

MORE DETAILS ON ATLANTIC CARBON GROUP PLC

HIGHLIGHTS

- Atrum in discussions with carbon users regarding samples and shipments of Atlantic Carbon Group PLC (**ACG**) ultra-high grade anthracite under the Company's 100,000t option sales agreement
- Anthracite pricing is strong with major markets in Europe, Asia and South America remaining under-supplied
- Notice of Meeting has been prepared and subject to ASX approval, the Company will hold an Extraordinary General Meeting (EGM) in September to vote on the acquisition of a 26.68% stake in ACG
- Updated presentation including ACG information provides additional information to shareholders prior the EGM

Atrum Coal NL ("**Atrum**" or the "**Company**") (**ASX: ATU**) is pleased to announce it has commenced discussions with European and Asian parties regarding the supply of up to 100,000t of ACG anthracite. Earlier this month, Atrum announced it had entered into a binding agreement to acquire a 26.68% interest in ACG.

Export markets remain under-supplied for ultra-high grade anthracite and the Company is arranging for ACG product samples to be sent to customers in Asia, Europe and Brazil. Although some major users have already expressed interest in the entire 100,000t option, the Company is contemplating supply of select parcels to numerous customers in order to develop a commercial relationship with Atrum.

Peter Doyle, VP Business Development and Marketing commented: "*Interest in Atrum continues to strengthen as we prepare to enter the market with ultra-high grade anthracite for sale. We are currently opening discussions with multiple parties across Europe, Asia and South America in relation to the 100,000t option, with the aim of strengthening long-term ties with Atrum.*"



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Executive Chairman R. Bell
Non-Executive Director J. Chisholm
Non-Executive Director S. Boulton
Non-Executive Director C. Vorias
Non-Executive Director J. Wasik
Company Secretary T. Renard

Key Projects
Groundhog Ownership: 100%
Naskeena Ownership: 100%
Bowron River Ownership: 100%

Subject to specified pricing hurdles, ACG will, on request from Atrum, make available up to 100,000t of anthracite in aggregate at its site in Pennsylvania for Atrum to collect and arrange transport to its customers. Several anthracite mines are expected to close in Europe over the next 18 months due to depletion of reserves, and removal of government subsidies, and the Company expects the global anthracite market to tighten even further.

In addition to the more typical Electric Arc Furnace, metals production and filtration media users, the Company has also been investigating the growing use of anthracite in sugar beet production and chemical manufacturing. Anthracite is the preferred type of fuel for sugar beet refining due to its low sulphur and nitrogen, high heating value and low emissions.

Over the coming weeks leading up to the Extraordinary General Meeting the Company will continue to investigate high value carbon markets, with the aim of securing multiple customers. An updated presentation featuring information on Atlantic Carbon Group has been prepared as an introduction to the EGM and is attached to this release. The Company will provide more information on ACG in the coming weeks.

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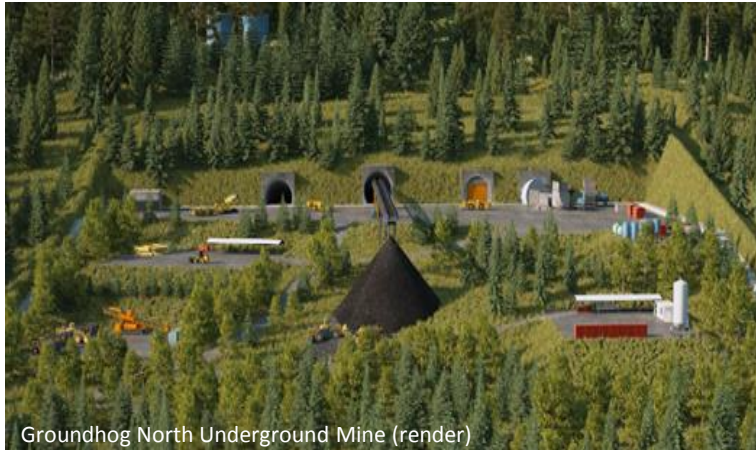
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Groundhog North Underground Mine (render)



Activated Carbon



Carbon Electrodes



Stockton Open-Cut Mine



Carbon Cathode



Steel Making



Stockton Ultra-High Grade Anthracite



Chemical Plant

Delivering the world's Anthracite resources

August 2016

Important Information

Forward Looking Statements

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

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

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

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

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

Competent Person Statement

Exploration Results

The information in this document that relates to Exploration Results is based on information compiled by Mr Nick Gordon, who is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of Gordon Geotechniques Pty Ltd. Mr Gordon has read and understands the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). Mr Gordon is a Competent Person as defined by the JORC Code, 2012 Edition, having twenty eight years' experience that is relevant to the style of mineralisation and type of deposit described in this document.

Neither Mr Gordon nor Gordon Geotechniques Pty Ltd have any material interest or entitlement, direct or indirect, in the securities of Atrum or any companies associated with Atrum. Fees for the preparation of this report are on a time and materials basis. Mr Gordon recently visited the Groundhog project area on 21st March 2014 whilst exploration personnel were preparing for the next drilling program. Two days were also spent with Atrum geological personnel in Victoria, British Columbia evaluating the geological, coal quality and geotechnical information relevant to the Groundhog project area.

This announcement relates to information in the ASX Announcement made by the Company on 22 June 2016: “Updated Pre-Feasibility Study – Low Capital Starter Mine for Groundhog North” and 14 August 2015: “Atrum Coal Increases Groundhog North Resource” (Prior Announcements).

The Company confirms that it is not aware of any new information or data that materially affects the Previous Announcements and, in the case of estimates of Mineral Resources or Ore Resources, that all material assumptions and technical parameters underpinning the estimates in the Prior Announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Prior Announcements

Coal Resources

The coal resources documented in this report were estimated in accordance with the guidelines set out in the JORC Code, 2012. They are based on information compiled and reviewed by Mr Nick Gordon, who is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of Gordon Geotechniques Pty Ltd.

