

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 876861

Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,384	1,384
1.2 Payments for		
(a) exploration & evaluation	(1,638)	(1,638)
(b) development	-	
(c) production	-	
(d) staff costs	(442)	(442)
(e) administration and corporate costs	(542)	(542)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (GST received)	49	49
1.8 Other (Inventory purchase)	-	-
1.9 Net cash from / (used in) operating activities	(1,189)	(1,189)

1.1 "Receipts from customer" represents receipt of the second instalment of inventory repurchase by ACG and amounts refunded by JOGMEC with respect to exploration work carried out on Panorama project.

1.2(d) includes \$40k paid with respect to holiday pay due to two members of staff who resigned during the quarter.

1.3(e) includes an amount of \$89K paid with respect to long outstanding creditors.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
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	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
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	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	4,391	4,391
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,189)	(1,189)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
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)	-	-
4.5	Effect of movement in exchange rates on cash held	(3)	(3)
4.6	Cash and cash equivalents at end of period	3,199	3,199

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	3,199	4,391
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)	3,199	4,391

6. Payments to directors of the entity and their associates

- 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

**Current quarter
\$A'000**

(68)

-

Amount in 6.1 represents outstanding directors fees

7. Payments to related entities of the entity and their associates

- 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

**Current quarter
\$A'000**

-

-

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	4,327	4,327
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 \$1.7m outstanding– interest rate 14.85%, secured over the Mineral Exploration Tax Credit (METC) claim for C\$1.75m (Aus\$1.8m). The Company has received final assessment from the Canada Revenue Agency for an amount of \$1.75m (Aus\$1.8m), which is expected to be received during the next quarter.

Lenark Offset Loan Agreement \$1.8m – interest rate 10%, unsecured, maturity date extended to 31 December 2017, subject to partial repayment on a capital raise. Subsequent to 30 September 2017, the Company and Lenark have signed an agreement for the repayment of the loan. The loan will be reduced to \$1.6m through a cash repayment, which will be repaid through monthly instalments of \$30,000 at an interest of 8% per annum. The loan may be partly repaid through the issuance of shares at the option of Lenark.

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	155
9.2 Development	-
9.3 Production	-
9.4 Staff costs	230
9.5 Administration and corporate costs	354
9.6 Other (provide details if material)	409
9.7 Total estimated cash outflows	1,148

9.1 – Exploration and evaluation includes geologists and reporting costs on work carried out in Kuro Elan project;

9.6- Amount includes (i) payment of \$71K as interest on Moneytech loan and (ii) repayment to Lenark following the agreement signed (see 8.4 above). A repayment of the Moneytech loan of \$1.7m is expected in the coming quarter, upon the receipt of the METC refund from the Canadian Revenue Agency;

According to the agreement with the supplier of coal, a total amount of \$900K is expected to be received during the next quarter for the return of coal inventory.

Appendix 5B

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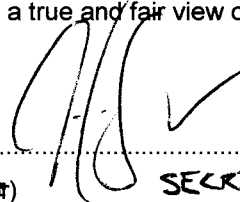
10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and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

Subsequent to the quarter, Atrum relinquished approximately 200 km² of its previously held 800 km² coal licences to reduce the annual maintenance fee of Atrum's Groundhog Coalfield tenements. The tenements that were relinquished are considered to hold little potential to economically recover coal.

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)~~ SECRETARY

Date: 31 October 2017

Print name

Justyn Stedwell

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.