

# Appendix 5B

## Mining 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

Name of entity

**Atrum Coal NL**

ABN

153 876 861

Quarter ended ("current quarter")

31 December 2013

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration & evaluation	(5,338)	(8,662)
(b) development	-	-
(c) production	-	-
(d) administration	(836)	(1,057)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	17	28
1.5 Interest and other costs of finance paid	(16)	(16)
1.6 Income taxes paid	-	-
1.7 Other - (GST paid/received)	166	406
Other – Spin out costs	(122)	(122)
<b>Net Operating Cash Flows</b>	<b>(6,129)</b>	<b>(9,423)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(18)	(18)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (Performance Bond)	-	-
<b>Net investing cash flows</b>	<b>(18)</b>	<b>(18)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(6,146)</b>	<b>(9,440)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(6,146)	(9,440)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	19,389	19,389
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	883	2,878
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Share issue costs)	(1,213)	(1,291)
	<b>Net financing cash flows</b>	<b>19,059</b>	<b>20,976</b>
	<b>Net increase (decrease) in cash held</b>	<b>12,913</b>	<b>11,536</b>
1.20	Cash at beginning of quarter/year to date	705	2,144
1.21	Exchange rate adjustments to item 1.20	193	132
1.22	<b>Cash at end of quarter *</b>	<b>13,811</b>	<b>13,811</b>

\*Any fractional differences are due to rounding

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	222
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 refers to payments to Directors and related parties for the period including October, November and December (inclusive).

Item 1.2 Includes exploration expenditure incurred during the quarter relating to the Groundhog Anthracite Project.

Item 1.16 refers to the Offset Loan Agreement executed on 30 June 2013 between Lenark Pty Ltd (an entity associated with the Chairman, Mr James Chisholm) and Atrum Coal NL, as varied on 29 September 2013.

+ See chapter 19 for defined terms.

### Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities (as at 31 December 2013)	2,644	2,038
3.2 Credit standby arrangements	-	-

#### Notes:

- Loan facilities outlined in item 3.1 above refers to the Offset Loan Agreement executed on 30 June 2013 between Atrum Coal NL and Lenark Pty Ltd, an entity associated with the Chairman, Mr James Chisholm in the amount of \$2,681,927. On 29 September 2013, Atrum Coal NL and Lenark Pty Ltd executed a Deed of Variation under which Lenark Pty Ltd (an entity associated with the Chairman, Mr James Chisholm) extended an additional \$2,000,000 loan credit facility, extending the total loan facility to \$4,681,927.
- The amount available under the Offset Loan Agreement and the Deed of Variation as at 31 December 2013 is \$2,644,000.

During the Quarter, Lenark converted the following amounts against the outstanding balance of the Partly Paid Shares, thereby reducing the amount of the outstanding loan:

- 29 October 2013 – Conversion of 850,000 Partly Paid Shares – Reduction in the outstanding loan balance equal to \$169,932; and
- 18 November 2013 – Conversion of 3,350,000 Partly Paid Shares – Reduction in the outstanding loan balance equal to \$669,732.

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,000
4.2 Development	-
4.3 Production	-
4.4 Administration (including spin out costs)	500
<b>Total</b>	<b>2,500</b>

+ See chapter 19 for defined terms.

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3,755	589
5.2 Deposits at call	10,056	115
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>13,811</b>	<b>705</b>

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements acquired or increased	Nil		

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 <b>Preference securities</b> <i>(description)</i>	-	-		
7.2 Changes during quarter				
7.3 <b>Ordinary securities</b>	134,725,852	76,205,842	Fully Paid	Fully Paid
	27,623,740	-	Partly Paid - \$0.20	\$0.00008 per share
7.4 Changes during quarter				
(a) Increases through issues	13,399,592	13,399,592	\$1.40	\$1.40
(b) Decreases through returns of capital, buy-backs	7,351,260 <sup>(1)</sup>	-	\$0.20	\$0.20
(c) Other changes				
7.5 <b>Convertible debt securities</b> <i>(description)</i>	-	-		
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	-	-	<i>Exercise price</i> -	<i>Expiry date</i> -
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 <b>Performance Rights</b>	1,741,250 1,691,250 2,203,750	Nil Nil Nil	Class 3 Class 7 Class 8	
7.12 Issued during quarter				
7.13 Exercised during quarter				
7.14 Expired during quarter	-	-		
7.15 <b>Debentures</b> <i>(totals only)</i>	-	-		
7.16 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		

**Notes:**

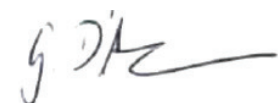
(1) Conversion of partly paid shares

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Executive Director)

Date: 30 January 2014

Print name: Gino D'Anna

## 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==