

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 MARCH 2017

HIGHLIGHTS

- Appointment of Craig Burton and Michael Jardine as Non-Executive Directors to the Board, and subsequent to quarter-end the appointment of Tom Borman
- Export Sales Joint Venture finalised with Atlantic Carbon Group PLC
- Company converted from No Liability Company to a Public Company Limited by Shares
- Encouraging washability results identified three promising targets at Panorama North Project

Atrum Coal Limited (“**Atrum**” or the “**Company**”) (ASX: **ATU**) is pleased to provide its Quarterly Activities Report for the period ending 31 March 2017.

Non-Executive Director, James Chisholm commented: *“We have made good progress in the quarter against our four primary objectives for the year.*

Our first objective, as noted in our 14 February 2017 release “Atrum’s Key Objectives for 2017”, is to extract anthracite samples for North Asian steel mills. We have expanded this to include samples for USA, Canadian and Brazilian steel mills, water filtration customers and industrial anthracite users. Planning for the extraction of samples is well under way.

We have commissioned third-party studies to assist in the development of a maiden JORC Reserve Statement and in the process, identified potential markets which have now been included in the first objective.

During the quarter, the Company identified additional potential customers for Groundhog North Anthracite in the USA and Canada and have now included those companies in the list of potential customers to be offered samples from the 2017 exploration program.



Registered Office

Level 19, 1 O’Connell St, Sydney,
NSW, 2000
T +61 2 8249 1884
E info@atrumcoal.com
www.atrumcoal.com

Board of Directors

Non-Executive Director	T. Borman
Non-Executive Director	C. Burton
Non-Executive Director	J. Chisholm
Non-Executive Director	M. Jardine
Company Secretary	C. Brown

Key Projects

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

As the anthracite produced by our export sales joint venture partner Atlantic Carbon Group (“ACG”) is not generally known to international anthracite buyers, initial efforts to establish exports have been focussed on supplying samples to customers, and establishing commercial contracts with rail and port operators. More than a dozen samples have now been sent to key anthracite buyers, with more samples in preparation for delivery in the current quarter. We are starting to see the results of our efforts here, with a significant increase in interest from international buyers. Given this recent interest, we are confident in achieving our objective of selling 250,000t of anthracite from the US by year-end.

Finally, the identification of promising targets at our Panorama North Project, now being explored by our joint venture partner, Japan Oil, Gas and Metals National Corporation (“JOGMEC”), is an exciting new development. We look forward to undertaking further exploration of these targets and the wider Panorama North Project this year while we continue development of the Groundhog North Project.”

As advised in the previous quarterly reports released on 31 January 2017, the Company was expecting a number of one-off costs for the January - March 2017 quarter. In particular, the Company reported in the December quarter Appendix 5B that expected operating cash outflows in the January - March 2017 quarter would be \$5.6m, consisting of \$2.6m in Administration and corporate overhead costs (refer section 9.5) and \$1.9m in “Other” costs (refer section 9.6). The \$2.6m comprised one-off legal fees carried over from the litigations in which the Company has been involved (all now settled), due diligence costs associated with the potential acquisition of Atlantic Carbon Group PLC, December 2016 Placement costs and outstanding payables.

As noted in the accompanying Appendix 5B for the January - March 2017 quarter, the actual operating cash outflows for the quarter were \$4.4m due to lower than expected litigation settlement costs, and lower costs for the acquisition of the first anthracite inventory purchased from ACG. As well, the Board has carefully managed cash outflows whilst there is no Chief Executive Officer in place.

Significant one-off costs incurred during the nine month period to 31 March 2017 have included costs incurred in relation to litigation in which the Company has been involved, with former founders Russell Moran and Gino D’Anna and a former contractor, Greg Bell, both now settled. As well, there were significant one-off legal and due diligence costs associated with the proposed Atlantic Carbon Group PLC acquisition. Other one-off payments were associated with accrued fees for the former directors, some of which had been outstanding for almost two years. Finally, as noted in the October - December 2016 quarterly reports, the Company has made payments to purchase 20,000t of anthracite from ACG under the Export Sales Joint Venture for sale to export markets.

