

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2018

### HIGHLIGHTS

- **Successful completion of A\$8.0 million placement**
- **Entitlement issue of 1 for 5 shares in progress**
- **Completion of Elan Coal Ltd. acquisition**
  - Discussions on-going with potential investors to jointly explore and develop Elan properties
- **Received exploration permit approval to begin work at Elan South**
  - A two-year Coal Exploration Permit (CEP) granted in March
  - Drilling planned for mid-June
- **Anthracite coal quality analysis and summary reports for the 2017 Panorama North drilling samples nearing completion; coal quality report completed in April 2018**
- **JOGMEC earns-in 21% interest in Panorama North and the JV approved the third year 2018 exploration budget of \$1.89M on Panorama North, fully funded by JOGMEC.**

Atrum Coal Ltd (“**Atrum**” or the “**Company**”) (**ASX: ATU**) is pleased to provide its Quarterly Activities Report for the period ending 31 March 2018.

Non-Executive Chairman Charles Blixt commented: *“Our focus during the quarter has been on raising funds through share placements and closing the acquisition of the Elan hard coking coal project in Alberta, Canada. Both have been completed successfully. We will now be undertaking some major exploration at Elan Coal during 2018, with a focus on the Elan South area. We look forward to starting the field work in June and to keeping the market updated on our progress.”*



**Registered Office**  
Unit 1B, 205-207 Johnston Street  
Fitzroy, VIC 3065  
T +61 3 9191 0135  
E [info@atrumcoal.com](mailto:info@atrumcoal.com)  
[www.atrumcoal.com](http://www.atrumcoal.com)

**Board of Directors**  
Non-Exec Chairman  
Managing Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Company Secretary

C. Blixt  
M. Wang  
C. Fear  
G. Edwards  
J. Chisholm  
J. Stedwell

**Key Projects**  
Groundhog  
Elan  
Bowron River

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

## Brief Market Update

The first quarter of 2018 showed minor changes in prices of coking coals, while anthracite prices have remained stable. (see price charts below from Resource-Net).

