**DATE:** Friday, 27 November 2015

**PLACE:** Level 27, Angel Place, 123 Pitt Street, Sydney NSW 2000

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 2 8249 1884.*

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## IMPORTANT INFORMATION

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### Time and place of Meeting

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Notice is given that an annual general meeting of the Company (**Meeting**) will be held at 11:00 am (AEDT) on Friday, 27 November 2015 at:

Level 27  
Angel Place  
123 Pitt Street  
Sydney NSW 2000

The Explanatory Statement to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form form part of this Notice.

Terms and abbreviations used in this Notice and the Explanatory Statement are defined in Schedule 1 of the Explanatory Statement.

### Your vote is important

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The business of the Meeting affects your shareholding and your vote is important.

### Voting eligibility

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The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those people who are registered Shareholders at 7:00 pm (AEDT) on Wednesday, 25 November 2015.

### Voting in person

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To vote in person, attend the Meeting at the time, date and place set out above.

### Voting by proxy

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To vote by proxy, please complete and sign the enclosed Proxy Form and return it by the time and date, and in accordance with the instructions, set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of that Shareholder's votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and

- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

#### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands;
- if the proxy is the Chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

#### ***Transfer of non-chair proxy to Chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's Shareholders;
- the appointed proxy is not the Chair of the Meeting;
- at the Meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the Meeting; or
  - the proxy does not vote on the resolution,

the Chair of the Meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the Meeting.

# AGENDA

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1. **ANNUAL REPORT**

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2015, which includes the Financial Report, the Directors' Report comprising the review of operations and the Remuneration Report, and the Independent Auditor's Report.

Note: there is no requirement for shareholders to approve these reports.

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2. **RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **non-binding resolution**:

*“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Report for the financial year ended 30 June 2015.”*

A voting exclusion statement applies to this Resolution 1, and is set out in full in the Explanatory Statement to this Notice.

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and comments made by shareholders on the remuneration report at the meeting when reviewing the Company's remuneration policies.

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3. **RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES – CLIVE BROOKES AND OTHERS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 50,000 Shares in total to Sean Fahy, Dave Heyman, Bruce MacGowan, Michael Fry, Clive Brookes, Greg Yanke, Frank Barker and Debra MacPherson on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution 2, and is set out in full in the Explanatory Statement to this Notice.

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4. **RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES – PANORAMA COAL CORP.**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 200,000 Shares to Panorama Coal Corp. on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution 3, and is set out in full in the Explanatory Statement to this Notice.

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**5. RESOLUTION 4 – ELECTION OF ROBERT BELL AS DIRECTOR**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Robert Bell, who, having been appointed as a non-executive Director since the last General Meeting of the Company to fill a casual vacancy, ceases to hold office at the end of this Meeting, and being eligible for election, be elected as a Director.”*

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**6. RESOLUTION 5 – ELECTION OF JOHN WASIK AS DIRECTOR**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr John Wasik, who, having been appointed as a non-executive Director since the last General Meeting of the Company to fill a casual vacancy, ceases to hold office at the end of this Meeting, and being eligible for election, be elected as a Director.”*

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**7. RESOLUTION 6 – RE-ELECTION OF JAMES CHISHOLM AS DIRECTOR**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr James Chisholm who retires as a Director by rotation, and offers himself for re-election, be elected as a Director.”*

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**8. RESOLUTION 7 – APPROVAL OF 10% PLACEMENT CAPACITY**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution 7, and is set out in full in the Explanatory Statement to this Notice.

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**9. RESOLUTION 8 – INCREASE IN THE MAXIMUM AGGREGATE ANNUAL REMUNERATION OF NON-EXECUTIVE DIRECTORS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 10.17, clause 13.7 of the Constitution and for all other purposes, the maximum aggregate annual remuneration that may be paid by the Company as remuneration for the services of the Company's non-executive Directors be increased by \$150,000 from \$250,000 to \$400,000 with effect on and from 1 July 2015."*

A voting exclusion statement applies to this Resolution 8, and is set out in full in the Explanatory Statement to this Notice.