The current April – June 2017 quarter will also include one-off payments relating to the repayment of funds loaned by persons to the Company under the Lenark Nominee Loans facility (\$654k, including interest). Once this is removed, the forecast operating cash outflows for the quarter are

approximately \$2m (refer section 9 of the accompanying Appendix 5B). The Board is taking steps to further reduce this cost going forward. The January - March 2017 quarter actual operating costs were \$4.4m, but \$1.13m of this was for the purchase of anthracite inventory, and as previously noted, there were a number of one-off costs incurred in undertaking due diligence on the proposed Atlantic Carbon Group acquisition and previous litigations.

The Board has approved limited expenditure in the current quarter whilst the search for a CEO continues, and the 20,000t of anthracite inventory is sold to inject more than \$2m back into the Company's operating account. Once this has been achieved, the Company and our joint venture partner, ACG, will have gained significant export exposure which is expected to lead to further sales.

Although the Company will undertake the baseline monitoring program at Groundhog North in the April - June 2017 quarter, other major expenditure at Groundhog North has been delayed until the appointment of a CEO. This does not extend to the Panorama North drilling program, which, subject to receiving the required approvals, the Company plans to commence with JOGMEC in the coming quarter.

OPERATIONS

Groundhog Anthracite Project (Atrum 100%)

The Groundhog Anthracite Project ("**Groundhog**") is located in the Groundhog Coalfield in north-western British Columbia, Canada and covers an area of almost 1,000km² (Figure 1). Drilling and laboratory tests have confirmed that the Groundhog field contains high grade and ultra-high grade anthracite which is suitable for use in the manufacture of blast furnace steel, as well as in electric arc furnaces as a reductant, as a filter media, and as a feedstock for chemical production.

Prior to the quarter, the Company prepared scoping studies and a pre-feasibility study on appropriate development of the first area under consideration, Groundhog North. Planning is now well advanced to carry out another exploration drilling program at Groundhog this summer to enable the extraction of larger samples for testing by prospective customers and to gain more information on geological structure, seam yields and anthracite characteristics. Large diameter drilling is also planned at various locations to collect enough material for testing by Asian, US, Canadian and South American steel mills using electric arc and blast furnace technology, water filtration companies (primarily in the USA and Europe), and industrial customers in North Asia, the United Kingdom and the USA.

During and subsequent to the quarter, on-going exploration and development activities included geological analysis, chemical analysis of samples, correlation of Groundhog and Panorama seam packages, site monitoring, environmental gap analysis and mapping of anthracite characteristics across Groundhog North in preparation for the upcoming 2017 season field program.

The Company is preparing to collect additional baseline environmental data during the upcoming “freshet” season in northern British Columbia, where significant water run-off occurs from the melting of snow. Such information is essential for mine planning and permitting, as well as for the planned definitive feasibility study on Groundhog North (Figure 2).