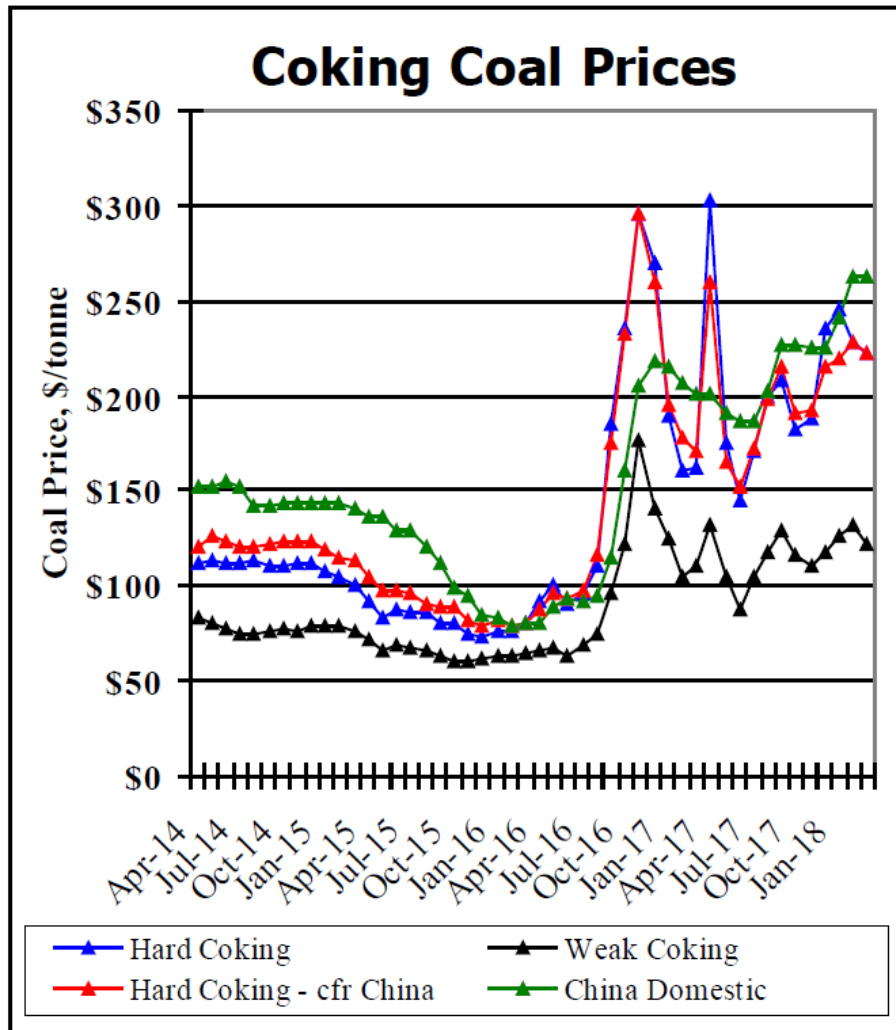


Figure 1: Coking Coal Price Chart

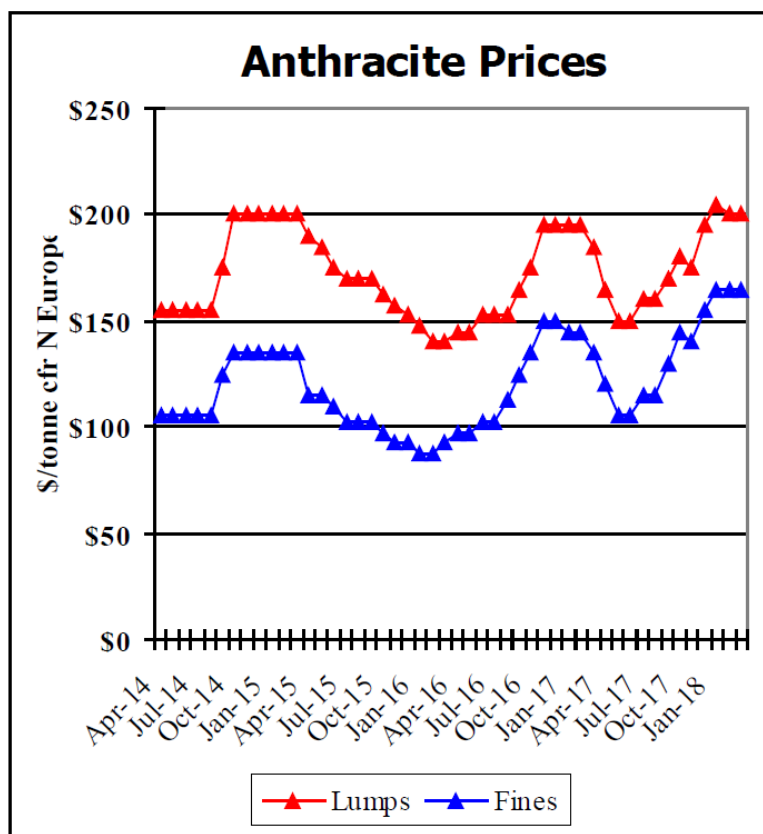


Figure 2: Anthracite Price Chart

## Elan Project Update

### Elan Coal Ltd. Acquisition Completed

Atrium Coal Ltd. acquired 100% of Elan Coal Ltd. in late March, 2018. The Elan Coking Coal properties in Southern Alberta, Canada have six areas known to hold shallow emplacements of high quality hard coking coal. The Elan South project, one of six distinct project areas in Elan, is adjacent and contiguous with the Riversdale Resources Ltd.'s Grassy Mountain project, and close to critical infrastructure for development.