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**10. RESOLUTION 9 - CHANGE OF NAME TO ATRUM NL**


To consider and, if thought fit, to pass, with or without amendment, the following as a **special resolution**:

*"That, for the purposes of section 157(1) of the Corporations Act and for all other purposes, the name of the Company be changed from "Atrum Coal NL" to "Atrum NL" with effect on and from 27 November 2015, and that, for the purposes of section 136(2) of the Corporations Act and for all other purposes, the Constitution of the Company be amended by replacing all references to "Atrum Coal NL" with references to "Atrum NL" to reflect the change of the Company's name."*

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**Dated: 23 October 2015**

**By order of the Board**

A handwritten signature in black ink, appearing to read 'THEO RENARD', with a large, stylized flourish extending upwards and to the right.

**THEO RENARD  
COMPANY SECRETARY**

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# EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in connection with the business to be conducted at the Meeting to be held at Level 27, Angel Place, 123 Pitt Street, Sydney, New South Wales at 11:00am (AEDT) on 27 November 2015.

This Explanatory Statement should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Statement is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A Proxy Form is included at the end of this Explanatory Statement.

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## 1. ANNUAL REPORT

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. Copies of the Annual Report can be found on the Company's website [www.atrumcoal.com](http://www.atrumcoal.com) or by contacting the Company on +61 2 8249 1884.

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will have the opportunity to:

- (a) discuss the Annual Report for the financial year ended 30 June 2015;
- (b) ask questions or make comment on the management of the Company; and
- (c) ask the Company's auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions by mail or email (email address: [agm2015@atrumcoal.com](mailto:agm2015@atrumcoal.com)) to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office of Level 19, 1 O'Connell Street, Sydney NSW 2000.

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## 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

### 2.1 General

The Corporations Act requires that, at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the Shareholders. Such a resolution is advisory only and does not bind the Company or the Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and Key Management Personnel of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial reporting of the Company for a financial year.

The Chair of the Meeting must allow a reasonable opportunity for Shareholders to ask questions about or make comments on the Remuneration Report at the Meeting.

## 2.2 Voting exclusion statement

In accordance with s250(R)(4) of the Corporations Act, the Company will disregard any votes cast on Resolution 1:

- (a) by any member of the Company's Key Management Personnel, or a Closely Related Party of such a member of the Key Management Personnel;
- (b) as a proxy by a member of the Company's Key Management Personnel, or a Closely Related Party of such a member of the Key Management Personnel unless the vote is cast as a proxy for a person who is entitled to vote on this resolution:
  - (i) in accordance with their directions of how to vote set out in the relevant Proxy Form; or
  - (ii) by the Chair pursuant to an express authorisation set out in the relevant Proxy Form.

The Company's Proxy Form has been prepared on the basis that where a Shareholder grants a proxy to the Chair, or the Chair is their proxy by default, the Shareholder provides express authorisation for the Chair to exercise the proxy as the Chair decides in relation to Resolution 1. The Chair will vote undirected proxies and intends to vote such proxies in favour of Resolution 1.

Shareholders entitled to vote on Resolution 1, who appoint as their proxy, a member of the Company's Key Management Personnel or a Closely Related Party (other than the Chair), should direct their proxy as to how to vote by marking either "**For**", "**Against**" or "**Abstain**" on the Proxy Form for Resolution 1. Failing to direct such a proxy will result in that Shareholder's vote on Resolution 1 being disregarded.

## 2.3 Board recommendation and Chair's vote

The Directors recommend that Shareholders vote in favour of Resolution 1.

The Chair intends to vote all available proxies in favour of this Resolution 1.

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## 3. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES – CLIVE BROOKES AND OTHERS

### 3.1 Background

On 17 November 2011 the Company entered into an Option Agreement with Clive Brookes.



