

# ATRUM ENTERS INTO JOINT EXPLORATION AGREEMENT WITH JAPAN OIL, GAS & METALS NATIONAL CORPORATION

## HIGHLIGHTS

- Atrum enters into Joint Exploration Agreement with the Japan Oil, Gas and Metals National Corporation (“JOGMEC”) for the Panorama North Project in British Columbia, Canada.
- Under the agreement, JOGMEC will spend up to C\$5.0 Million in cash or in kind over three years in return for an up to 35% equitable interest in the Panorama North Project (“Project”).
  - Year 1: C\$1.5M
  - Year 2: C\$1.5M
  - Year 3: C\$2.0M
- Funding will allow further exploration and studies of the anthracite targets within the Project area, which is a highly prospective greenfield anthracite tenure.
- JOGMEC also receives an exclusive right to negotiate to enter a further Joint Exploration Agreement with Atrum in the Panorama West Project for four years.
- Panorama is located within Atrum’s Groundhog Coalfield tenure block, 15km southwest of Groundhog North.
- Early stage funding of exploration at Panorama North allows Atrum to focus on development of the Groundhog North Project, the world’s largest undeveloped ultra-high grade anthracite deposit in British Columbia, and its proposed partnership with Atlantic Carbon Group PLC.



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

Atrum Coal NL ("**Atrum**" or the "**Company**") (**ASX: ATU**) is pleased to announce it and its wholly owned subsidiary, Atrum Coal Panorama Inc, have entered into a Joint Exploration Agreement with Japan Oil, Gas and Metals National Corporation ("**JOGMEC**"). Under the Agreement, JOGMEC can acquire an up to 35% equitable interest in the Panorama North Project by investing up to C\$5.0 Million in cash or in kind for exploration expenditures across the project over a three-year period.

Atrum's Executive Chairman Robert Bell stated: "We are very pleased to partner with such a respected corporation as JOGMEC to accelerate exploration at our Panorama North Project.

*"Historical exploration indicates the Panorama North is highly prospective for anthracite. The focus of the next stage of exploration at Panorama North will be to build upon historical exploration and to begin quantifying the resource potential of this area. If successful, the three years of exploration will lead to a Feasibility Study, and set Panorama North as yet another development zone within the Groundhog Coalfield.*

*"This will enable us to focus on developing our Groundhog project, which is our first priority as we aim to become a global producer of ultra-high and high-grade anthracite, as well as our plans to supply up to 100,000 tonnes of anthracite to European and Asian customers through our agreement with Atlantic Carbon Group PLC, in which we are acquiring a 26.68% stake, subject to shareholder agreement."*

As part of the joint exploration agreement, JOGMEC will receive an exclusive negotiation right to enter a further joint arrangement with Atrum at the Panorama West Project. This exclusivity period remains in effect for a total of four years.

### **Joint Exploration Agreement**

The Panorama North Joint Exploration Agreement is based on three (3) Farm-In Periods which are tied to specific funding milestones:

1. During the First Farm-in Period (ending 31 March 2017), JOGMEC shall contribute C\$1,500,000 in cash or in kind towards exploration at the Panorama North Project;
2. During the Second Farm-In Period (ending 31 March 2018), JOGMEC shall contribute C\$1,500,000 in cash or in kind towards exploration at the Panorama North Project. This will earn JOGMEC an unencumbered right, title and benefit to 21% of the Joint Venture Property;
3. During the Third Farm-In Period (ending 31 March 2019), JOGMEC shall contribute C\$2,000,000 in cash or in kind towards exploration at the Panorama North Project. This will earn JOGMEC an unencumbered right, title and benefit to a further 14% of the Joint Venture Property;

As of completion of the respective Farm-In Period, subject to JOGMEC's contribution, the Parties' respective actual or deemed equitable interests in the Panorama North Project shall be:

- i. End of Second Farm-In Period:  
 Atrum           79%, and  
 JOGMEC       21%
- ii. End of Third Farm-In Period:  
 Atrum           65%, and  
 JOGMEC       35%.

### Panorama North Project

The Panorama Project areas form the western region of the broader Groundhog Coalfield, and are located approximately 15km south-west of Atrum’s flagship Groundhog North Mining Complex located in northwest British Columbia, Canada, as shown in Figure 1.