Further details of the Elan acquisition can be found in the Company's 29th March 2018 news release, *Completion of Acquisition of Elan Coal Ltd.* available from the following link:

<https://www.asx.com.au/asxpdf/20180329/pdf/43stkh2037wyvk.pdf>

### Elan South Project Receives Coal Exploration Permit

Elan Coal Ltd. received a Coal Exploration Permit in March allowing the field exploration to be carried out in the Elan South project area. An extensive drilling program is planned from June to August 2018 and includes a Large Core Diameter (LDC) coring program to better understand the coal quality characteristics of Elan South. Large sample masses are expected to be obtained from the LDC program for various testing, with washability and coke strength after reaction (CSR) two of the key properties of significant interest to Atrium.

Additional information regarding the Elan South permit approval can be found in the Company's 23rd March 2018 news release <https://www.asx.com.au/asxpdf/20180323/pdf/43sp234s202k88.pdf>, *Atrum Coal Receives Elan South Coal Exploration Permit*.

During the quarter, the Company continued the finalisation of the upcoming Elan South drilling and exploration program planned for June, July, and August 2018.

Objectives of the Elan South drilling and exploration program included:

- Further define and expand on the current Elan South JORC Resource Estimate
  - o Further details of the current resource report can be found in the Company's 2 November 2017 news release, *Kuro Coal announces Elan South Resource Estimate* from the following link: <http://atrumcoal.com/wp/wp-content/uploads/2017/11/ATU-1.pdf>
- Identify additional coal surface exposures
- Verify geological model predictions and historic surface data
- Begin acquiring environmental baseline data in the project area

The Company continued discussions with potential partners/investors to jointly explore and develop the Elan properties.

## Panorama North Anthracite Project

During and subsequent to the quarter, the Company finalised the preliminary geology and coal report on the Panorama North drilling campaign completed in 2017; Figure 3 illustrates the drill holes completed to date by the JV Exploration Agreement. Results from the 2017 program are encouraging and will help guide the proposed 2018 drilling and mapping efforts. After reviewing the 2017 results and the 2018 proposed exploration plans, Japan Oil, Gas and Metals National Corporation ("JOGMEC") committed to the third year of the JV Exploration agreement. Additional information regarding the 2017 Panorama North drilling results and the commitment to the 2018 JV exploration program can be found in the Company's 4<sup>th</sup> of April 2018 news release *Panorama North Project - 2017 Coal Quality Results and JV Exploration Program Update*, available at the following link:

<https://www.asx.com.au/asxpdf/20180404/pdf/43sy74fwbwt67.pdf>

The Panorama North Project is made up of 12 titles and covers an area of 74 Km<sup>2</sup>. (Please see Tenement summary at the end of this report)

