



# Atomic Resources Limited

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**10-66**  
**ASX Code: ATQ**

Company Announcement Officer  
Australian Securities Exchange

## **RENEWAL OF BOARD AND SENIOR MANAGEMENT APPOINTMENTS, COAL STRATEGY & ANNOUNCEMENT OF JOINT VENTURE**

### **1. Renewal of Board**

Atomic Resources (ASX: ATQ) is pleased to announce the appointments of Mr David Mason as Executive Director, Exploration and Business Development and Mr Jonathan Warrand as Executive Director and Chief Financial Officer. Details of the experience of Mr Mason and Mr Warrand are provided in the attachment including their proposed terms of employment.

Mr Clinton Cain resigned as Managing Director and Director of the Company on 28 January 2011, and has agreed to consult to the Company to ensure a smooth transition of responsibilities. In the interim the Chairman of the Company, Mr Graeme Robertson, has agreed to assume the responsibilities of the Managing Director while the Company conducts a search for a senior executive to join the Company to fulfill this role.

Mr Warrand will replace Mr Tom Melanko as Chief Financial Officer for the Company.

Mr Robertson stated on the changes to the Board:

“The board welcomes the addition of Mr Mason and Mr Warrand which will greatly strengthen the board. Mr Mason has significant experience in the international coal industry including the development of the Multi Harapan and Adaro coal mines in Indonesia as well as managing mining and drilling services. He is particularly successful in bringing exploration targets into production.

Mr Warrand has advised the Company on the placement to Aspac Mining Limited in November 2010 as well on the administrative and financial needs to move from an exploration company into a coal development and production group.

Both Messrs Mason and Warrand are working closely with me in the evaluation of opportunities to grow the Company by forming relationships with highly experienced exploration and geological entities and targeting prospective coal resources for development.

The board wishes to thank Mr Cain for his significant contribution over the past year and particularly in achieving the milestone of the Bankable Feasibility Study in October 2010."

## **2. Company Strategy**

The Company's vision is to, "become a leader in the development and operation of coal assets to provide energy security solutions and create wealth for its shareholders".

As a consequence of its focus on coal development, the Company has decided to dispose of its uranium tenements and is currently evaluating strategic direction and value of the tenements.

The Company is also proposing to change its name at the next General Meeting of Shareholders, from Atomic Resources Limited to "Intra Energy Corporation Limited".

The Company's major focus will be the development and early coal production from the Ngaka Coalfield in Tanzania. It is planned to commence production in 2011 to supply domestic markets as its Stage One operation.

The Company will geographically expand its coal base in Africa to ASEAN nations and Australia to create opportunities for related power generation and merchant electricity export as well as domestic and export trade supply. This is considered strategic in providing additional profit growth by relating coal production to electricity generation.

The Company has a preference for open-cut mining but will accept underground mine development when associated with open-cut. It will consider a range of exploration targets and is forming partnerships with organisations judged to be leaders in geological excellence capable of providing known and potential coal resources for development. The preferred acquisition methodology is by farm-in arrangement for early stage development and joint venture or direct purchase for advanced projects with defined JORC resources. Power generation and utilisation opportunities will involve consortium formation in which the Company will seek an equity position.

## **3. Joint Venture**

Consistent with the proposed strategy the board is pleased to announce that on 28 January 2011 it signed a binding agreement to enter into an unincorporated joint venture for the purpose of securing an exploration licence to determine whether a potentially large resource of lignite exists to enable the development of minemouth power generation in an ASEAN nation.

As part of the binding agreement the joint venture party has requested that its name not be disclosed or the location of the resource. For an initial expenditure of US\$300,000 the Company will have 50% of the joint venture with the right to increase this with further expenditure.

## **4. Office Relocation & Company Secretary**

Consistent with the board's change in strategy, Atomic Resources will be re-locating its office from Perth to Sydney during this quarter.

The new address of the Company will be:

Suite 2001, Level 20 Australia Square  
264 George Street  
SYDNEY NSW 2000

As part of the re-location the Company has entered into a services agreement on commercial terms to share offices next to Intrasia Capital Pty Limited, a related company of the Chairman and the Chief Financial Officer. The agreement will be for the period until 30 June 2011 when the board will review the Company's overhead structure.

As a consequence Mr Tom Melanko has ceased employment as Chief Financial Officer (replaced by Mr Warrand) and Company Secretary. The board has appointed Ms. Monika Kwiatkowski as the Company Secretary. Mr Graeme Robertson commented,

“The board also extends its thanks to Mr Melanko for his contribution to the Company over the past year. We thank him for all his effort”.

The Company is developing appropriate incentive scheme for Directors and senior management to align the team to the strategic priorities of the Company, and these will be provided when determined.

## **5. Tanzania – Management Changes**

The decision has been taken to convert the Tanzanian operation from strictly an exploration project to a mine development and coal production operation. The board is pleased to announce the appointment of Mr Gordon McCormack as Operations Manager - Tanzania.

Mr McCormack commenced with the Company in early January and is accustomed to working in isolated conditions in Africa. He has over 20 years of experience supervising both open-cut and underground mines including experience in Tanzania and fits into the Company's preference for 'hands-on' operators.

