

Successful A\$20M Equity Raising

HIGHLIGHTS

- **Two-tranche placement of approx. 114.3 million shares at an issue price of A\$0.175 per share to raise approx. A\$20M.**
- **Strong demand with a A\$10M cornerstone institutional investor and further new institutions introduced to the register.**
- **Atrum well funded to progress the Elan Hard Coking Coal Project through feasibility work and towards formal permitting application.**
- **Accelerated in-fill and extensional drilling, coal quality and carbonisation testing, and feasibility study work at Elan South.**
- **Increased exploration and evaluation activities across other Elan areas, including Isolation South which hosts an existing 120Mt JORC resource.**

Atrum Coal Ltd (“**Atrum**” or the “**Company**”) (**ASX: ATU**) is pleased to announce that it has successfully raised approximately A\$20.0 million of new equity funds via the issue of 114.3 million new fully paid ordinary shares (“**New Shares**”) in a two-tranche placement at an issue price of A\$0.175 per share (“**Placement**”).

The Placement was well supported with strong demand received from institutional and sophisticated investors based in Australia and internationally. This has allowed the introduction of a number of new institutional investors on to the Atrum share register.

Atrum’s flagship 100%-owned Elan Hard Coking Coal Project consists of several large hard coking coal deposition areas, located in southwest Alberta, Canada (“**Elan**”).

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Board of Directors

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Managing Director	M. Wang
Non-Executive Director	C. Fear
Non-Executive Director	G. Edwards
Non-Executive Director	J. Chisholm
Non-Executive Director	R. Barker
Company Secretary	J. Stedwell

Key Projects

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

Project” or “Elan”). The Company is now well funded to progress the Elan Project through feasibility work and towards formal permitting application.

Funds raised will enable Atrum to rapidly accelerate in-fill and extensional drilling, coal quality testing and other studies toward permitting of a development at Elan South. The Company is also now in a position to advance the exploration and assessment of other Elan areas, particularly Isolation South (part of the Elan North tenements) where a 120Mt JORC resource has already been delineated (39Mt Indicated and 81Mt Inferred; for full resource estimate details refer Atrum ASX release dated 22 January 2019, *Additional 201Mt JORC Resources defined for Elan Project*)¹.

Atrum Managing Director, Max Wang, commented: *“We are highly encouraged by the strong level of demand received for this equity raising. We believe it highlights a rapidly growing appreciation for the underlying value potential of our flagship Elan Hard Coking Coal Project in Alberta. We are now well funded to accelerate our drilling and evaluation activities across multiple project areas at Elan, with a view to rapidly progressing through key feasibility work and towards formal permitting application for Elan South.”*

Placement Details

Tranche 1 of the Placement is being undertaken pursuant to the Company’s existing placement capacity under ASX Listing Rules 7.1 and 7.1A. It will raise approximately A\$14.6 million via the issue of approximately 83.2 million new shares, comprising of approximately 47.2 million shares to be issued pursuant to ASX Listing Rule 7.1 and approximately 36 million shares to be issued pursuant to ASX Listing Rule 7.1A. Settlement of Tranche 1 of the Placement is expected to occur on or around Monday 18 March 2019.

Tranche 2 of the Placement will raise approximately A\$5.4 million via the issue of approximately 31.1 million new shares, subject to shareholder approval to be sought at an Atrum General Meeting expected to be held on or around Monday 15 April 2019.

¹ Atrum confirms that it is not aware of any new information or data that materially affects the information included in its ASX release dated 22 January 2019 and all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

The New Shares will be quoted on the ASX following issue and will rank pari passu with the existing fully paid ordinary shares currently on issue.

The Placement issue price of A\$0.175 per fully paid ordinary share represents a discount of 16.7% to Atrum's last close price of A\$0.21 (5 March 2019) and a discount of 4.2% to Atrum's 30-day VWAP of \$0.1828.

Sydney-based Regal Funds Management ("**Regal**") has subscribed for approximately 57.15 million shares (approx. A\$10 million) of the Placement. This allocation will be made on a pro-rata basis across Tranche 1 (approx. 41.60 million shares) and Tranche 2 (approx. 15.55 million shares) of the Placement, in line with all other subscribers to the Placement. The Placement shares issued to Regal are subject to an escrow until 1 February 2020.

Use of Funds

The new equity funds are planned to be primarily applied towards accelerated drilling and evaluation activities at Atrum's flagship Elan Project.

The funding will allow a considerably enlarged 2019 field program with the potential to undertake multiple drilling campaigns in parallel on Elan South and Isolation South (part of Elan North). Such an approach aligns with Atrum's belief that the total areal footprint of the Elan Project, combined with its thick, shallow and high-quality coal seam depositions, evidences clear potential for it to host multiple, large Tier 1 hard coking coal developments.

Planning for the 2019 field program is well advanced with the next round of drilling at Elan expected to commence during the June quarter. More details of the upcoming field program will be provided to shareholders in the coming weeks.

Settlement Timetable

The indicative settlement timetable for the Placement is set out below:

Indicative settlement timetable	
Settlement of Tranche 1 shares	18 March 2019
Expected allotment of Tranche 1 shares	19 March 2019
General meeting to approve issue of Tranche 2 shares (targeted timing)	15 April 2019
Settlement of Tranche 2 shares	18 April 2019
Expected allotment of Tranche 2 shares	19 April 2019

Argonaut Securities acted as Sole Lead Manager and Bookrunner to the Placement.

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