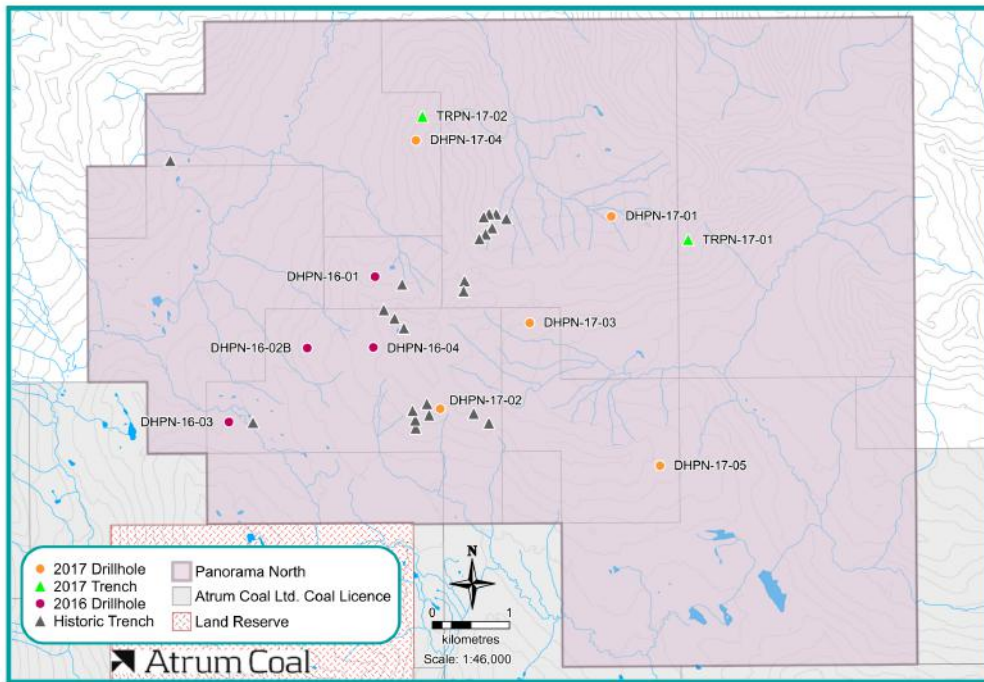


Figure 3: Drillholes and Trenches at Panorama North.

## Groundhog Anthracite Project

The Groundhog Anthracite Project (Groundhog) is in the Groundhog Coalfield in north-western British Columbia, Canada. Atrum’s current Groundhog tenements consist of 59 titles and cover an area of approximately 553 km<sup>2</sup> (Please see Tenement summary at the end of this report). Groundhog is prospective for high grade and ultra-high-grade anthracite suitable for use in the manufacture of blast furnace steel, as well as electric arc furnaces, as a reductant, filter media, and feedstock for chemical production.

During and subsequent to the quarter, the Company continued discussions with potential joint venture partners for future exploration and development of the Groundhog areas. The Company will update shareholders when progress is made to secure additional Joint Venture Partners for Groundhog.

In an effort to reduce costs to the Groundhog project, the Company relinquished non-core coal licences. The licences that were released were not part of either the Groundhog North project or the Panorama North project. A current map of the Company’s coal licences in the Groundhog Coalfield can be seen in Figure 4. Cost savings are estimated to be around \$50K per annum. A further study is being carried out in relation to some of the other non-core areas.