The Option Agreement included an annual royalty of CAD100,000. In lieu of cash and as pre-payment for the 2015 royalty, Clive Brookes and others accepted 50,000 Shares.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 50,000 Shares (**Brookes and others Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this previous issue, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **3.2 Information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Brookes Ratification:

- (a) 50,000 Shares were previously issued;
- (b) the deemed issue price was \$1.175 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the 50,000 Shares were issued as follows:

5,000 Shares to Sean Fahy;

16,167 Shares to Dave Heyman;

250 Shares to Bruce MacGowan;

250 Shares to Michael Fry;

17,333 Shares to Clive Brookes;

1,000 Shares to Greg Yanke;

5,000 Shares to Frank Barker; and

5,000 Shares to Debra MacPherson.

who are not a related parties of the Company; and

- (e) no funds were raised from the issue as the Shares were issued in consideration for the making of applications and the reimbursement of rents paid in respect of coal licence applications.

### 3.3 Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Clive Brookes, Sean Fahy, Dave Heyman, Bruce MacGowan, Michael Fry, Greg Yanke, Frank Barker and Debra MacPherson and any of his/their associates. However, the Company will not disregard a vote if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### 3.4 Board recommendation and Chair's vote

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

The Chair intends to vote all available proxies in favour of this Resolution 2.

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## 4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES – PANORAMA COAL CORP.

### 4.1 Background

On 29 August 2014, the Company acquired a large package of granted coal licences and one coal licence application from Anglo Pacific Group PLC ("**Anglo Pacific**") (LSE: APF, TSX: APY) (**Acquisition**).

The Acquisition included 20 granted coal licences ("**Coal Licences**") and one coal licence application ("**Coal Licence Application**"), collectively covering an area of 10,235 hectares, and represented the complete consolidation of all the known anthracite-bearing tenure in the Groundhog and Panorama coalfields.

Material terms of the Acquisition included a 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, US\$500,000 payable in cash, a US\$2,000,000 8% promissory loan note repayable within 18 months, and 1,000,000 fully paid ordinary Shares, which were escrowed for 18 months from the date of issue.

The repayment date of the promissory loan note has been extended to 31 December 2015. Material terms of the extension included an extension fee of US\$100,000, a partial payment of US\$800,000 (applied to principle and interest), an increase from 8% to 10% of the promissory loan note coupon, the issue of 1,150,000 two year \$0.80 options for Shares, and a further 200,000 Shares.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of a further 200,000 Shares to Panorama Coal Corp ("**Panorama Ratification**"), paid in order to extend the repayment date of the promissory note to 31 December 2015.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 3 above.

By ratifying this previous issue, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

#### **4.2 Information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Anglo Pacific Ratification:

- (a) 200,000 Shares were previously issued;
- (b) The deemed issue price was \$0.50 per Share;
- (c) the Shares issued were all fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Anglo Pacific Group PLC which is not a related party of the Company; and
- (e) no funds were raised from the issue as the Shares were issued in consideration for the extension of the promissory loan note.

#### **4.3 Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by Anglo Pacific Group PLC and any of its associates. However, the Company will not disregard a vote if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### **4.4 Board recommendation and Chair's vote**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

The Chair intends to vote all available proxies in favour of this Resolution 3.

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## **5. RESOLUTION 4 – ELECTION OF ROBERT BELL AS DIRECTOR**

### **5.1 Background**

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 13.4 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the end of next following general meeting and is then eligible for election by Shareholders (but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting).

Mr Bell was appointed by the Board as an additional Director on 31 August 2015. Under clause 13.4 of the Constitution and ASX Listing Rule 14.4, Mr Bell is required to retire from office as a Director at the Meeting and he offers himself for election by the Shareholders.