With more than 28 years of experience in open cut and underground coal mining, Mr Gordon has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify him as a Competent Person as defined in the JORC Code, 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.”

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Mr Gordon consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

Corporate Overview



Atlantic Carbon Group Plc

Atrum has entered into a binding agreement relating to the proposed acquisition of a 26.68% interest in Atlantic Carbon Group who own three active anthracite operations in Pennsylvania.

Groundhog Project

The world's largest undeveloped ultra-high grade anthracite deposit in British Columbia, Canada.

Management

Vancouver based in-country team led by Executive Chairman, Bob Bell

Capital Structure (ASX listed public company)

Shares on issue fully diluted	202 million
Share price (24/06/16)	A\$0.88
Market capitalisation fully diluted	A\$178 million

Atrum Coal NL progressing to being a leading global supplier of ultra-high grade anthracite

Atrum: Board of Directors



Bob Bell

Executive Director and Chairman

Bob is a mining engineer with more than 35 years' experience in the Canadian mining industry, including roles in production, sales and marketing, and executive management. Bob was previously at Teck Resources, as Chief Commercial Officer, Coal from (2007–2013). Bob was also a previous Chairman of the Canadian Coal Association and Chairman of Neptune Bulk Terminals (Canada) Ltd.



John Wasik

Non-Executive Director

John has more than 40 years' experience in the mining sector. He is currently a Non-Executive Director of Cobbora Holding Co. a permitted coal mine project in NSW. Previous roles include Group Executive for Peabody Energy Corporation's USA Southwest Operations, and General Manger of 6Mtpa Ravensworth and Narama operations in NSW.



James Chisholm

Non-Executive Director

James has worked in the engineering and mining sectors for 30 years. He co-founded Atrum Coal, as well as The Chairmen1 Pty Ltd, Ebony Iron Pty Ltd (now part of Strategic Minerals Plc.), Fertoz Limited and Ebony Energy Ltd.



Steve Boulton

Non-Executive Director

Steve has more than 30 years experience in the infrastructure sector including 12 years as Chief Executive Officer of both funds management and stock exchange listed infrastructure businesses. He has held Executive Chairman and Director roles in the ports, electricity, gas, water, airports and rail sectors, with assets located in Australia, New Zealand, United States, United Kingdom and Europe.



Cameron Vorias

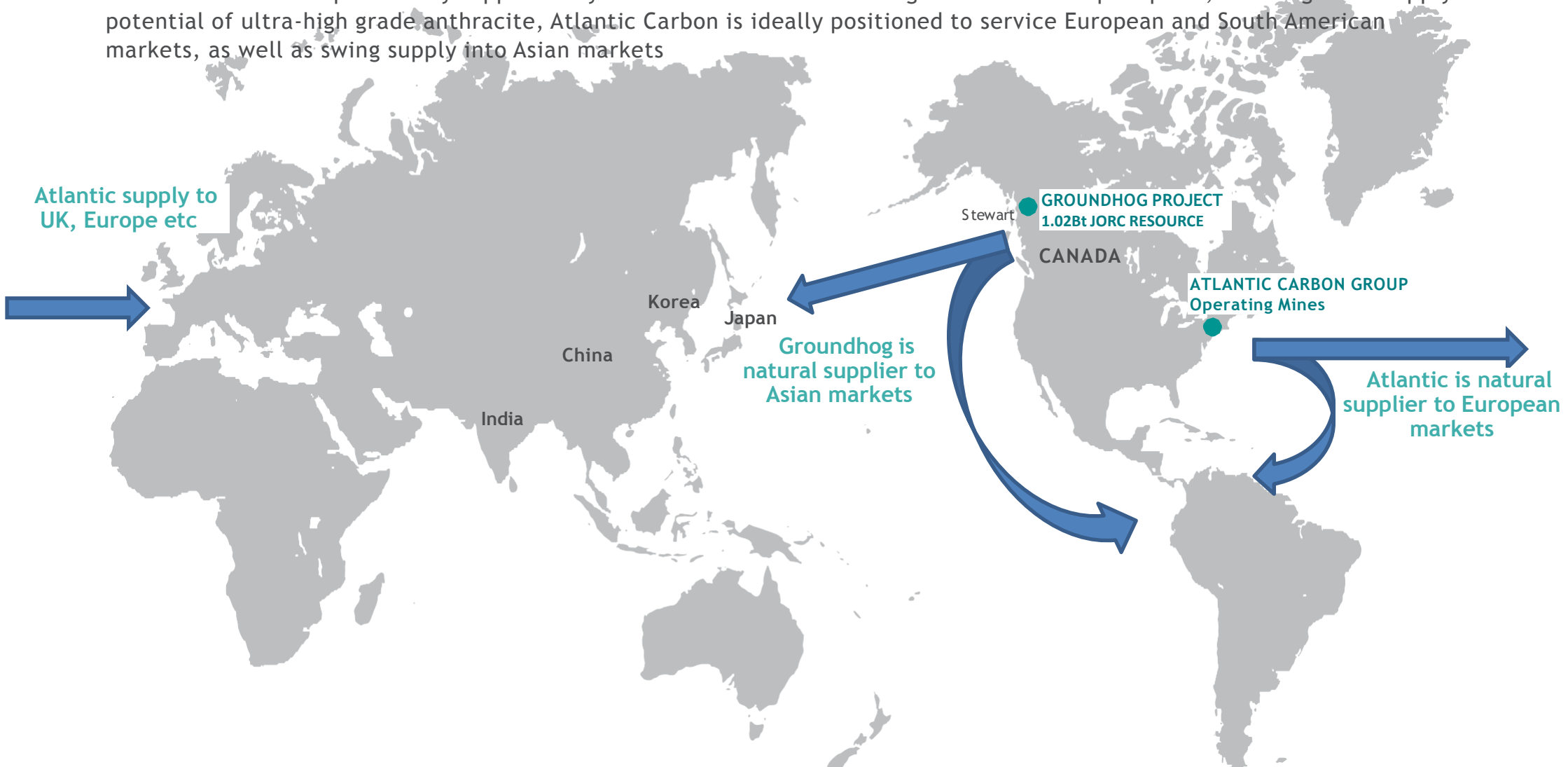
Non-Executive Director

Cameron has over 25 years' experience of both metalliferous, and coal mining operations. He is currently Managing Director of Sojitz Coal Mining Pty Ltd. Previous roles include director of numerous companies including Peabody Energy Australia Pty Ltd and New Hope Corporation Limited.