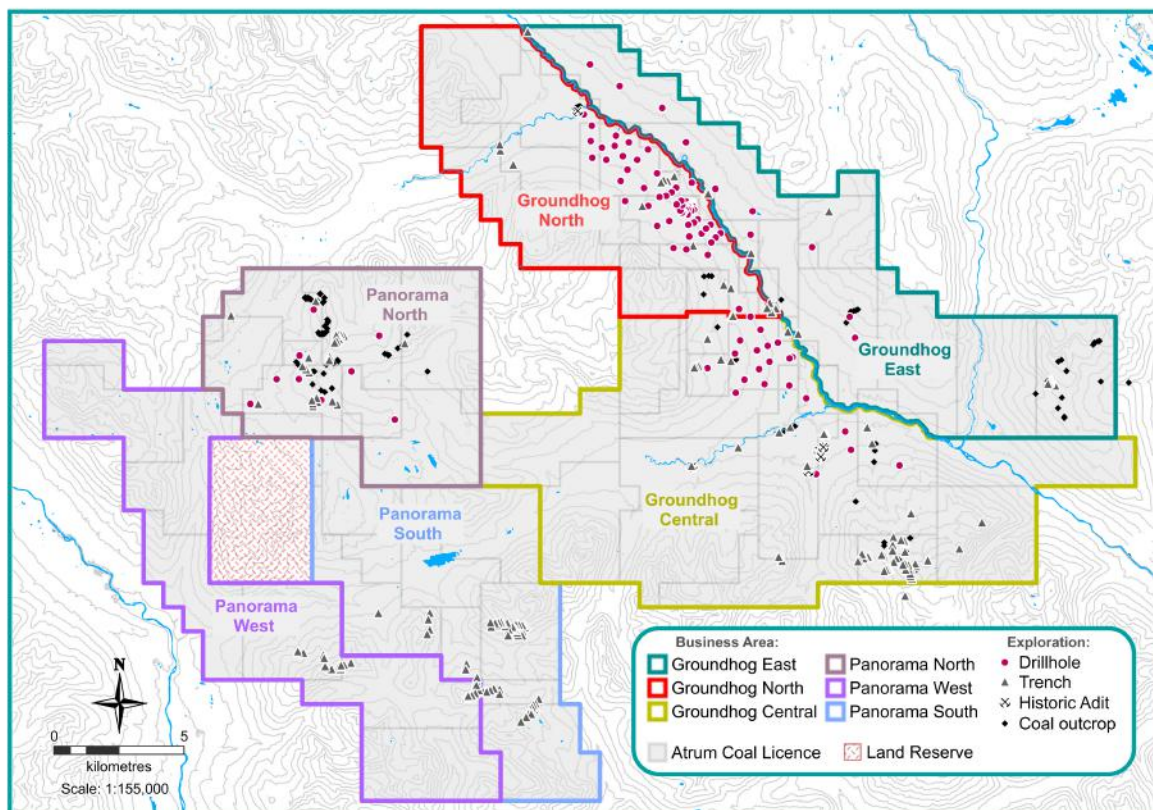


Figure 4: The Company's current coal licences at the Groundhog and Panorama Project areas.

## Atlantic Carbon Group PLC

During the quarter ended 31 March 2018, the Company recovered \$160K from Atlantic Carbon Group PLC (ACG) and a further \$160K in April 2018 with respect of the inventory held. The carrying value of the inventory after the payment in April has reduced to USD 980K.

## CORPORATE

### Financing Placement

During the quarter the Company announced and completed a placement of 80,000,000 shares at A\$0.10 for an amount of A\$8M, of which 30,500,000 shares were issued during the quarter and the balance will be issued after the AGM scheduled for the 31st of May. The proceeds of the placement were used as cash consideration for 100% interest in Elan project acquisition, in Alberta Canada. A further 19,690,490 shares, valued at \$3.65M, were issued to the vendors of the Elan project for the non-cash consideration.

During the quarter, 7,500,000 shares at a share price of \$0.10, were issued to the Kuro Convertible note holders who opted, further to an offer made during the quarter, to redeem their note against Atrum shares.

The Company announced an Entitlement Issue to eligible shareholders for one new share for every 5 held at a price of \$0.10 per share. The Company expects to raise around \$2M from the Entitlement Issue.

## Other Items

### *Joint Venture – Panorama Project*

JOGMEC has earned in 21% interest in the Panorama project, after spending \$3.1M in exploration at the site. The Joint Venture is expected to complete a program of \$1.89M in 2018, at which point JOGMEC will earn in 35% of the project.

## For further information, contact:

### **Max Wang**

Managing Director/CEO

**M** +1 403 973 3137

[mwang@atrumcoal.com](mailto:mwang@atrumcoal.com)

### **Justyn Stedwell**

Company Secretary

**P** +61 3 9191 0135

[jstedwell@atrumcoal.com](mailto:jstedwell@atrumcoal.com)

### **Nathan Ryan**

Investor Relations

**M** +61 420 582 887

[nathan@atrumcoal.com](mailto:nathan@atrumcoal.com)

## TENEMENT SUMMARY

Tenure Number	Owner	Project	Tenure Type	Tenure Sub Type	Area (ha)
394847	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	259.0
394848	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	259.0
394849	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	259.0
417079	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	991.0
417080	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	565.0
417081	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	636.0
417082	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	212.0
417085	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1031.0
417088	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	777.0
417089	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	142.0
417090	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	568.0
417094	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	71.0
417095	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	425.0
417096	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	71.0
417098	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1204.0
417100	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	71.0
417101	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	960.0
417291	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	73.0
417293	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	426.0
417294	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	284.0
417295	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	851.0
417297	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	918.0
417298	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1059.0
417300	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	355.0
417301	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	851.0
417520	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	212.0
417521	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	142.0
417522	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	71.0
417523	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	354.0
417528	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	142.0
418443	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1416.0
418444	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1416.0
418445	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1417.0
418446	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1205.0
418587	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1411.0
418588	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1412.0
418589	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1273.0