## **5.2 Candidate profile**

Mr Bell is a qualified mining engineer with more than 27 years' experience in the Canadian coal industry and international coal markets. He has executive management experience with a strong focus on coal marketing and rail, port and marine logistics. In addition, he brings experience in mine planning and operations, finance and treasury, technical marketing, capital projects oversight and business development. He has a well-established presence in the Canadian coal industry and has served as Chairman of the Coal Association of Canada. He also served two terms as Chair of Neptune Bulk Terminals (Canada) Ltd. He currently serves on the boards of the Western Canadian Shippers Coalition and the Western Canadian Coal Society. In 2007, Mr Bell was appointed Chief Commercial Officer of the coal business unit of Canada's Teck Resources Limited, the world's second largest exporter of coking coal and was responsible for all Teck Resources' coal marketing, logistics and commercial operations. Mr Bell was former CEO of Ram River Coal Corporation, a Canadian company with a metallurgical coal project in Alberta, and former President and Chief Operating Officer of Pine Valley Mining Corporation.

Mr Bell has extensive experience in transportation including negotiation of major rail and port agreements, logistics and arbitration of commercial disputes, transportation strategy, marketing strategy development, major commercial agreement negotiations with steel mills and off-take partners and general corporate development. Mr Bell's education includes a degree in Mining Engineering from McGill University in Montreal, a Master's degree in Business Administration from Queen's University in Kingston Ontario and the Directors Education Program (ICD.D) from the Rotman School of Management/Institute of Corporate Directors.

## **5.3 Board recommendation and Chair's vote**

The Directors, with Mr Bell abstaining, recommend that Shareholders vote in favour of Resolution 4.

The Chair intends to vote all available proxies in favour of this Resolution 4.

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## **6. RESOLUTION 5 – ELECTION OF JOHN WASIK AS DIRECTOR**

### **6.1 Background**

Mr Wasik was appointed by the Board as an additional Director on 31 August 2015. Under clause 13.4 of the Constitution and ASX Listing Rule 14.4, Mr Wasik is required to retire from office as a Director at the Meeting and he offers himself for election by the Shareholders.

A summary of clause 13.4 and ASX Listing Rule 14.4 is set out in Section 5.1 above.

### **6.2 Candidate profile**

Mr Wasik is currently a non-executive director of Cobbora Holding Company, a permitted coal mine in NSW owned by the NSW State Government and a non-executive director of Kuro Coal Ltd, a subsidiary of Atrium. Mr Wasik was a former non-executive director and the chairman of Ampcontrol Pty Ltd, a manufacturing

and electrical services company in which Washington H. Soul Pattinson and Company Limited holds a major stake. He is a graduate member of the Australian Institute of Company Directors, and holds a BSc in Minerals Exploitation. Mr Wasik has worked in the mining sector for 40 years. He was group executive for Peabody Energy Corporation's southwest operations in North America for five years overseeing more than 20Mtpa of coal production in Arizona, New Mexico and Colorado. This included establishing a highwall mining division within Peabody which operated in the Rocky Mountains of Colorado. Prior to this, Mr Wasik was General Manager of Peabody's 6Mtpa Ravensworth/Narama mines for seven years and previously held the position of mine manager at both Ravensworth and Warkwoth mines. He has a track record of developing major projects, from exploration of new resources to justification, development and operation of new mines and major mine expansions. Mr Wasik will work with the other non-executive Directors to guide the Company as it moves from explorer to developer.

### **6.3 Board recommendation and Chair's vote**

The Directors, with Mr Wasik abstaining, recommend that Shareholders vote in favour of Resolution 5.

The Chair intends to vote all available proxies in favour of this Resolution 5.

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## **7. RESOLUTION 6 – RE-ELECTION OF JAMES CHISHOLM AS DIRECTOR**

### **7.1 Background**

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer.

Clause 13.2 of the Constitution provides, subject to clause 17.4, that one third of the Directors for the time being, or if their number is not a multiple of 3, then the number nearest one third, and any other Director not in such one third who has held office for 3 years or more (except the Managing Director), must retire from office at the annual general meeting every year. Clause 13.2 provides that a retiring Director is eligible for re-election.

The Director(s) to retire at any annual general meeting must be those who have been longest in office since their last election.

The Company has a total of five Directors, two of whom were appointed as casual appointments on 31 August 2015 by approval from the Directors at the time, and who have been proposed for election under Resolutions 4 and 5. As such the Company has three directors remaining who would be eligible for re-election pursuant to the applicable rotation clause of the Constitution. The Director who has served longest in office and must retire by rotation at the Meeting is Mr James Chisholm.