Significant executive experience building and operating mines and associated infrastructure

Atrum Aim: to become the only anthracite company supplying east and west

Atrum's Groundhog Project has the potential to be the largest supplier of exported anthracite globally. The project is ready to build, and has the attributes to become a long-term supplier of choice to the global carbon industry. Atlantic Carbon Group currently supplies only domestic US markets. With good access to export ports, and long-term supply potential of ultra-high grade anthracite, Atlantic Carbon is ideally positioned to service European and South American markets, as well as swing supply into Asian markets

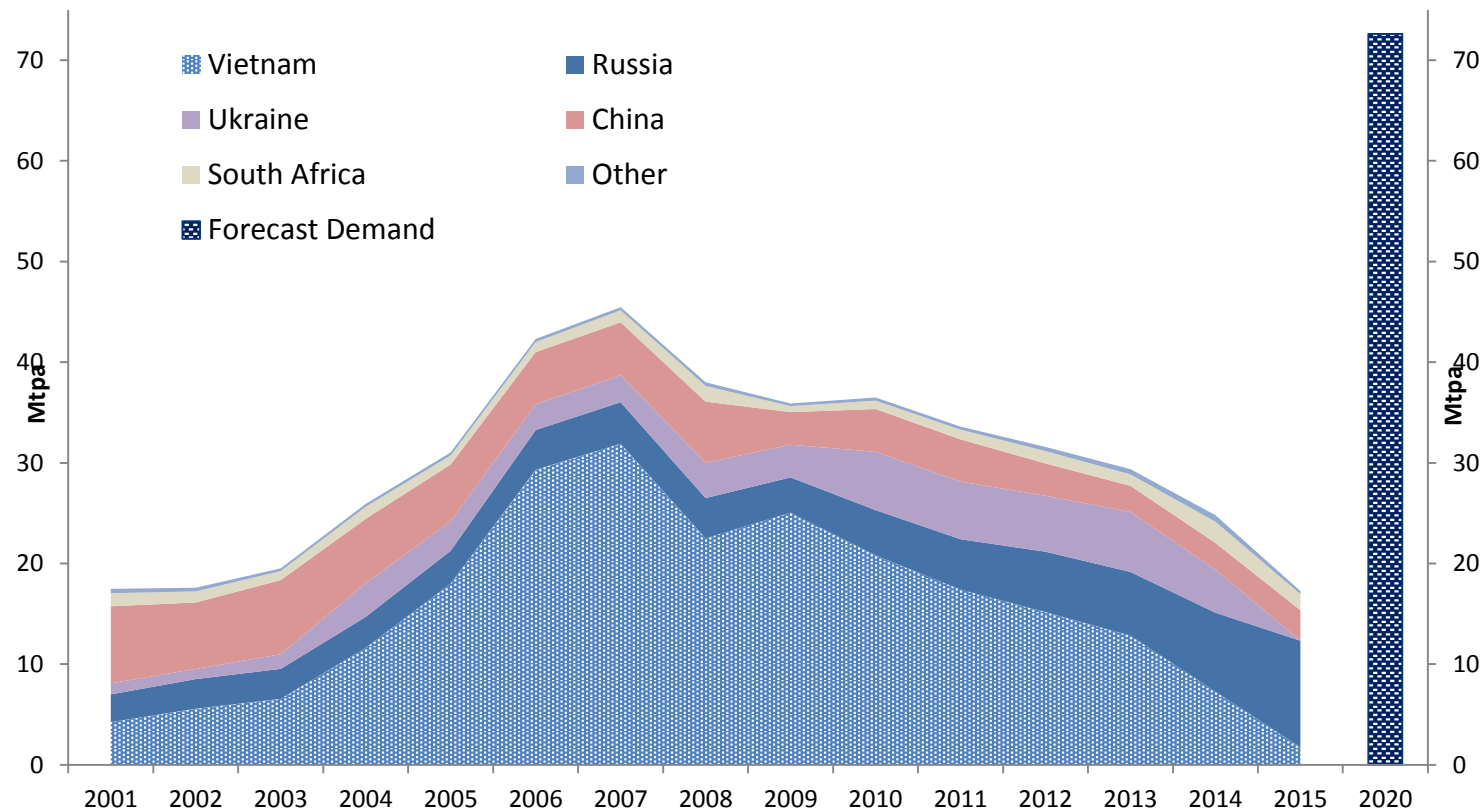


Atrum now has ability to supply Atlantic and Pacific markets with premium anthracite products

Anthracite Supply and Demand Dynamics: falling supply, sustained demand

Global seaborne supply of high grade anthracite has fallen to below 20Mtpa. This is the result of Vietnam withdrawing from the export market, and difficulties for Ukrainian supply. There are no new suppliers of high-grade anthracite of significant volume other than Groundhog.