Tenure Number	Owner	Project	Tenure Type	Tenure Sub Type	Area (ha)
418590	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1415.0
418924	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1239.0
418925	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1332.0
418926	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1280.0
418927	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	354.0
418928	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1416.0
418929	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1419.0
418930	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1420.0
418931	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1421.0
418932	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1421.0
418941	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1418.0
418942	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1417.0
418943	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1416.0
418944	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1416.0
418950	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1418.0
418951	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1418.0
418952	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1417.0
418955	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1265.0
418959	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1414.0
418960	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1412.0
418962	Atrum Coal Groundhog Inc.	Groundhog	Coal	Licence	1136.0
419192	Atrum Coal Groundhog Inc.	Groundhog	Coal	Application	600.0
417084	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	708.0
417086	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	142.0
417292	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	279.0
417296	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	71.0
417299	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	779.0
417525	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	425.0
417526	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	707.0
417527	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	71.0
418953	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	1346.0
418957	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	1415.0
418958	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	1345.0
418961	Atrum Coal Panorama Inc.	Panorama North	Coal	Licence	71.0
418103	Atrum Coal Peace River Inc.	Bowron River	Coal	Application	1050.0
419157	Atrum Coal Peace River Inc.	Bowron River	Coal	Application	1350.0
419159	Atrum Coal Peace River Inc.	Bowron River	Coal	Application	1350.0
<b>Total</b>					<b>63362.0</b>

Tenure Number	Owner	Project	Tenure Type	Tenure Sub Type	Area (ha)
120019501	Elan Co Ltd.	Elan	Coal Category 2	Application	1536.0
120019502	Elan Co Ltd.	Elan	Coal Category 2	Application	1616.0
120019503	Elan Co Ltd.	Elan	Coal Category 2	Application	1723.9
120019504	Elan Co Ltd.	Elan	Coal Category 2	Application	1662.2
120019505	Elan Co Ltd.	Elan	Coal Category 2	Application	1536.0
120019506	Elan Co Ltd.	Elan	Coal Category 2	Application	768.0
120019507	Elan Co Ltd.	Elan	Coal Category 2	Application	1629.3
120071201	Elan Co Ltd.	Elan	Coal Category 2	Application	1936.0
120071202	Elan Co Ltd.	Elan	Coal Category 2	Application	64.0
120071203	Elan Co Ltd.	Elan	Coal Category 2	Application	1840.0
120071204	Elan Co Ltd.	Elan	Coal Category 2	Application	1645.0
120071205	Elan Co Ltd.	Elan	Coal Category 2	Application	1582.1
120071206	Elan Co Ltd.	Elan	Coal Category 2	Application	112.0
120071207	Elan Co Ltd.	Elan	Coal Category 2	Application	960.0
120071208	Elan Co Ltd.	Elan	Coal Category 2	Application	1687.3
120286501	Elan Co Ltd.	Elan	Coal Category 2	Application	16.0
120286502	Elan Co Ltd.	Elan	Coal Category 2	Application	16.0
120286503	Elan Co Ltd.	Elan	Coal Category 2	Application	64.0
120286504	Elan Co Ltd.	Elan	Coal Category 2	Application	208.0
120286505	Elan Co Ltd.	Elan	Coal Category 2	Application	48.0
120286506	Elan Co Ltd.	Elan	Coal Category 2	Application	114.0
120286507	Elan Co Ltd.	Elan	Coal Category 2	Application	144.0
120286508	Elan Co Ltd.	Elan	Coal Category 2	Application	852.9
130011401	Elan Co Ltd.	Elan	Coal Category 2	Application	256.0
130011402	Elan Co Ltd.	Elan	Coal Category 2	Application	128.0
130011403	Elan Co Ltd.	Elan	Coal Category 2	Application	96.5
130011404	Elan Co Ltd.	Elan	Coal Category 2	Application	128.0
<b>Total</b>					<b>22369.2</b>