### **7.2 Candidate profile**

Mr Chisholm is a qualified engineer, holding a degree in electrical engineering, who has worked in the engineering and mining sectors for the past 28 years, initially in engineering, then management, then M&A roles. Mr Chisholm co-founded The Chairmen1 Pty Ltd (which was the largest shareholder of Guildford Coal Limited (ASX: GUF), Ebony Iron Pty Ltd (now part of Strategic Minerals PLC (AIM: SML)), Fertz Limited (ASX: FTZ) and Ebony Energy Limited.

Mr Chisholm is currently chairman of ASX listed Fertoz Limited and is currently a director of unlisted Ebony Coal Limited.

Further details of Mr Chisholm's background and experience are set out in the Annual Report.

The Board, excluding Mr Chisholm, believes that Mr Chisholm has performed the duties and responsibilities of a Director diligently and professionally, and in the best interests of all Shareholders.

### **7.3 Board recommendation and Chair's vote**

The Directors, with Mr Chisholm abstaining, recommend that Shareholders vote in favour of Resolution 6.

The Chair intends to vote all available proxies in favour of this Resolution 6.

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## **8. RESOLUTION 7 – APPROVAL OF 10% PLACEMENT CAPACITY**

### **8.1 General**

ASX Listing Rule 7.1A provides that the Company may seek Shareholder approval at an annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital ("**10% Placement Capacity**").

If Shareholders approve Resolution 7, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 8.2 below).

The effect of Resolution 7 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and in addition to the Company's 15% annual placement capacity granted under ASX Listing Rule 7.1.

Resolution 7 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 7 for it to be passed.

### **8.2 ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A enables the Company to seek Shareholder approval at an annual general meeting to issue Equity Securities in addition to those under the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is a company that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$106,249,687 on the date of preparation of this Notice, being 22 October 2015.

Any Equity Securities issued under the 10% Additional Placement Capacity must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: ATU) together with three classes of unquoted options, one class of partly paid shares and one class of performance rights.

The exact number of Equity Securities that the Company may issue under an approval under ASX Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under ASX Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without Shareholder approval; and
  - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary securities under ASX Listing Rule 7.1 or 7.4.

### 8.3 Information required by ASX Listing Rule 7.3A

In accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 7:

(a) **Minimum Price**

Pursuant to ASX Listing Rule 7.1A.3, the minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 8.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Additional Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; or
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or ASX Listing Rule 11.2 (disposal of the Company's main undertaking) after which date an approval under ASX Listing Rule 7.1A ceases to be valid.

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Additional Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 7 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Additional Placement Capacity.



Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)*	Dilution			
	Issue Price (per Share)	0.285 50% decrease in Issue Price	0.57 Issue Price	1.14 100% increase in Issue Price
186,402,960 (Current Variable A)	Shares issued - 10% voting dilution	18,640,296 Shares	18,640,296 Shares	18,640,296 Shares
	Funds raised	\$5,312,484	\$10,624,969	\$21,249,937
279,604,440 (50% increase in Variable A)	Shares issued - 10% voting dilution	27,960,444 Shares	27,960,444 Shares	27,960,444 Shares
	Funds raised	\$7,968,727	\$15,937,453	\$31,874,906
372,805,920 (100% increase in Variable A)	Shares issued - 10% voting dilution	37,280,592 Shares	37,280,592 Shares	37,280,592 Shares
	Funds raised	\$10,624,969	\$21,249,937	\$42,499,875

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer), or that are issued with Shareholder approval under ASX Listing Rule 7.1.