Seaborne Anthracite Supply & Demand



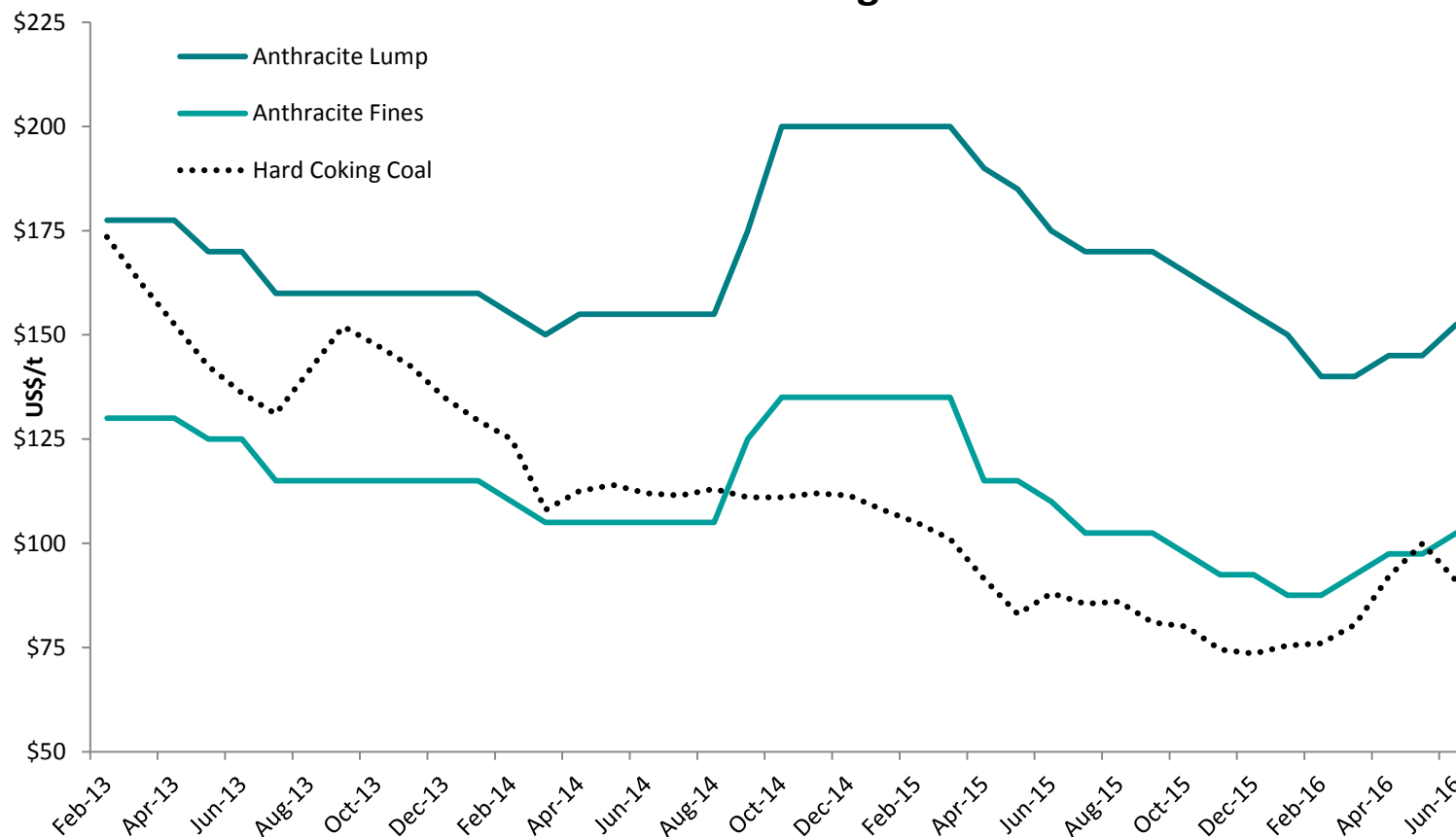
Source: Wood Mackenzie & Resource-Net

Seaborne supply of anthracite has halved in the past decade

Anthracite Price: anthracite prices remain strong through the cycle

Whilst coke and coking coal prices have fallen over 50% in the past 4 years, anthracite prices have remained strong. Abundant availability of merchant coke has kept a ceiling on anthracite price rises, but supply scarcity has created price resilience. Steady rises in coking coal prices in 2016 have been reflected in increasing anthracite prices.

