

Atrum Coal Commences Phase Two Drilling at Elan South

HIGHLIGHTS

- Phase Two drilling commenced at Elan South in the week of 13 August 2018
- A permit amendment to add up to 11 additional drill hole locations at Elan South has been approved. This will give the Company more flexibility to explore the site.
- International mining consultant, Palaris Australia, has been appointed to assist Atrum in evaluating and modelling historical exploration data for JORC resources for all Elan project areas, as well as assisting with routine ASX compliance reviews.

Atrum Coal Ltd (“Atrum” or the “Company”) (ASX: ATU) is pleased to update shareholders on recent progress and planning at the Elan Coking Coal Project in southwest Alberta, Canada.

Phase Two drilling at Elan South for the 2018 exploration program commenced in the week of 13 August 2018 with a newly appointed drilling contractor, and 5 new holes have been completed at the time of this news release. Intersections of significant coal layers have been observed during the drilling, and coal was also exposed in the road building effort.

Managing Director, Max Wang, commented: *“The next stage of drilling at Elan South has commenced and we are encouraged by the results. With the price of premium hard coking coal consistently over US\$180/t and an increasing global interest in Western Canadian hard coking coal assets, the Company is excited about the prospects at Elan.”*

As always, best practices have been employed for field testing, geological and geophysical data logging and sample collection as part of the routine exploration activity; coal samples from drill cuttings were sent to an accredited laboratory for testing while non-coal cutting samples have been bagged and stored near the Elan site for future testing and evaluation.

The road construction, field survey and geology model updating have been all essentially completed. This has increased the flexibility and effectiveness of the Phase Two program.



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J. Chisholm
J. Stedwell

Key Projects
Groundhog
Elan
Bowron River

Ownership: 100%
Ownership: 100%
Ownership: 100%



Figure 1. Phase Two Drilling at Elan South



Figure 2. One recently completed Phase Two drill hole

The Company has also received approval from the Alberta government for an amendment to the 2018 drilling permit to add up to 11 additional drill hole locations at Elan South, giving the Company more options to explore the project site. The Phase Two drilling program is planned to be completed in mid-September, followed by a large diameter coring program for coal quality and washability testing.

A more detailed update will be provided once drilling has been completed and results reviewed by an independent JORC accredited Competent Person.

The Company has appointed a well-known international mining consulting firm, Palaris Australia Pty Ltd (“Palaris”, ABN 13 093 424 867) to assist in evaluating historical exploration data for the purpose of geological modelling and resource estimation of different project areas at Elan Coal in accordance with the JORC Code (2012), as well as providing independent ASX compliance reviews. As previously reported, a large amount of data is available, including that from a total of 216 drill holes and more than 200 adits and field trenches. This data is the result of decades of historical exploration work in various areas of Elan Coal and is a huge value to the Elan project. Together with the field work, the 2018 program is aimed at significantly increasing the JORC resources of the Elan project, and to more accurately determine the key coking properties and potential product types for Elan hard coking coal.

Palaris has been appointed to replace JORC Competent Person, Mr Shaun Tamplin who is no longer available to assist the Company due to a new career endeavour. The Company greatly appreciates the past independent professional services in geological support and JORC Competent Person reviews by Mr. Shaun Tamplin and wishes him well in his new position.



Figure 3. Road construction for Phase Two drilling at Elan South

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