

# ATRUM COAL SECURES PORT CAPACITY FOR ITS 1.57BT GROUNDHOG ANTHRACITE PROJECT

## HIGHLIGHTS

- Terminal Services Agreement and Land Reservation Agreement signed with Stewart Bulk Terminals for the export of 1.5Mtpa on **non** 'take or pay' terms commencing 2014
- Memorandum of Understanding signed with Stewart World Port for the export of up to a further 5Mtpa with staged export commencing 2016
- Initial trucking strategy to the deep sea Port of Stewart only 150km away is fundamental to the Company's strategy of minimising capital entry to production

Atrum Coal NL ("**Atrum**" or the "**Company**") (**ASX: ATU**) is pleased to announce that it has signed key agreements regarding its port strategy for the export of anthracite and associated high quality coal products from the Company's flagship Groundhog Anthracite Project ("**Groundhog**"), located in British Columbia, Canada.

On 28 July 2013, the Company executed a Land Reservation and Terminal Services Agreement with Stewart Bulk Terminals ("**SBT**") and separately executed a Memorandum of Understanding with Stewart World Port ("**SWP**").

Commenting on this momentous achievement, Chairman, Mr James Chisholm stated:

*"Groundhog boasts more than 1.5 billion tonnes of high ranking anthracite with a defined transport solution to our key export markets. Sitting only 150km away from the project, an export operation through the Port of Stewart can meet the Company's low capital entry to production model."*

Mayor of Stewart, Galina Durant, stated:

*"Stewart is ready for the opportunities presented by the clean, environmentally friendly mining industry. Mining is an important part of our economy and we look forward to working with Atrum to unlock the economic potential of the region."*



**ASX:ATU - Share Information**  
Issued Shares: 110.6m

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#### Board of Directors

|                        |             |
|------------------------|-------------|
| Non Executive Chairman | J. Chisholm |
| Executive Director     | R. Moran    |
| Executive Director     | G. D'Anna   |
| Managing Director      | E. Lilford  |
| Company Secretary      | G. D'Anna   |

#### Key Projects

|              |                 |
|--------------|-----------------|
| Groundhog    | Ownership: 100% |
| Peace River  | Ownership: 100% |
| Naskeena     | Ownership: 100% |
| Bowron River | Ownership: 100% |

## STEWART BULK TERMINALS

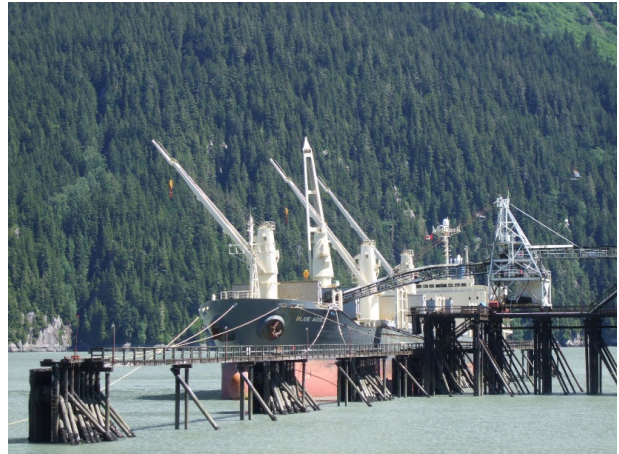
The Company has executed a Terminal Services Agreement and Land Reservation Agreement with SBT (“**SBT Agreements**”). This secures the shipping requirements for storage and loading of anthracite coal mined and transported from the proposed Groundhog mine approximately 150km away, through the Port of Stewart, British Columbia.

Under the SBT Agreements, Atrum can export up to 1.5Mtpa of anthracite from SBT at agreed and competitive port handling charges, on a non ‘take or pay’ arrangement. There are also provisions for the allocation to Atrum of higher coal handling volumes at SBT in the event that an upgrade to capacity beyond its allocated 1.5Mtpa occurs.

Anthracite coal extracted from the proposed Groundhog mine can be transported by truck initially using a coal haulage road from the mine site to Highway 37, an existing paved two-lane highway used by other resource companies to transport commodities such as copper and nickel concentrate to SBT.

SBT has a berthing structure that can receive panamax and handymax vessels, ideally suited to the transport of high value anthracite lump and fines. Vessel loading rates are currently 700 to 800 tonnes per hour equating to a full ship loading cycle of 31.3 to 57.1 hours. There is scope to optimise the berth handling and loading rates.

The SBT Agreements include provisions for the reservation of land and appropriate space for the construction and maintenance of a coal storage silo(s) including an area of approximately 2,500m<sup>2</sup>, as well as the use of the existing loading facilities to meet the anticipated monthly loading requirements of the proposed Groundhog mine.



Stewart Bulk Terminal existing loading berth



Stewart Bulk Terminal existing storage facility



Stewart Bulk Terminal proposed expansion site

Under the SBT Agreements, SBT will construct and maintain the coal storage silo(s) for exclusive use by Atrum. The proposed expansion area at SBT provides the ideal location for the coal storage silo(s) due to its close proximity to the loading berth. SBT is currently excavating and building the foundations at the expansion site.

## STEWART WORLD PORT

The Company has signed a Memorandum of Understanding (“MOU”) with SWP for the export of up to a further 5Mtpa of anthracite and associated high quality coal products from the proposed Groundhog mine. SWP is currently under construction and is expected to be able to supply the Company’s planned expanding coal handling needs from 2016.

SWP is currently accessible by barge and has started the first of two construction phases, as follows:

- Phase I construction will extend the existing Cassiar Dock to deep water and will significantly improve barge access to the port. Phase I construction is expected to be completed by year end 2013 and be operational by early 2014.
- Permitting for Phase II construction is underway. Once Phase II construction is complete, the facility will provide for mineral concentrate loading, RORO, and all manner of inbound and outbound break bulk cargo.