**The table above uses the following assumptions:**

- There are currently 186,402,960 Shares on issue comprising:
  - 185,202,960 existing (tradable) Shares as at the date of this Notice of Meeting;
  - 1,000,000 (non-tradeable) Shares escrowed until 2 March 2016; and
  - 200,000 (non-tradeable) Shares escrowed until 8 March 2017.
- The issue price set out above is the closing price of the Shares on the ASX on 22 October 2015.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for [insert eg the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets/ X Project (funds would then be used for project, feasibility studies and ongoing project administration), general working capital etc] and administration; or
- (ii) as non-cash consideration for the acquisition of new resources, assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and

- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 28 November 2014 ("**Previous Approval**").

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 27 November 2014, the Company otherwise issued a total of 16,260,001 Shares and 9,155,210 Options which represents approximately 13% of the total diluted number of Equity Securities on issue in the Company on 27 November 2014, which was 182,959,559.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 3.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- (ii) the information required by ASX Listing Rule 3.10.5A for release to the market.

#### **8.4 Voting exclusion statement**

As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 7.

#### **8.5 Board recommendation and Chair's vote**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 7.

The Chair intends to vote all available proxies in favour of this Resolution 7.

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## 9. RESOLUTION 8 – APPROVAL OF INCREASE IN THE MAXIMUM AGGREGATE ANNUAL REMUNERATION OF NON-EXECUTIVE DIRECTORS

### 9.1 Background

The current maximum aggregate annual remuneration of non-executive Directors was set at the listing of the Company. Since then, total annual remuneration paid to non-executive Directors has increased to approximately 63% of the approved non-executive Directors' fee pool of \$250,000. Details of the total fees paid to non-executive Directors during the 2015 financial year ended 30 June 2015 are set out in the Company's Remuneration Report of the Annual Report.

Shareholder approval is sought to increase the non-executive Director fee pool that may be paid by the Company as remuneration for the services of the Company's non-executive Directors from \$250,000 to \$400,000 (inclusive of superannuation contributions). If approved, the increase will be divided between non-executive Directors as the Board determines and will take effect on and from 1 July 2015. The Company does not intend to fully utilise the increase from 1 July 2015 or in the near future.

The following matters have been considered in determining the proposed increase:

- (a) the change in the corporate governance framework of the Company, including the establishment of sub-committees with non-executive Directors nominated and appointed by the Company to these sub-committees. The creation of sub-committees is considered a significant step in enhancing the corporate governance of the Company. Non-executive Directors receive additional fees for their services as sub-committee members and, in future, these will be included in the Shareholder-approved non-executive Director fee pool and disclosed in the Company's Remuneration Report each year;
- (b) the base fees paid to non-executive Directors; and
- (c) Non-executive Directors have not increased since the Company listed. The proposed increase in the non-executive Directors fee pool will provide the flexibility to adjust fees in the future in accordance with market benchmarks.

The Company is seeking the approval for the increase in the non-executive Directors' fee pool pursuant to ASX Listing Rule 10.17, which requires the Company to obtain Shareholder approval for any increase in the total amount of remuneration payable to non-executive Directors, and pursuant to clause 13.7 of the Constitution and for all other purposes.

### 9.2 Information required under ASX Listing Rule 10.17

For the purposes of ASX Listing Rule 10.17, the Company states that under proposed Resolution 8:

- (a) the amount of the increase in fees which may be paid to non-executive Directors will increase \$150,000 (from \$250,000 to \$400,000);
- (b) the maximum aggregate amount of Directors' fees that may be paid to all of the non-executive Directors is \$400,000; and

- (c) each of the non-executive Directors have been issued the following securities under ASX Listing Rules 10.11 or 10.14 with the approval of Shareholders in the preceding 3 years:

<b>Non-executive Director</b>	<b>Number of Securities</b>	<b>Date of issue</b>
Mr Robert Bell	60,000	To be issued
Mr Steven Boulton	60,000	3 September 2014
Mr Cameron Vorias	60,000	30 June 2014
Mr John Wasik	60,000	To be issued

### 9.3 Voting exclusion statement

The Company will disregard any votes cast on Resolution 8 by a Director or member of the Key Management Personnel and their associates. However, the Company will not disregard any votes cast on Resolution 8 if:

- a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- b) the person is the Chairman of the Annual General Meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy form to vote as the proxy decides.