## **6. Tanzania Review Stage 1 Mining and Exploration Program**

The Chairman and executive management team will be in Tanzania over the next few weeks to meet with the National Development Corporation of Tanzania, the Company's joint venture partner in Tancoal Energy Limited, the operating joint venture company. The current exploration program will be reviewed to emphasize mine planning and design in addition to reserve definition, and mining licence parameters will be finalised.

The Quarterly Activities Report lodged today gives a summary of the status of operations in Tanzania. It will be updated by the Report for the first quarter of 2011 which will specify progress towards production.

## **Attachment – Background on Directors:**

### **Mr David Mason – Executive Director, Exploration and Business Development MBA, BSc (Hons)**

Mr David Mason has a broad business, corporate and mining background achieved having worked in the mining industry for 30 years throughout Australasia.

David is a Director of Overseas & General Limited (ASX:OGL), a coal producer in Indonesia. Prior to this, David was Operations Director of Haddington Resources (now Altura Mining, ASX:AJM) a diversified resource company, which acquired the resource investment and mining service companies of Minvest International, a group he co-founded and managed.

David was formerly General Manager of the Minvest Group, and assisted in the development of the Adaro Indonesia coal mine, the MHU coal mine, a suite of exploration assets and mining service companies.

Mr Mason has agreed to commit a minimum 50% of his time to Atomic Resources until at least 30 June 2011. His employment contract will be reviewed prior to 30 June 2011. Mr Mason will receive \$175,000 per annum during this period.

### **Mr Jonathan Warrand – Executive Director and Chief Financial Officer. MBA (Exec), CA, FFinsia, Assoc. IPAA, BCom**

Mr Jonathan Warrand is the Managing Director of Intrasia Capital Pty Limited, a proprietary investment firm in Sydney and through its related operations has offices in Singapore and Mauritius.

He has over twenty three years of corporate advisory across various sectors including soft and hard commodities, financial services and real estate and has experience in equity and debt capital markets, strategic planning, capital management and corporate advisory.

Mr Warrand is an Executive Director of Superwoman Group Limited and is a Non-Executive Director of Chancery Managed Investments Limited (a subsidiary of Oxley Group, based in Singapore).

Mr Warrand holds a Masters of Business Administration (Executive) from the Australian Graduate School of Management (University of New South Wales and University of Sydney), Graduate Diploma in Applied Finance and Investment, Insolvency Law Certificate from the University of Southern Queensland and a Bachelor of Commerce (University of Wollongong).

He is a Chartered Accountant, Fellow of Finsia and is an Associate of the Insolvency Practitioners Association of Australia.

As part of the relocation of the Perth office of the Company to Sydney, the Company has agreed to enter into a services agreement on commercial terms until 30 June 2011 ) whereby the current budgeted overhead costs of the Company for the year ended 30 June 2011 (pro-rata per month) will be paid to Intrasia Capital Pty Limited. The management services contract includes the overheads such as accounting (i.e. CFO's remuneration), finance and administration. Mr Robertson and Mr Warrand are directors of Intrasia Capital Pty Limited.

### **Senior Management Remuneration**

Mr Robertson has agreed, as a director of the largest shareholder of the Company, to receive remuneration of \$200,000 per annum during the interim period, providing a significant reduction in cost to the company from the \$344,740 (inclusive of GST) per annum paid previously to the Managing Director (refer 2010 Annual Report).

In recognition of the experience and advice provided to the board over the past two months Mr Mason and Mr Warrand will each receive 300,000 ordinary shares as a sign on fee (known as Tranche 1), subject to shareholder approval.

Mr Robertson, Mr Mason and Mr Warrand will each receive 350,000 ordinary shares on today's joint venture announcement when the joint venture successfully obtains an Exploration Licence, or failing this, assisting Atomic Resources to acquire or enter into a joint venture relationship with an entity which results in Atomic Resources obtaining a share in a coal property (known as Tranche 2), subject to shareholder approval.

Mr Robertson, Mr Mason and Mr Warrand will also receive 350,000 ordinary shares upon board approval and prior to the next General Meeting of the Company to enter into an agreement to obtain a coal property, or failing this, assisting Atomic to acquire or enter into a joint venture with an entity which results in Atomic obtaining a share in a coal property (known as Tranche 3), subject to shareholder approval.

The shares issued will be subject to escrow for a period of 12 months from the date of employment or upon success of the transaction.

If either Mr Robertson, Mr Mason or Mr Warrand cease acting for the Company as a director or employee prior to the end of the escrow period the ordinary shares will be cancelled.

## ENDS



### ***About the company:***

Atomic Resources Limited is an Australian-based exploration and resource development company with major thermal coal assets in Tanzania. Our operating arm in Tanzania is Tancoal Energy Limited, which was formed by a Joint Venture between Atomic Resources Limited and the National Development Corporation of Tanzania (NDC).

### ***Forward-Looking Statements***

Certain statements made during or in connection with this statement, including, without limitation, those concerning exploration targets, contain or comprise certain forward-looking statements regarding Atomic's exploration operations, economic performance and financial condition. Although Atomic believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices and exchange rates and business and operational risk management. Atomic undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the Corporations Act and ASX Listing Rules.

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For further information contact:

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