Atrum’s plan is to advance exploration at Panorama area to assist in the development of the entire Groundhog region. To facilitate development, and given the extensive size of the Panorama property, the project has been divided into several smaller project units, including Panorama North and Panorama West.

Although there has been no deep-drilling conducted at Panorama North to date, past exploration efforts, including historical trenching and surface mapping, indicate the area is highly prospective for anthracite.

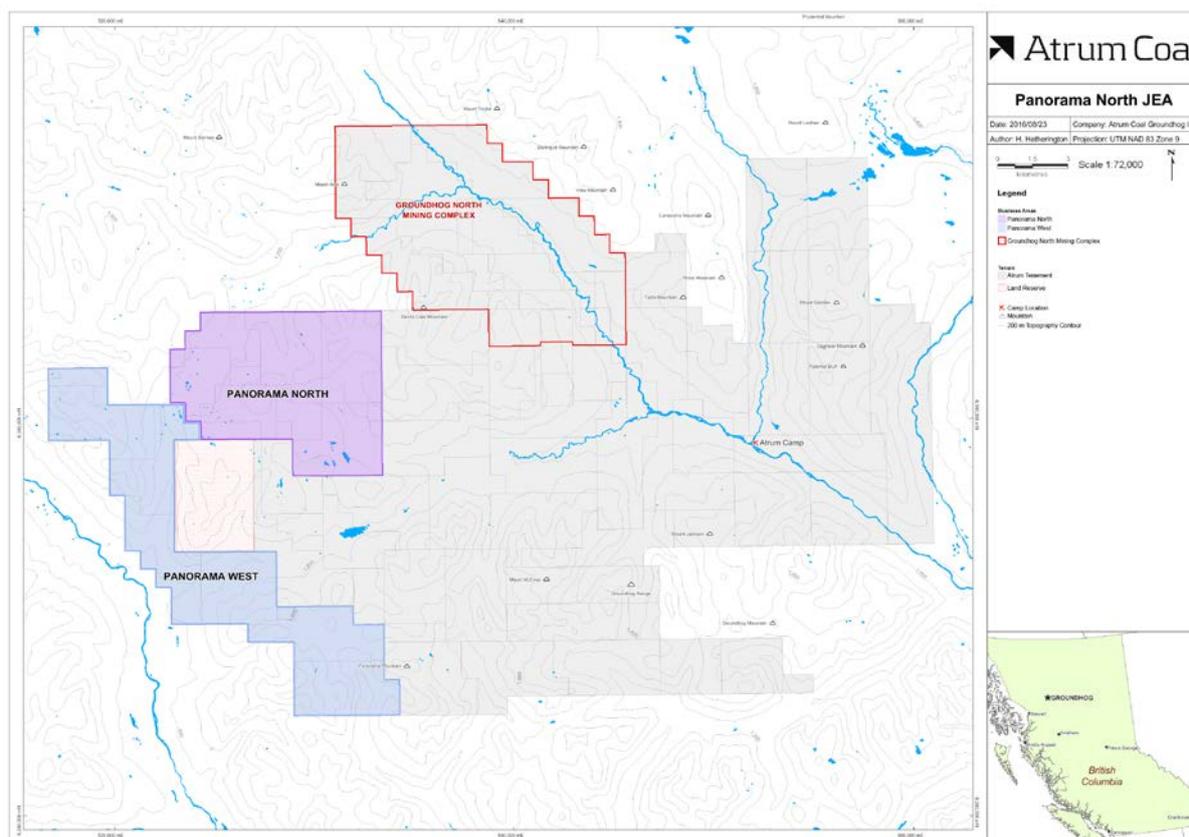


Figure 1: Panorama North and Panorama West Project Areas

## Panorama Projects Valuation

Atrum's Panorama Projects (Panorama North, Panorama West and Panorama South – see Figure 2) cover areas previously explored in the early 1980's by Gulf Corporation (Canada). Gulf's exploration efforts concentrated on surface mapping, trenching and shallow drilling. The culmination of this phase of exploration was the declaration by Gulf of significant exploration targets for shallowly emplaced anthracite deposits.

The total area of the Panorama Projects (Panorama North, Panorama West and Panorama South) is 25,127 hectares. Panorama North has a total area of 7,359 hectares, with current project value of C\$14.3million (C\$1,941.26/hectare), on the basis of the JOGMEC farm-in of C\$5.0million for 35% of the Project.