Anthracite and Coking Coal Prices



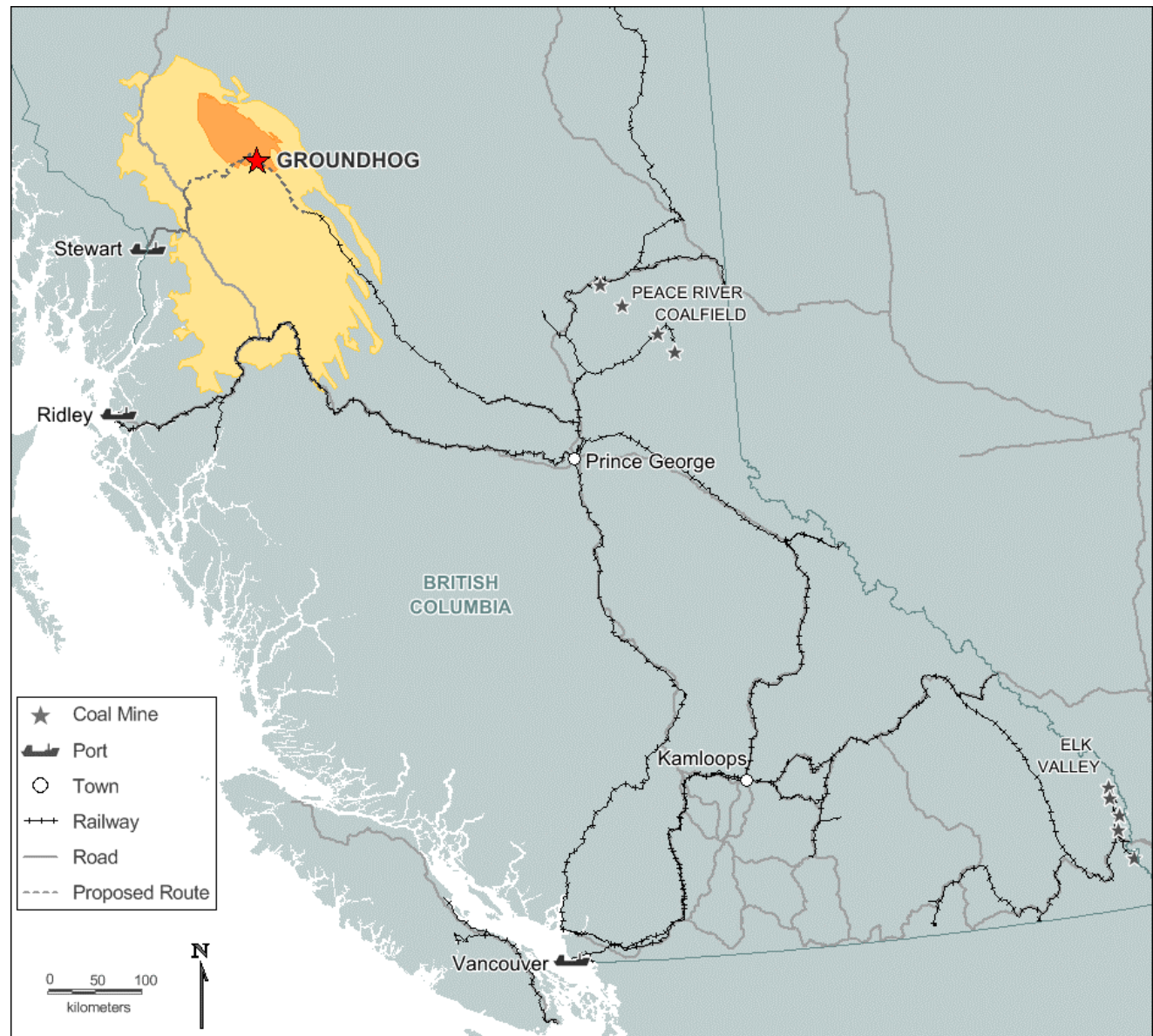
Source: Resource-Net

HG/UHG anthracite prices continue to outperform coking coal

Groundhog North Project Location: 150km from tide-water

Groundhog is strategically placed on an existing rail easement with access to Canada's mainline rail network via Prince George.

- Significant capacity exists on both the rail route, and at the port for new tonnage at competitive rates
- A western road is planned to provide access to the Port of Stewart in 2019/2020
- Road/rail to Prince George and Vancouver or Ridley interim solution until road to Stewart is completed
- **Via rail 1250km to Ridley Terminal:**
 - CN rail head 80km to south of Groundhog, connected by existing easement
 - Established coal terminal with significant unused capacity
- **Via road 235km to Port of Stewart:**
 - Higher production provides impetus to support dedicated infrastructure corridor to the west
 - New road construction of 118km to join Hwy 37 to Port of Stewart
 - This will be the shortest distance to port of any operating export mine in Canada

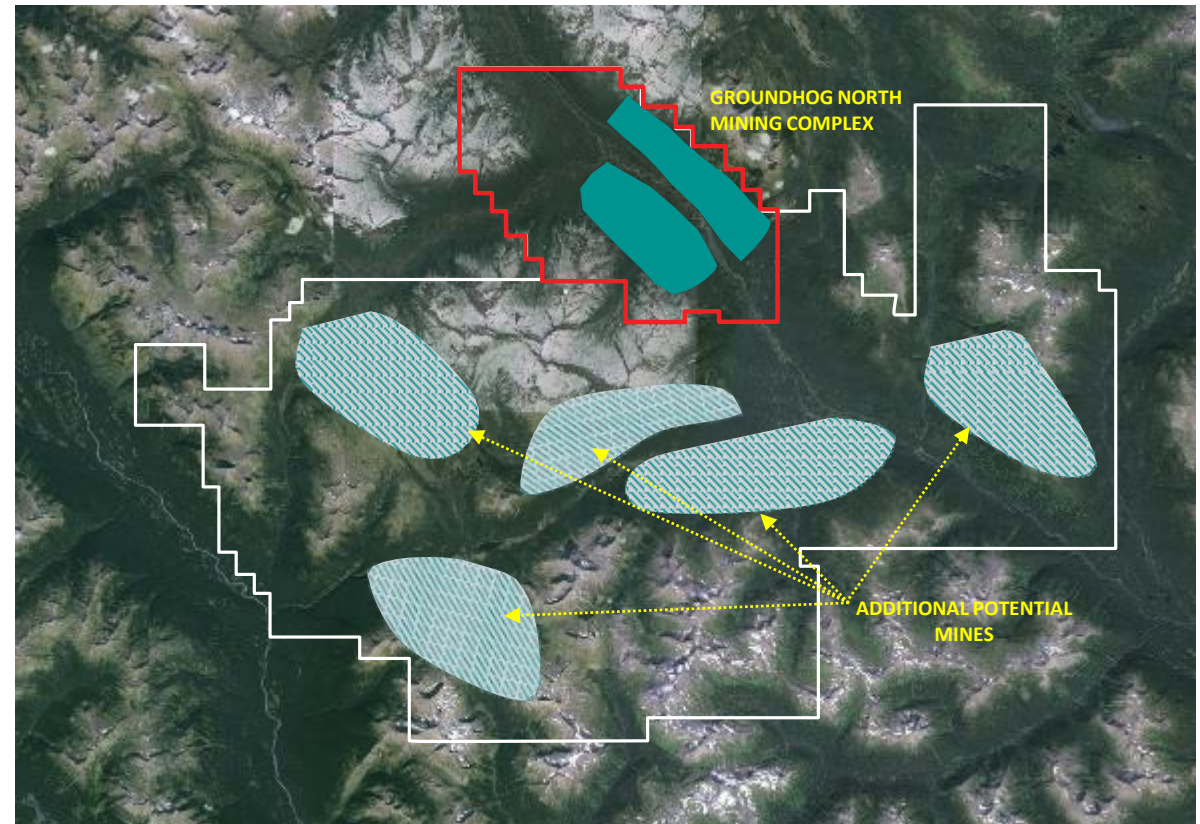


Groundhog: Strategically located with secured infrastructure links

Groundhog North: Development of first mine on the 800km² coalfield

The Groundhog Coalfield is the world's largest undeveloped high grade anthracite deposit. Atrium controls 800km² lease area, and has explored only a small portion, delineating over 1Bn tonnes of resources.