### 9.4 Board recommendation and Chair's vote

Messrs Bell, Boulton, Vorias and Wasik are each non-executive Directors and each have an interest in the outcome of Resolution 8, and are excluded from voting on Resolution 8, and accordingly do not make a voting recommendation to Shareholders in respect of Resolution 8.

Mr Chisholm, with Messrs Bell, Boulton, Vorias and Wasik abstaining, recommends that Shareholders vote in favour of Resolution 8.

The Chair intends to vote all available proxies in favour of this Resolution 8.

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## 10. RESOLUTION 9 – CHANGE OF NAME TO ATRUM NL

The change is being proposed as the Directors consider the "Atrum NL" name to be the most relevant name for the Company and reflect the business of the Company.

In accordance with section 157(3) of the Corporations Act, the change of name will take effect when ASIC alters the details of the Company's registration.

In accordance with section 157(1) of the Corporations Act, shareholders are required to approve the change of the Company's name by special resolution. At least 75% of votes cast by Shareholders present and eligible to vote (whether in person, by proxy, by attorney or by corporate representative) must be in favour of the special resolution for it to be passed.

The Company also seeks approval under section 136(2) of the Corporations Act to amend the Company's Constitution to reflect the change of name.

#### **10.1 Board recommendation and Chair's vote**

The Directors unanimously recommend that Shareholders vote in favour of the change of name of the Company.

The Chair intends to vote all available proxies in favour of this Resolution 9.

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#### **11. ENQUIRIES**

Shareholders are requested to contact Theo Renard on +61 2 8249 1884 if they have any queries in respect of the matters set out in these documents.

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## SCHEDULE 1 - DEFINITIONS

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**\$** means Australian dollars, unless otherwise stated.

**10% Placement Capacity** has the meaning given to that term in section 8.1 of the Explanatory Statement.

**AEDT** means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

**Annual Report** means the Directors' Report, Financial Report and Independent Auditor's Report in respect to the financial year ended 30 June 2015.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the listing rules of ASX.

**Atrum** means Atrum Coal NL (ACN 153 876 861).

**Board** means the current board of Directors.

**Business Day** means any day on which the ASX is open for trading.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

**Company** means Atrum Coal NL (ACN 153 876 861).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a current director of the Company.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying this Notice.

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**Financial Report** means the annual financial report of the Company and its controlled entities prepared under Chapter 2M of the Corporations Act.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Meeting** has the meaning given to that term in the introductory paragraph of this Notice.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Proxy Form** means the proxy form accompanying this Notice.

**Remuneration Report** means the remuneration report of the Company set out in the Directors' Report section of the Company's Annual Report for the year ended 30 June 2015.

**Resolution** means a resolution set out in this Notice.

**Schedule** means a schedule to this Notice.

**Section** means a section of the Explanatory Statement of this Notice.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Variable A** means "A" as set out in the calculation in section 8.3(c) of the Explanatory Statement.



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## SCHEDULE 2 – TERMS AND CONDITIONS OF OPTIONS

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### Rights Attaching to Options

The Options entitle the holder to subscribe for one Share upon the exercise of each Option.

(a) **Exercise price**

The exercise price of each Option will be \$0.80.

(b) **Expiry date**

The expiry date of each Option will be 25 August 2017.

(c) **Exercise period**

The Options are exercisable at any time on or prior to the Expiry Date.

(d) **Notice of exercise**

The Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Option being exercised. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(e) **Shares issued on exercise**

Shares issued on exercise of the Options will rank equally with the Shares of the Company.

(f) **Quotation of Shares on exercise**

Application will be made by the Company to the ASX for official quotation of the Shares issued upon the exercise of the Options.

(g) **Timing of issue of Shares**

After an Option is validly exercised, the Company must as soon as possible:

- (i) issue the Share; and
- (ii) do all such acts matters and things to obtain:
  - (A) the grant of quotation for the Share on the ASX no later than 5 days from the date of exercise of the Option; and
  - (B) receipt of cleared funds equal to the sum payable on the exercise of the Options.