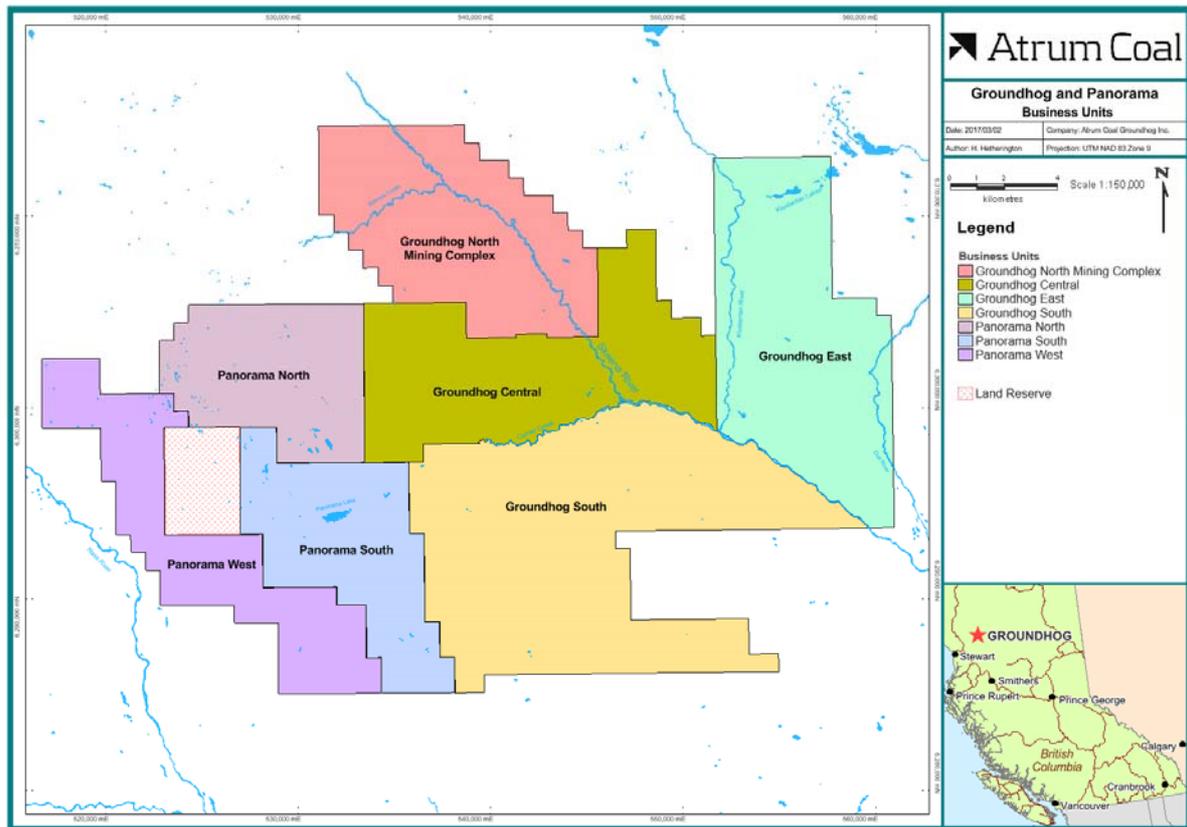


Figure 1: Atrum Groundhog Properties

Given the success of the Panorama Joint Venture (refer below), the Company is evaluating previous trenching and drilling results in Panorama South and Groundhog Central with the view to potentially securing partners to advance exploration in those areas as well.



Figure 2: Baseline Monitoring Site at Groundhog

Panorama North Project (subject to JOGMEC earn-in)

The Panorama North Project is located 15km south-west of Groundhog North in British Columbia (Figure 1). Atrum entered into an agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") for the Panorama North Project. Under the Agreement, JOGMEC can acquire up to a 35% interest in the Panorama North Project by investing C\$5.0 million in exploration expenditures across the project over a three-year period.

2016 Exploration Program

The 2016 exploration program undertaken under the First Farm-in Period (ending 31 March 2017) of the JOGMEC Agreement, aimed to explore two licence areas of the Panorama North property to identify potential economic targets. Exploration undertaken included field mapping, and completing four fully-cored drillholes and a total of 1,194 metres (Figure 3).

During the quarter, the Company received encouraging coal quality results from drilling at Panorama North (refer to ASX Announcement "*Panorama North Drilling Results*" dated 27 March 2017). A total of 19 seams were identified within the Currier Formation, with three separate seams identified as prime targets. These were tentatively correlated across the exploration area given the Company's detailed understanding of the broader Groundhog Coalfield. Physical and chemical testing of intersected anthracite seams showed they have the potential to produce low-ash, low volatile matter, high grade anthracite products.