Hence the implied current value of the entire Panorama Projects is ~A\$50Million.

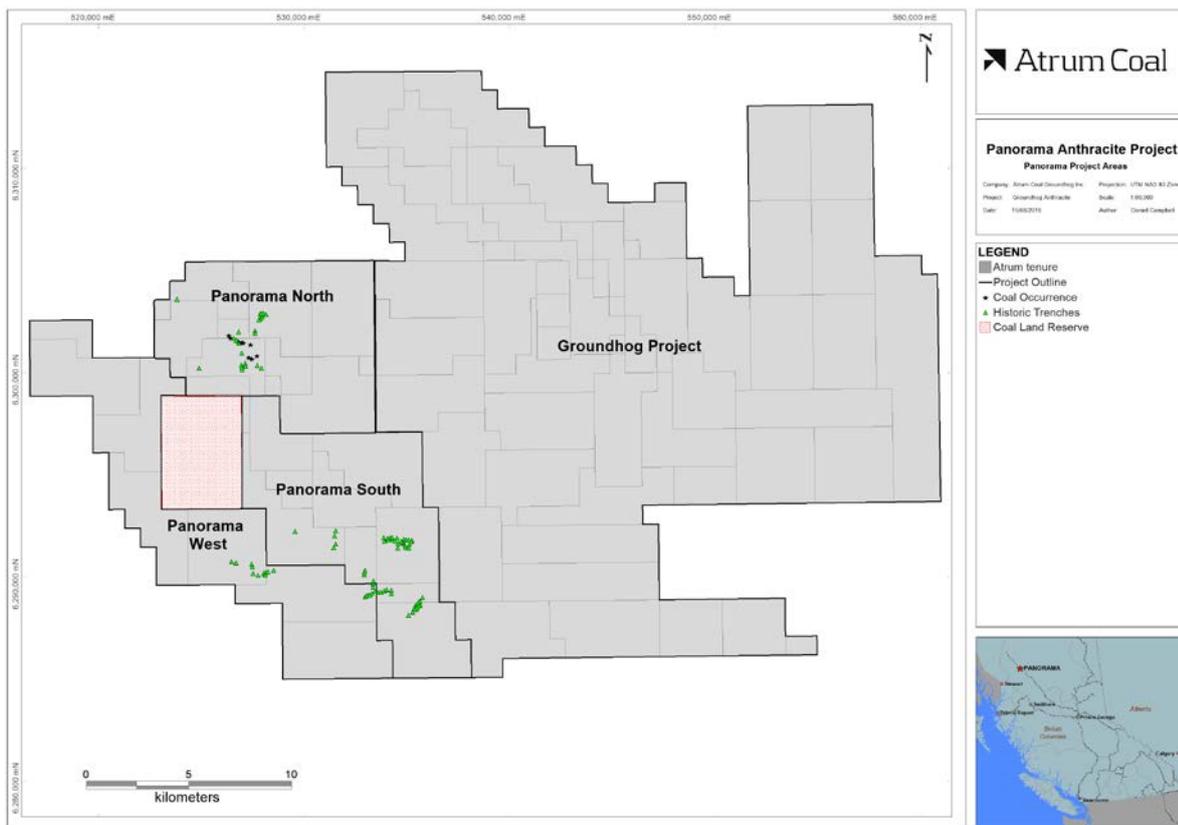


Figure 2: Historic Exploration at Panorama Projects

## About Atrum Coal NL

Atrum Coal is an exploration and development company primarily focussed on anthracite coal projects. The Company's flagship project is the high grade and ultra-high grade Groundhog Anthracite Project located in northwest British Columbia, Canada. The Company plans include exploration and development of multiple mines in the Groundhog coalfield, including Panorama, feeding a common set of surface infrastructure, and transportation routes to coastal export ports.

## About JOGMEC

Japan Oil, Gas and Metals National Corporation (JOGMEC) was established to integrate the functions of the former Japan National Oil Corporation (previously in charge of securing a stable supply of oil and natural gas), and the former Metal Mining Agency of Japan (in charge of ensuring a stable supply of nonferrous metal and mineral resources and implementing mine pollution control measures).

JOGMEC has a mandate to conduct natural resource exploration projects. For projects that proceed to the development and production stages, JOGMEC will look to attract Japanese mining and resources-related companies as long term partners to promote funding and procurement by Japan.

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