- Atrium began exploration at Groundhog in 2012, building on knowledge gained from drilling programs in 1970, 1981, and 2008.
- 144 fully-cored boreholes have been drilled including studies covering geotechnical, gas and water which have led to the delineation of the first mining zones on the Groundhog coalfield.
- First development zone is Groundhog North Mining Complex located in the north-eastern portion of the coalfield which contains:
 - Multiple potential underground mines feeding central processing, beneficiation and coal dispatch centre
 - Phase 1 mine saleable anthracite capacity of 880,000 tpa in staged development leading to larger scale production
 - Additional underground and low impact surface operations identified within Groundhog North precinct, may provide either low cost early phase mines, and de-risk the project in development

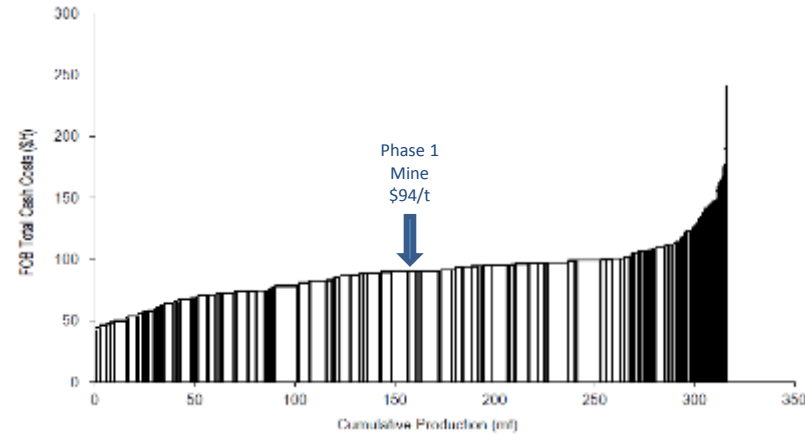


Staged development of the world's largest undeveloped anthracite deposit

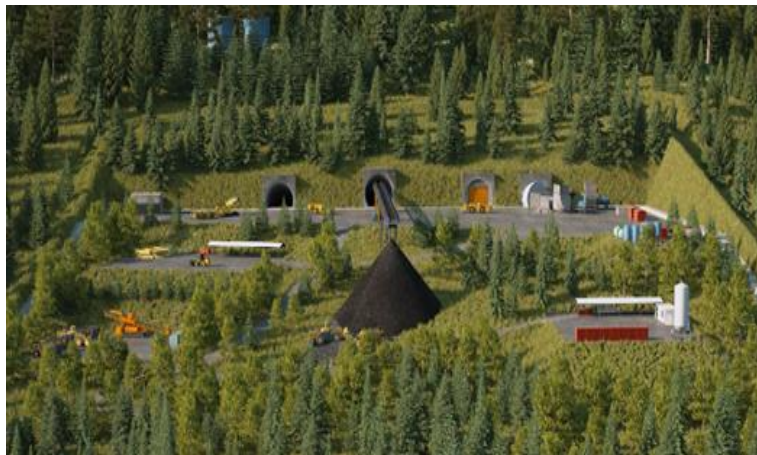
Groundhog North: Low capital entry, with high margin growth

- Staged development with initial low capital, lower risk Phase 1 mine
- Competitive mining costs and strong margins
- Permitted for development (trial mining of 100kt anthracite)

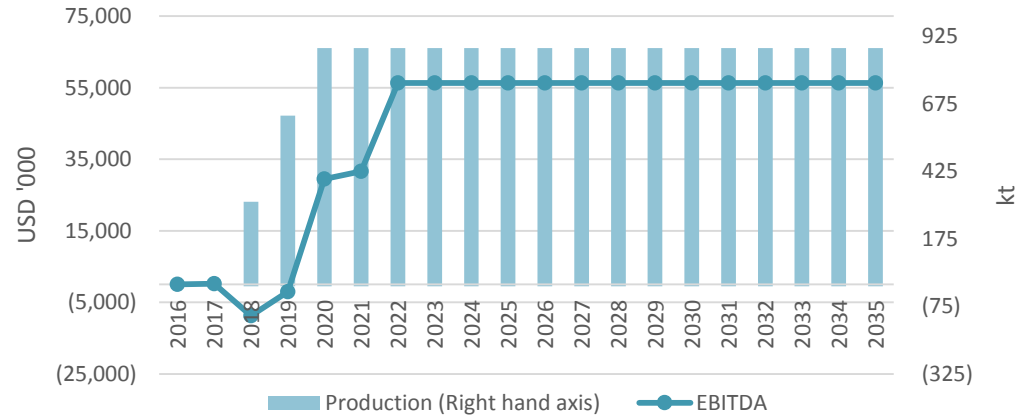
Competitive Position: Low operating costs for Phase 1 mine



Source: Wood Mackenzie; Citi Research 2015; ATU



Production & Cash Flow: Long-life asset with strong margins



Investment Opportunity: project de-risked by existing permits

Project economic analysis:

- Multiple mine development options
- Small Phase 1 mine cash-flow positive in year 3

