

ATRUM COAL SECURES OPTION TO ACQUIRE TWO COKING COAL PROJECTS IN PEACE RIVER

HIGHLIGHTS

- Option to acquire 100% of the Adams Project totalling 8,315 hectares and 100% of the White Rabbit Project totalling 12,561 hectares in the coking coal rich region of Peace River, British Columbia
- Both projects are close to key infrastructure and immediately contiguous (north and south respectively) with the Gething Mine, a proposed 3Mtpa coking coal mine in partnership with Shougang Group, China's largest steel producer.
- Low cost acquisition provides Atrum with significant exploration upside and strategic diversification in its overall metallurgical coal product suite
- Significant progress on port access discussions has been made with respect to Atrum's world class 1.57Bt Groundhog Anthracite Project with a formal update expected in the coming weeks

Atrum Coal NL ("**Atrum**" or the "**Company**") (**ASX: ATU**) is pleased to announce it has secured an option to acquire 100% of both the Adams Project and White Rabbit Project in the coking coal rich Peace River region of British Columbia, Canada.

Commenting on the acquisition, Chairman James Chisholm stated:

"Atrum is committed to becoming a strategic metallurgical coal producer. The acquisition of Adams and White Rabbit fits within our strategy to deliver a range of high value metallurgical coals to the domestic and world markets."

The Adams Project includes one (1) coal licence application covering 8,315 hectares and the White Rabbit Project includes seven (7) coal licence applications covering 12,561 hectares. The White Rabbit Project has been historically explored and the Company has acquired the associated historical exploration data.