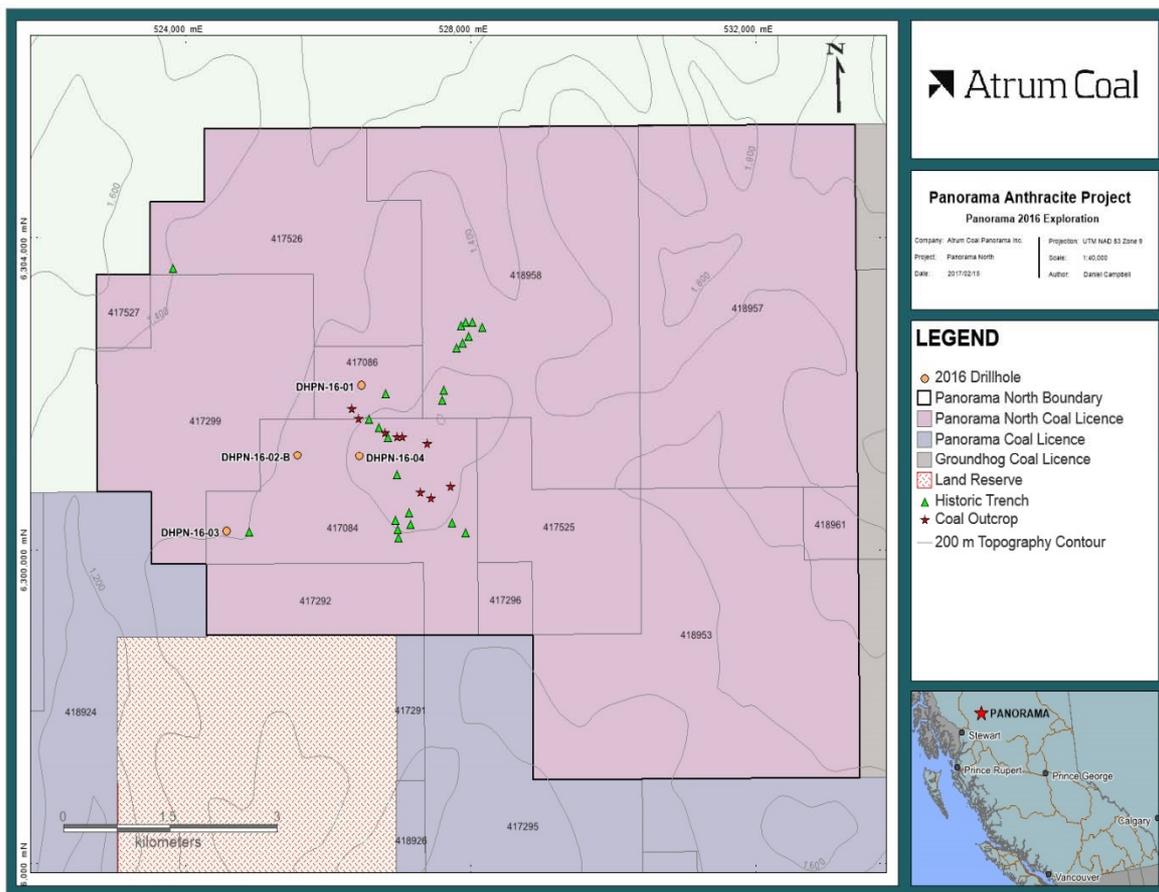


Figure 3: Map of 2016 Exploration Drilling Locations at Panorama North

Coal Quality Results

Laboratory analyses of drillcore samples were performed by Birtley Coal & Mineral Testing of Calgary, Alberta. Samples collected were representative of selected coal units and their associated partings. In total, 149 core samples were collected from the 2016 drilling program, of which 74 individual ply samples were analysed for raw coal quality, including 25 roof and floor samples. Coal seam recovery averaged 80% for all coal intersections, with friable coal an issue for recovery in some coal seams.

Roof and floor samples were analysed to simulate dilution in wash plant simulations and clean coal analysis.



Figure 4: 2017 Exploration Camp at Panorama North Project

Results from handling and washability testing were analysed by A&B Mylec Metallurgical Consultants in Rockhampton, Australia, and used to simulate potential washability of the coal seams. Partition curves were generated, and the results from these simulations are summarised in Table 1. The simulations indicated the potential product qualities able to be generated from the identified target seams at Panorama North to be very similar to those at Groundhog North. Product qualities are typical for high grade anthracite.

It is expected that future petrographic analysis of the vitrinite content and vitrinite reflectance will confirm the high rank of these coals. The vitrinite content in particular, has been identified as a key positive differentiator, placing Groundhog Anthracite in a premium position compared to other anthracites in the market.