SWP will be a modern facility offering the latest in loading, storage, and crane technology to ensure customer cargo is handled efficiently and effectively.



Stewart World Port dock under construction

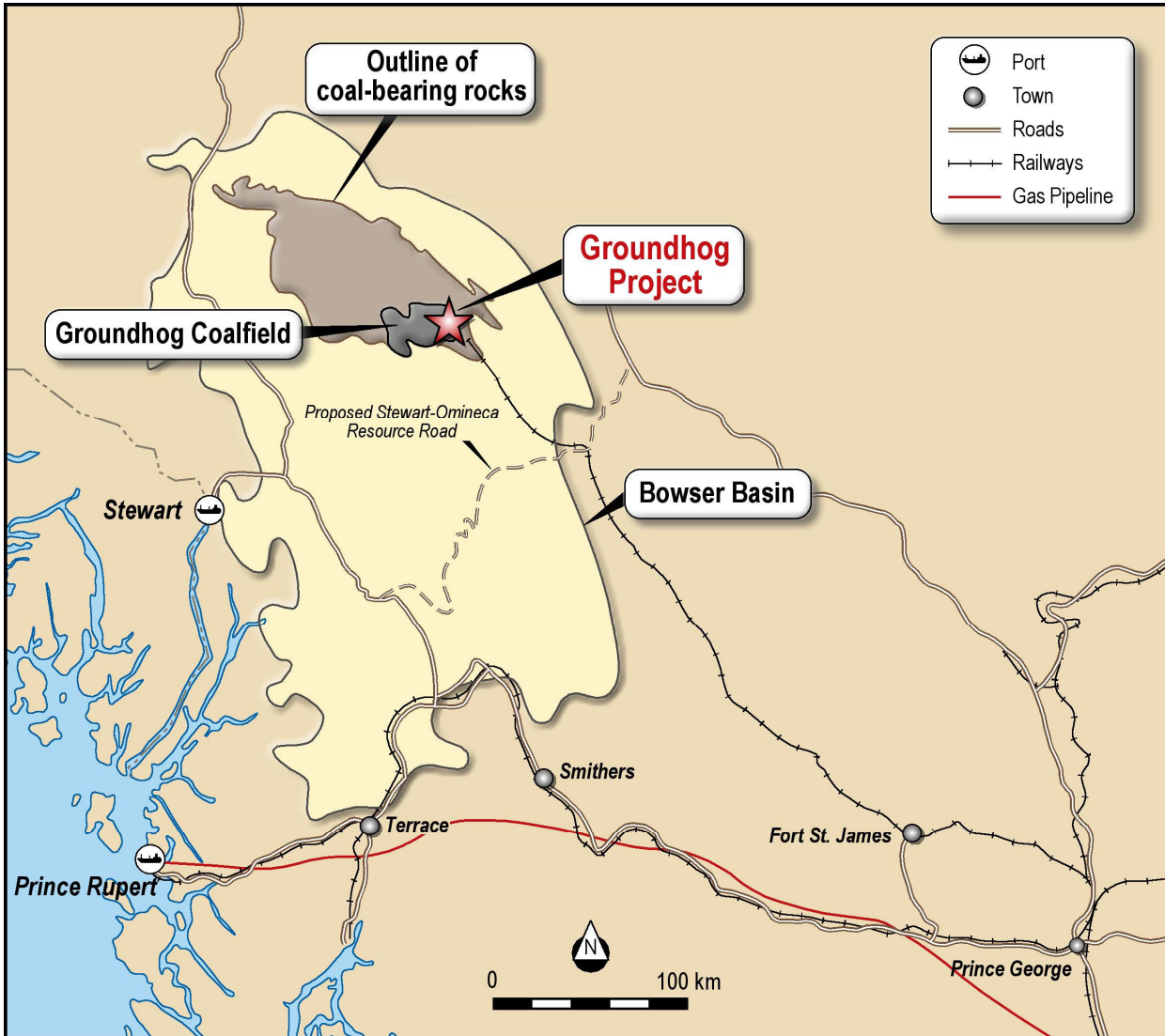


Stewart World Port aerial view

The MOU with SWP provides Atrum with the flexibility required during the ramp up phases of production at Groundhog. It is proposed that anthracite will similarly be transported by road from the Groundhog mine to SWP using a combination of existing paved highways, Forest Service Roads and private coal haulage roads, the majority of which are already constructed and being maintained.



The deep sea Port of Stewart provides coal handling capacity for 365 days of the year with no freezing restrictions. It has the depth capacity of handling panamax and cape size vessels and is in close proximity to the proposed Groundhog mine. SBT and SWP will enable the Company to maintain a low capital entry to production and take advantage of cost-effective transportation and export of its high quality anthracite and ultra-low volatile PCI coals to key consumers.



Port of Stewart location relative to Groundhog

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### Exploration Targets

This announcement refers to Exploration Targets as defined under Section 18 of the JORC Code. The Exploration Target quantity and quality is conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the Exploration Target being delineated as a mineral resource.

### Competent Person Statement

The information in this document that relates to Exploration Results is based on information compiled by Brad Van Den Bussche B.Sc P.Geo, who is a Member of a Recognised Overseas Professional Organisation (ROPO) included in a list promulgated by the ASX from time to time, being the Canadian Institute of Mining and Metallurgy. Mr Van Den Bussche is Chief Technical Officer of Atrum Coal NL and has sufficient experience which is relevant to the style of mineralisation and type of deposit and mineralisation under consideration by them and to the activity which they are undertaking to qualify as a 'Competent Person' as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Van Den Bussche consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### Forward Looking Statements

This release 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.