	Project	Equity
NPV	US\$239M	US\$179M
IRR	21%	38%

Note: NPV uses WACC 7.6%

Long-term average lump anthracite price: US\$179/t

Long-term average fine anthracite price: US\$128/t

Modelling assumes 50:50 split for lump & fine anthracite

Groundhog: high margin, large volume, staged capital

Financial Analysis: Groundhog North returns are strong

Groundhog North Mining Complex (US\$)	
	Phase 1 Mine
Mine Life	28 years
ROM production (maximum)	1,400ktpa
Saleable product (maximum)	880ktpa
Equity Capital	\$51M
Total Capital	\$142M
Operating Cost (avg. FOB cash incl. royalties)	\$96/t
Price (avg. FOB)	\$156/t
Project NPV (post tax; WACC 7% real)	\$239M
Equity NPV (post tax; CAPM 7% real)	\$179M
Project IRR (post tax)	21%
Equity IRR (post tax)	38%

- Assumptions are based on:
 - average historical anthracite price (long-term, 5 year average price)
 - moderate production assumptions (global productivity averages)
 - standard exchange rates (current broker consensus outlook for CAD:USD)
- ▶ Minimise capital spend to produce first coal, and displacement of larger capital costs post cash-flow through in-place equipment financing
- ▶ Leveraging the project with debt; deferring non-essential capital and securing separate infrastructure funding increases equity returns significantly (38%)

Large positive NPV, with low capital start-up options provide early cash flow

Atlantic Carbon Group Plc: Summary (Stockton Mine only)

ATLANTIC CARBON GROUP Plc – Stockton Mine*	
Mining Type	Open Cut: Truck/Excavator
Product	Ultra-High Grade Anthracite
Anthracite sales (2015)	261,564 tons (short tons) *NB: an additional 80,655 tons was sold on ROM basis
Life of Mine	~10 yrs
Avg. Cost (ex-mine 2015)	\$73.83/ton
Avg. Price (ex-mine 2015)	Sized: US\$127/ton *NB: sized products constitute ~80% of total sales

*Source: ACG 2015 Annual Report (does not include financial information for Hazelton Shaft Corp. which was purchased in 2016)

Atlantic Carbon Group Plc (ACG)

- UK public company (not listed)
- Operating three open-cut anthracite mines in Pennsylvania, USA
- Completed US\$25M take-over of Hazelton Shaft Corp. in May 2016
- Amalgamation of operations have significant synergies:
 - > Stockton and Hazelton Shaft mines are immediately adjacent on one another
 - > Hazelton Shaft has both primary and secondary preparation plants supporting expansion of combined group, enabling further penetration of added value processed anthracite and carbon markets.
 - > Jeansville is a new pit 3.5 miles to south adding significant mine life to the combined group



Stockton Mine: #1 anthracite producer in US in 2015

Atlantic Carbon Mines: Pennsylvania, USA

Atlantic Carbon Group (ACG) is a high grade/ultra-high grade anthracite producer with operations in north-eastern Pennsylvania, USA, proximate to the town of Hazleton, Pennsylvania.

➤ Stockton Mine:

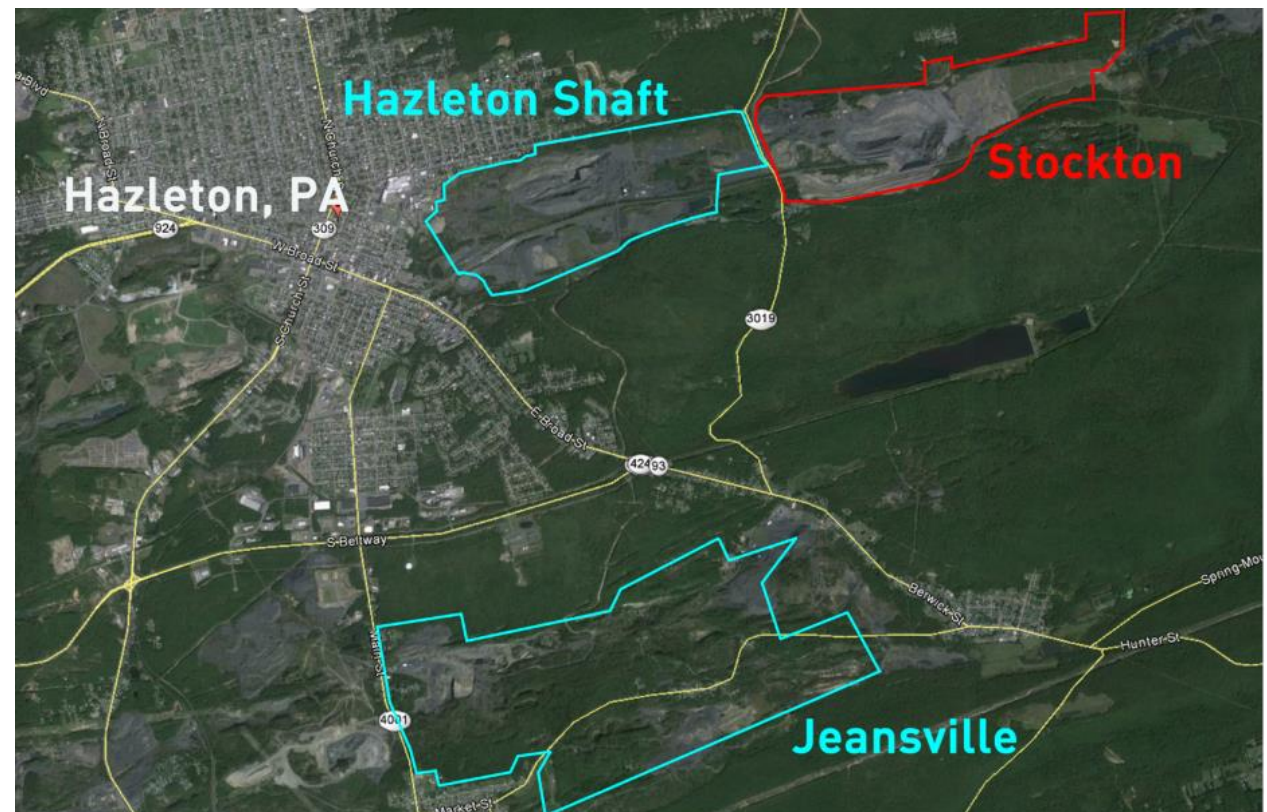
- Open-cut mine, operating a fleet of Komatsu trucks and Liebherr excavators
- 450,000tpa ROM CHPP