SEAM NAME	RECOVERED & ANALYSED THICKNESS	FEED ASH (%AD)	FEED RD (AD)	YIELD @ 1.70SG (WET @ 9% TM)	M (%AD)	ASH (%AD)	VM (%AD)	FIXED CARBON (%AD)	TS (%AD)	GCV KCAL/KG (DAF)
A1	0.58	30.9	1.62	53.3	0.8	12.4	5.9	80.9	1.16	8423
A3	0.61	33.3	1.62	54.3	1.0	15.3	6.3	77.4	0.70	8354
A5	1.55	33.0	1.67	47.9	1.0	13.1	6.1	79.8	0.88	8378
B1	0.77	32.2	1.59	53.3	1.0	13.5	6.0	79.6	0.97	8335
B3	0.77	30.6	1.7	53.4	0.8	9.5	6.1	83.6	0.56	8360
B5	0.80	26.4	1.6	59.0	0.7	9.2	4.5	85.6	0.88	8394

Table 1: Average Product Coal Quality Results @ 1.70 SG – Panorama North

Resource Estimate

Coal resources for the Panorama North Project have not yet been estimated. Current geological information derived by the Company does not yet support the development of a detailed geological model and the subsequent calculation of resources.

Export Sales Joint Venture with Atlantic Carbon Group PLC ("ACG")

During the quarter, Atrum announced an agreement to form an unincorporated joint venture (the "Export Sales Joint Venture") with ACG to market and sell anthracite from ACG's operations to customers outside the USA. ACG is an ultra-high grade anthracite producer with operations in north eastern Pennsylvania, USA. It operates three mines and two processing plants near the town of Hazleton, Pennsylvania. Definitive agreements to form the joint venture were signed and Atrum placed an order for an initial 20,000t prior to the end of the half year. If Atrum achieves sales of 200,000t by 31 December 2017, ACG has agreed to extend the Export Sales Joint Venture by four years, to 2021, with a 10% annual increase in volume offered by ACG to the joint venture. The agreement also includes the option of increasing the tonnage further.



Figure 5: Atrum's anthracite stockpile next to rail loop at Hazleton Mine



Figure 6: Another view of Atrum's anthracite stockpile at the Hazleton Mine

Naskeena Anthracite Project (Atrum 100%)

The Naskeena Anthracite Project ("**Naskeena**") is located in western British Columbia, approximately 50km from the town of Terrace and approximately 140km from the Port of Prince Rupert. It is an early stage project on the far western extent of the Groundhog Basin. No ground based activities were undertaken at Naskeena during the quarter.

Bowron River Coal Project (Atrum 100%)

The Bowron River Project ("**Bowron River**") is located 60km east of the town of Prince George and is accessible from Prince George by 50km of paved road and then by 10km of all-weather gravel road. It is another early stage exploration project. The Company holds a total land position of 3,750 hectares at Bowron River. No ground based activities were undertaken at Bowron River during the quarter.

Kuro Coal Ltd.

Atrum's subsidiary, Kuro Coal Ltd, is once again considering a separate ASX listing, and has prepared plans to undertake an exploration program this year at the Elan Coking Coal Project in Alberta, Canada. Atrum personnel were in Alberta during the last week of April progressing the planning for the 2017 program. The Elan Coking Coal Project is prospective for coking coal as noted in the Company's previous press releases on 16 April 2015 "*Kuro Coal Clarification Announcement – Elan Project*" and on 11 December 2014 "*Major Coal Intersections at Elan Coking Coal Project*".

CORPORATE

Board and Management Changes

During the quarter, Executive Chairman, Mr. Robert (Bob) Bell resigned from the Company due to on-going health issues. In addition, Non-Executive Director, Mr. Cameron Vorias resigned to concentrate on his other mining activities.

Mr. Craig Burton joined the Atrum Board as a Non-Executive Director, effective 1 January 2017. Mr. Burton has more than 25 years' experience in financing, developing and managing emerging resource projects in Australia, Canada and the UK. Seven resource projects co-founded by him have advanced from exploration into production, including two that became ASX/200 companies. Mr. Burton is currently a non-executive director of two listed companies, Cradle Resources Ltd (ASX: CXX) and Capital Drilling Ltd (LON: CAPD). Mr. Burton invested \$2.5 million in Atrum during the December Placement and Block Trade.