(h) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business

days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(i) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(j) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

(k) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(l) **Quotation of Options**

The Options will be unlisted Options at completion of the Offer. However the Company reserves the right to apply for quotation of the Options at such time as the Company in its absolute discretion determines. Should the Company make an application for official quotation of the Options and the

ASX accepts the application for quotation of the Options then the Options will be listed options from the time that the ASX accepts such application.

## SCHEDULE 3 – ISSUES OF EQUITY SECURITIES SINCE 28 NOVEMBER 2014

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
Issue – 1/5/15 App 3B – 4/5/15	50,000	Shares <sup>2</sup>	Clive Brookes, Sean Fahy, Dave Heyman, Bruce MacGowan, Michael Fry, Greg Yanke, Frank Barker and Debra MacPherson	Issue price \$1.175- Discount: 0%	Consideration: In lieu of cash and as pre-payment for the 2015 royalty, Clive Brookes and others accepted 50,000 Shares.
Issue – 27/8/2014 App 3B – 10/9/14	9,847,258	Shares <sup>2</sup>	Various	Issue price \$0.50 - Discount: 14%	Amount raised = \$4,923,629 Use of funds Project Development and General Working Capital
Issue – 27/8/2015 App 3B 28/8/15	4,923,839	Unlisted Options <sup>3</sup>	Various	No issue price (non-cash consideration)	Consideration: Attached to Entitlement Offer Current value <sup>5</sup> = \$758,037
Issue – 11/9/15 App 3B – 11/9/15	6,162,743	Shares <sup>2</sup>	Various	Issue price \$0.50 - Discount: 14%	Amount raised = \$3,081,371 Use of funds General Working Capital Use of funds Project Development and General Working Capital
Issue – 11/9/15 App 3B – 11/9/15	3,081,371	Unlisted Options <sup>3</sup>	Various	No issue price (non-cash consideration)	Consideration: Attached to Entitlement Offer Current value <sup>5</sup> = \$496,476
Issue – 10/9/15 App 3B – 11/9/15	200,000	Shares <sup>2</sup>	Panorama Coal Corporation	Nil cash consideration	Consideration: paid in order to extend the repayment date of the Panorama Coal Corp. promissory note
Issue – 10/9/15 App 3B – 11/9/15	1,150,000	Unlisted Options <sup>3</sup>	Panorama Coal Corp	No issue price (non-cash consideration)	Consideration: paid in order to extend the repayment date of the Panorama Coal Corp. promissory note Current value <sup>5</sup> = \$176,906

### Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the

Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.

2. Fully paid ordinary shares in the capital of the Company, ASX Code: ATU (terms are set out in the Constitution).
3. Unquoted Options, exercisable at \$0.80 each, on or before 28 August 2017. The full terms and conditions are disclosed in Schedule 2.
4. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
5. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.57) on the ASX on the trading day prior to the date of this Notice. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information) and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

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# PROXY FORM

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ATRUM COAL NL  
ACN 153 876 861

## ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR:  the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at Level 27, Angel Place, 123 Pitt Street, Street, Sydney NSW 2000, on 27 November 2015 at 11:00 am (AEDT), and at any adjournment thereof.

### AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

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Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of prior issue of Shares – Clive Brookes and others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of prior issue of Shares – Panorama Coal Corp.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Robert Bell as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Election of John Wasik as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Re-election of James Chisholm as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of 10% Placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Increase in the maximum aggregate annual remuneration of Non-executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Change of company name to Atrum NL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: \_\_\_\_\_

Contact name: \_\_\_\_\_

Contact ph (daytime): \_\_\_\_\_

E-mail address: \_\_\_\_\_

Consent for contact by e-mail: YES  NO

## Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to the Company at Level 19, 1 O'Connell Street, Sydney, NSW, 2000;
  - (b) facsimile to the Company on facsimile number +61 2 8249 1800; or
  - (c) email to the Company on [trenard@atrumcoal.com](mailto:trenard@atrumcoal.com)

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**