➤ Hazleton Shaft Mine:

- Open-cut mine, operating Marion draglines and Euclid trucks
- 1Mtpa ROM CHPP
- Anthracite drier (for EAF products)

➤ Jeansville Mine:

- Open-cut mine, operating Marion draglines and Komatsu trucks
- 3.5 miles haulage to Hazleton Shaft CHPP



Strategically located close to key customers, with direct rail access to export ports

Atlantic Carbon Group Plc: Financial Analysis for Stockton Mine

Atlantic Carbon Group operating performance for 2015, as detailed in the Annual Report is shown below. It is important to note these results depict only a portion of the enlarged Group, as Hazelton Shaft Corporation was purchased in May 2016. Further Atrum releases will include the combined operations.

Key financial statistics for ACG for the financial year ended 31 December 2015, prior to the purchase of Hazelton Shaft Corporation are set out below^[1]:

- Sales of US\$25,877,924
- EBITDA of US\$7,994,393
- Profit before tax of US\$5,446,169
- Average sales price FOB mine US\$127.00/ton for sized product which makes up all but minor volumes

A summary of the statement of financial position of ACG and its subsidiaries (excluding HSC) on a consolidated basis (expressed in US\$) as at 31 December 2014 and 31 December 2015 is also set out below^[2]:

	Audited 31-Dec-2015	Audited 31-Dec-2014
Current Assets	\$8,020,264	\$5,077,486
Non-Current Assets	\$37,631,073	\$28,740,802
Total Assets	\$45,651,337	\$33,818,288
Current Liabilities	\$12,157,052	\$12,062,308
Non-current Liabilities	\$20,269,474	\$14,128,505
Total Liabilities	\$32,426,526	\$26,190,813
Net Assets	\$13,224,811	\$7,627,475

^[1] Atlantic Carbon Group, "Annual Report and Financial Statements for the Year Ended 31 December 2015", 1 June 2016

^[2] Atlantic Carbon Group, "Annual Report and Financial Statements for the Year Ended 31 December 2015", 1 June 2016

Financially strong performance underpinned by record production in 2015, and sustained high prices

Atlantic Carbon Group Plc: Stockton Open-Cut



New Komatsu truck and Liebherr excavator fleet commissioned 2015

Atlantic Carbon Group Plc: Stockton Open-Cut

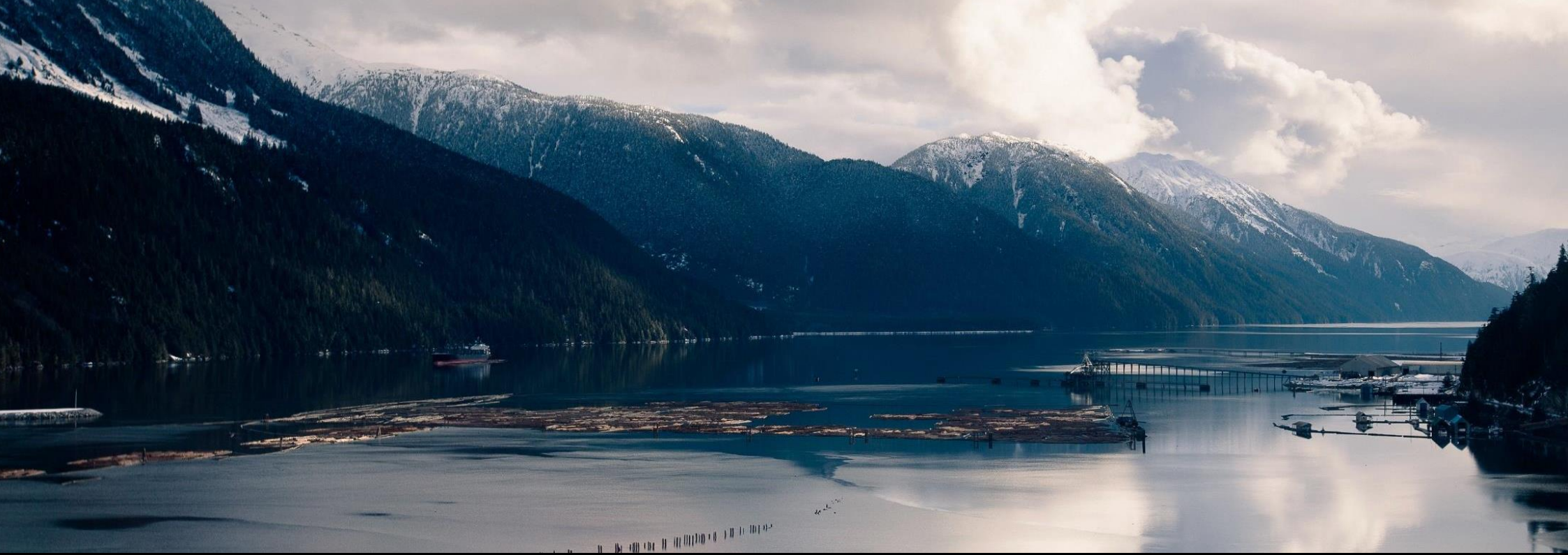


Stockton: Typical Specification

Inherent Moisture (ad)	1.2%
Ash (ad)	9.5%
Volatile Matter (ad)	4.0%
Fixed Carbon (ad)	85.3%
Sulphur (ad)	0.65%
SE kcal/kg (gad)	7,520
SE kcal/kg (gar)	7,380
HGI	31



2015 ROM production: 640ktpa; Average yield: 55%



 **Atrum Coal**
COAL FOR STEEL

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