Mr. Michael Jardine also joined the Board as a Non-Executive Director, effective 17 February 2017. Mr. Jardine has extensive finance and investment experience, having worked as Corporate Development Manager at Investmet Limited for three years, where he managed the corporate affairs for a portfolio of ASX listed resource companies, including business development, capital management and compliance. Prior to his time with Investmet, Mr. Jardine held roles at Argonaut Limited in Perth and with London-listed Aegis Plc's Synovate business in both Perth and London.

Post quarter-end, Atrum announced the appointment of former BHP Billiton senior executive Mr. Tom Borman as a Non-Executive Director. Mr. Borman has more than 20 years' experience in the mining and minerals industry and has spent most of his career developing projects. He served as Chief Commercial Officer of Diamonds (a division of BHP Billiton) and was with the company for 11 years before joining Warrior Coal Investments (Proprietary) Ltd, which established Optimum Coal Holdings, a roll-up of coal assets in South Africa. From 2013 to 2016, Mr. Borman served as a non-executive director of tin exploration and development company, Alphamin Resources Corp (TSXV: AFM), and was chairman of ASX-listed potash exploration and development company, Elemental Minerals Ltd (now Kore Potash Ltd, ASX: K2P). He was appointed a director of Univeg SA Holdings in 2013 which merged with Greenyard Foods NV (EBR: GREEN) in June 2015. He currently serves as non-executive director of Greenyard Foods NV. In August 2016, Mr. Borman joined the Board of Aussie Farmers Holding Company, the leading on-line grocery supplier in Australia.

During the quarter, Mr. Theo Renard resigned as Company Secretary. Mr. Chris Brown was appointed Company Secretary effective 12 January 2017 but has subsequently advised the Board of his resignation effective 30 April 2017, having decided to move back to New Zealand. Mr. Justyn Stedwell has been appointed Company Secretary in his place, assuming the role on 1 May 2017. The Board thanks Chris and Theo for their work and commitment to Atrum during their time with the Company and wish them well in their future endeavours.

S&P/ASX Indices

The Company was notified that as a result of the March quarterly review by S&P Dow Jones, effective 20 March 2017, Atrum would be included in the All Ordinaries Index.

Litigation

The Company secured an out-of-court settlement in relation to the Notice of Civil Claim filed in the Supreme Court in British Columbia by a former contractor of the Company, Coal Gas Technology Company and its principal, Mr. Greg Bell ("Contractor"), for contested, unpaid contractor invoices. The settlement reached required the Company to pay the Contractor US\$200,000 and issue to Mr. Bell US\$70,000 worth of shares in the Company.

Issued Capital

Issued capital at 31 March 2017 was:

- 231,992,649 fully paid ordinary shares (listed);
- 8,975,418 options exercisable at \$0.80, expiring 25 August 2017 (unlisted);
- 2,150,000 options exercisable at \$0.80, expiring 7 September 2017 (unlisted);
- 8,198,786 options exercisable at \$0.60, expiring 2 July 2018 (unlisted);
- 541,964 options exercisable at \$0.75, expiring 15 August 2018 (unlisted);
- 442,438 options exercisable at \$0.65, expiring 14 November 2018 (unlisted);
- 3,000,000 options exercisable at \$0.75, expiring 16 February 2019 (unlisted);
- 2,972,500 performance rights (unlisted).

During the quarter, 198,007 fully paid ordinary shares were issued in settlement of the litigation as noted above; and 3,000,000 unlisted options with an exercise price of \$0.75 and expiring 16 February 2019 were issued pursuant to private placement mandate agreements. 100,000 unlisted options with an exercise price \$1.40 expired on 14 March 2017.

Lenark Loan Agreements

At the time of the December 2016 Placement, Lenark Pty Ltd and its nominees agreed to convert \$1m of the amounts owing by Atrum to Lenark and its nominees under the Lenark Offset Loan Agreement and Lenark Nominee Loan Agreements ("Lenark Loans") into fully paid ordinary shares in the Company at the same price as the Placement, in their respective proportions, at \$0.50 per share, subject to obtaining shareholder approval at an Extraordinary General Meeting ("EGM") which the Company expected to convene early in 2017.