ASX:ATU - Share Information
Issued Shares: 107.4m

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Board of Directors

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

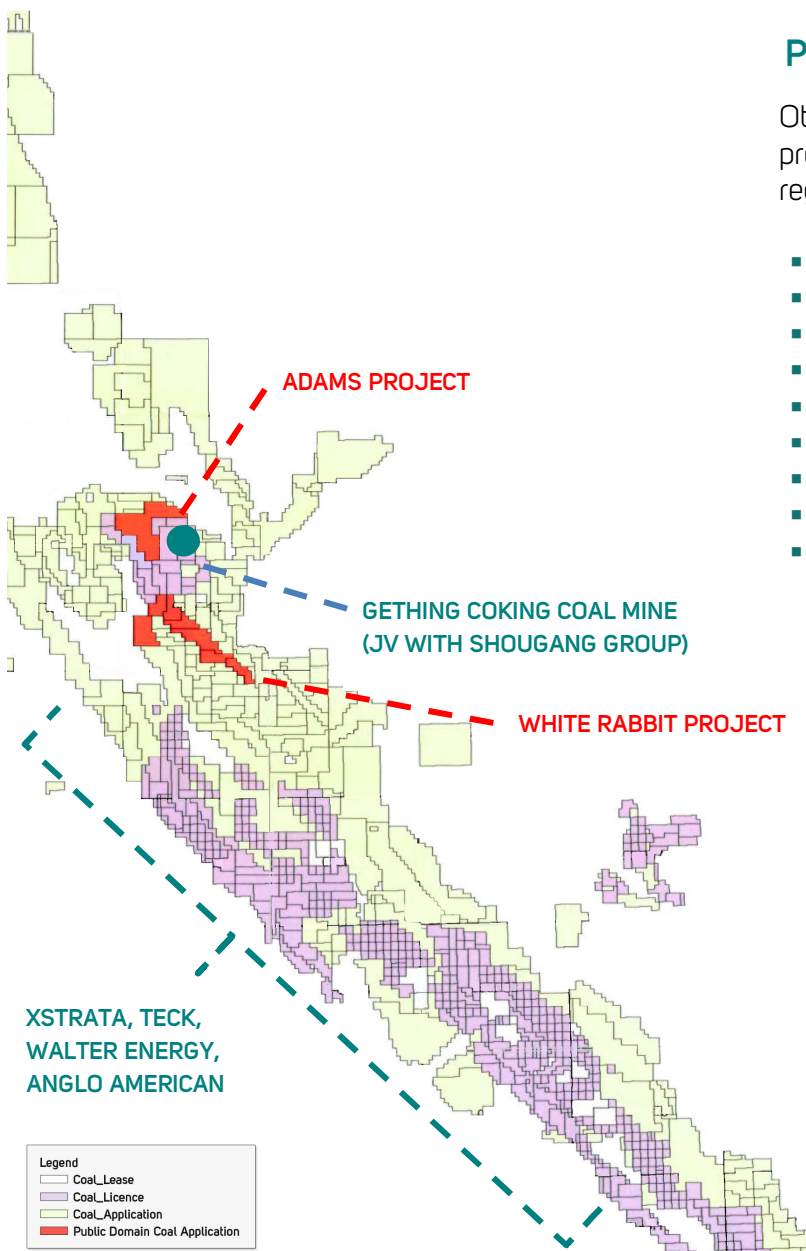
Key Projects

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

The White Rabbit and Adams projects are located in close to key infrastructure and are immediately contiguous (north and south respectively) with the Gething Mine, a proposed 3Mtpa coking coal mine in partnership with Shougang Group, China's largest steel producer.

Historical exploration on the White Rabbit and Adams projects consists of some regional drilling in and around the project areas as well as trenching and sampling field exploration. Both project areas exhibit coking coal characteristics, and form part of the geological Gething Formation, which accounts for majority of the coking coal exports from British Columbia.

The location of the Adams and White Rabbit projects with respect to the proposed Gething Mine and Peace River coalfields in general, are shown below:



PEACE RIVER

Other coal project developers and producers in the Peace River region include:

- Xstrata Coal
- Posco
- Canadian Dehua International
- Teck Resources
- Walter Energy
- Anglo American
- Winsway
- Marubeni
- JX Nippon

Adams and White Rabbit projects under option in red

ACQUISITION TERMS

The key terms of the acquisition are:

- Option to acquire 100% interest in eight (8) coal licence applications:
 - CLA 417888 (Adams)
 - CLA 417889, CLA 417890, CLA 417891, CLA 417893, CLA 417894, CLA 417895, CLA 417896 (White Rabbit)
- CAD\$50,000 cash payment to secure a 60 day option
- On exercise of the option and Completion, Atrum is required to:
 - pay CAD \$200,000 cash
 - issue of 450,000 fully paid ordinary shares in Atrum (subject to 12 months escrow)
 - pay CAD\$150,000 cash for reimbursement of historical rental expenditure
- Atrum will pay the vendor a fixed royalty of CAD\$0.80/tonne on coal produced and sold from Adams and White Rabbit
- Within twenty-four (24) months and subject to the granting of the respective coal licence applications, Atrum will use best endeavours to conduct an exploration program on each of Adams and White Rabbit that includes a minimum of five (5) drill holes on each project

The Company is currently carrying out due diligence with respect to the acquisitions, which will be completed prior to the exercise of the option.

CORPORATE UPDATE

The Company is preparing for its 2013 drilling program at its flagship 1.57Bt Groundhog Anthracite Project which is expected to commence in early June. Port allocation and export strategy discussions are advanced and the Company expects to provide a formal update on this in the coming weeks.

The Company is fully funded for its 2013 objectives with up to \$12,010,792 in cash, partly paid contributions and potential government refunds (as of end of March 2013).

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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

In accordance with the Australian Securities Exchange requirements, the technical information contained in this announcement in relation to the JORC Compliant Coal Resource for the Groundhog Anthracite Project in Canada has been reviewed by Mr Ian de Klerk of Xstract Mining Consultants Pty Ltd.

The Coal Resources documented in this release are stated in accordance with the guidelines set out in the JORC Code, 2004.

They are based on information compiled and reviewed by Mr. Ian de Klerk who is a Member of the Australasian Institute of Mining and Metallurgy (Member #301019) and is a full time employee of Xstract Mining Consultants Pty Ltd. He has more than 20 years' experience in the evaluation of coal deposits and the estimation of coal resources. Mr. de Klerk 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, 2004. Neither Mr. de Klerk nor Xstract have any material interest or entitlement, direct or indirect, in the securities of Atrum Coal NL or any companies associated with Atrum Coal NL. Fees for work undertaken are on a time and materials basis. Mr. de Klerk consents to the inclusion of the Coal Resource 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.