As no EGM was convened by the Company prior to the maturity date for the Lenark Nominee Loans on 2 April 2017, the four nominees with loans totalling \$635k have been repaid in April 2017.

The Lenark Offset Loan, which maturity date was extended to 31 December 2017 in September 2016, included various partial repayment terms tied to future successful capital raisings undertaken by the Company. The Company is currently in discussion with Lenark regarding conversion of the appropriate portion of the loan into fully paid ordinary shares in the Company at the same price as the Placement as noted above.

Finance

Cash on hand at 31 March 2017 was \$6.9m.

Cash expenditure for Q4 FY2017 is forecast to be \$2.7m which includes one-off repayment of the Lenark Nominee Loans totalling \$635k (refer above – with interest, \$654k), annual tenement rental

fees for 46 licence areas of \$356k, one-off accrued director fees of \$172k, \$140k capital raise costs and legal expenses related to the December 2016 Placement, \$600k of regular staffing costs, \$800k administration costs (rents, travel, marketing, advisory services etc.) and \$124k on-ground costs for the baseline monitoring program at Groundhog North.

Atrum has purchased \$2m of anthracite inventory from ACG under the Export Sales Joint Venture (refer above) which is available for sale. The Company expects to convert this anthracite inventory into cash at a profit in the coming quarter. The first sale of anthracite from the Export Sales Joint Venture with ACG will raise the Company's profile in the export market and is expected to lead to more sales in the coming months.

The Company is currently in discussion with the Canadian Revenue Agency regarding the Mineral Exploration Tax Credit ("METC") lodged for the period 1 July 2014 to 30 June 2015 (C\$3.0m) which is currently subject to final audit review and assessment. Funds received from the METC will be used to repay the Capital Receivables Facility advance (\$2.2m).

Interim Financial Report

The Company released its Interim Financial Report for the six months ended 31 December 2016 on 16 March 2017. A copy of the report is available on the Company's website at www.atrumcoal.com.

Tenements

There were no changes to the Company's tenement holdings during the quarter. Please refer to the attached listing for tenement details. The Company has been undertaking a review of tenements as holding costs have substantially increased as a result of the conversion of many coal licence applications to licences in Q2 FY2017.

For further information, contact:

James Chisholm
Non-executive Director
M +61 419 256 690
james@atrumcoal.com

Nathan Ryan
Investor Relations
M +61 420 582 887
nathan@atrumcoal.com

TENEMENT SUMMARY

31 March 2017

Tenure Number	Owner	Project	Tenure Type	Tenure Sub Type	Area (ha)
394848	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	259
394849	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	259
417079	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	991
417088	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	777
417089	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	142
417090	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	568
417094	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	71
417098	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1204
417100	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	71
417101	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	960
417522	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	71
417523	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	354
418443	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1416
418444	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1416
418445	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1417
418446	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1205
418589	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1273
418590	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1415
418921	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	143
418922	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	853
418923	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	853
418934	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1421
418935	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1420
418936	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1419
418937	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	778
418938	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1133
418939	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1276
418940	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1418
418941	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1418
418942	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1417

Tenure Number	Owner	Project	Tenure Type	Tenure Sub Type	Area (ha)
418943	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1416
418944	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1416
418945	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1414
418946	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1414
418947	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1413
418948	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1413
418952	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1417
418954	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1416
418955	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1265
418956	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1415
394847	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	259
417080	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	565
417081	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	636
417082	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	212
417085	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	1031
417095	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	425
417096	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	71
417297	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	918
417298	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	1059
417520	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	212
417521	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	142
417528	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	142
418587	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	1411
418588	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	1412
418959	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	1414
418960	Atrum Coal Groundhog Inc.	Groundhog North	Coal	Licence	1412
417291	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	73
417293	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	426
417294	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	284
417295	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	851
417300	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	355
417301	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	851
418926	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1280
418932	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1421
418950	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1418
418962	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1136
418933	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1421

Tenure Number	Owner	Project	Tenure Type	Tenure Sub Type	Area (ha)
418949	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1419
418951	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1418
418924	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1239
418925	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1332
418927	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	354
418928	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1416
418929	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1419
418930	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1420
418931	Atrum Coal Groundhog Inc.	Panorama	Coal	Licence	1421
417084	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	708
417086	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	142
417292	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	279
417296	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	71
417299	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	779
417525	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	425
417526	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	707
417527	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	71
418953	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	1346
418957	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	1415
418958	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	1345
418961	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	71
417842	Atrum Coal Naskeena Inc.	Naskeena	Coal	Application	1200
417845	Atrum Coal Naskeena Inc.	Naskeena	Coal	Application	1125
419157	Atrum Coal Peace River Inc.	Bowron River	Coal	Application	937.5
419159	Atrum Coal Peace River Inc.	Bowron River	Coal	Application	937.5
418103	Atrum Coal Peace River Inc.	Bowron River	Coal	Application	1875

FORWARD LOOKING STATEMENT

This report may include 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 report include, but are not limited to, the capital and operating cost estimates and economic analyses from studies.

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 report 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.

ATTRIBUTIONS

The information in this report relating to exploration results at the Panorama North Project is extracted from the report that was lodged with ASX on 27 March 2017 titled "Panorama North Drilling Results". A copy of the report is available on the Company's website at www.atrumcoal.com.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Atrum Coal Limited

ABN

27 153 876 861

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(981)	(1,154)
(b) development	-	-
(c) production	-	-
(d) staff costs	(808)	(1,805)
(e) administration and corporate costs	(1,294)	(4,420)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	(175)	(259)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (GST received/(paid))	-	455
1.8 Other *inventory purchase)	(1,130)	(1,962)
1.9 Net cash from / (used in) operating activities	(4,388)	(9,144)

Mining exploration entity and oil and gas exploration entity quarterly report

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	200	14,076
3.2	Proceeds from issue of convertible notes	229	1,124
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(680)	(1,541)
3.5	Proceeds from borrowings	-	635
3.6	Repayment of borrowings	-	(75)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(251)	14,219

Mining exploration entity and oil and gas exploration entity quarterly report

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	11,533	1,871
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,388)	(9,144)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(251)	14,219
4.5	Effect of movement in exchange rates on cash held	(5)	(57)
4.6	Cash and cash equivalents at end of period	6,889	6,889

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	6,889	6,889
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,889	6,889

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	-
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Mining exploration entity and oil and gas exploration entity quarterly report

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	5,326	5,326
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Capital Receivables Facility \$2.2m – interest rate 14.85%, secured over the Mineral Exploration Tax Credit (METC) claim for C\$3m. The Company is currently in discussions with the Canada Revenue Agency regarding the final assessment of the METC.

Lenark Offset Loan Agreement \$1.7m – interest rate 10%, unsecured, maturity date extended to 31 December 2017, subject to partial repayment on a capital raise. Lenark and the Company are currently in discussion in relation to repayment terms for this facility.

Lenark Nominee Loan Agreements \$635k – interest rate 10%, unsecured, maturity date of 2 April 2017. This has now been repaid.

Kuro Coal Ltd Convertible Notes \$800k – no interest rate, convertible into Kuro ordinary shares at \$0.10 per share, redeemable for cash by noteholders or repurchased by the company. The Company is currently investigating an IPO of Kuro.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	636
9.2 Development	-
9.3 Production	-
9.4 Staff costs	601
9.5 Administration and corporate costs	800
9.6 Other (provide details if material)	654
9.7 Total estimated cash outflows	2,691

Mining exploration entity and oil and gas exploration entity quarterly report

9.1 – Exploration and evaluation includes tenement payments and the baseline monitoring.

9.5 – Admin and Corporate costs includes accrued one-off payments to former directors, and one-off capital raise payments and legal expenses relating to the December 2016 Placement.

9.6 - Other includes repayment of the Lenark Nominees Loans. As no EGM was arranged prior to the maturity date, the nominees did not convert their respective portions to scrip.

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director)

Date: 30 April 2017

Print name: James Chisholm

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.