

ASX Release

30 November 2016

## UPDATED CORPORATE PRESENTATION

An updated corporate presentation is attached that Executive Chairman Robert Bell, will present at the Atrum Coal NL AGM today.

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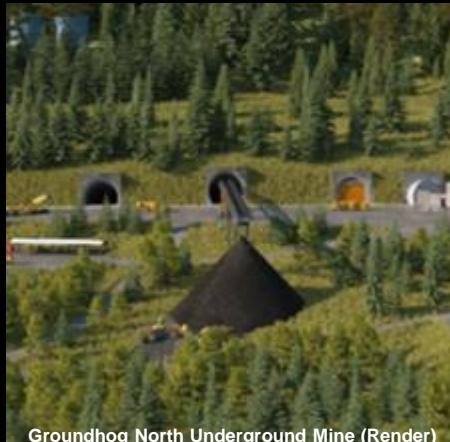
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**Board of Directors**  
Executive Chairman  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Company Secretary

R. Bell  
J. Chisholm  
S. Boulton  
C. Vorias  
J. Wasik  
T. Renard

**Key Projects**  
Groundhog  
Naskeena  
Bowron River

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



Groundhog North Underground Mine (Render)



Activated Carbon



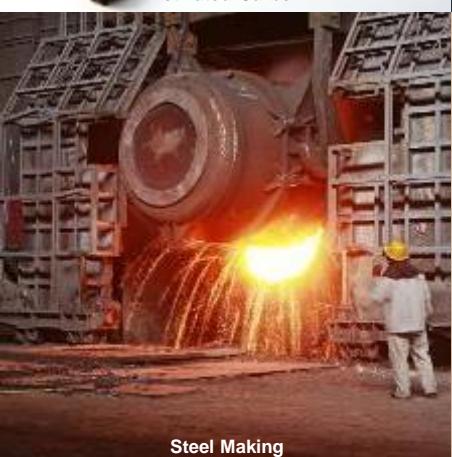
Carbon Electrodes



Stockton Open-Cut Mine



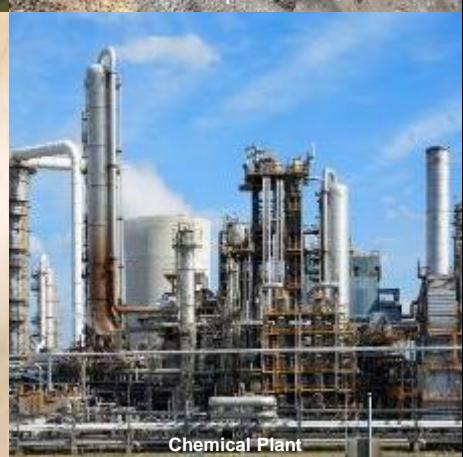
Carbon Cathode



Steel Making



High Grade Lump Anthracite



Chemical Plant

“Atrum aims to become the world’s largest exporter of ultra-high grade anthracite”

30 November 2016

# Important Information

## Forward Looking Statements

This presentation includes various forward looking statements which are identified by the use of forward looking words such as "may", "could", "will", "expect", "believes", "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. Statements other than statements of historical fact may be forward looking statements. Atrum believe that it has reasonable grounds for making all statements relating to future matters attributed to it in this presentation.

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. Investors should note that any reference to past performance is not intended to be, nor should it be, relied upon as a guide to any future performance.

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. Actual results, values, performance or achievements may differ materially from results, values, performance or achievements expressed or implied in any forward looking statement. None of Atrum, its officers or any of its advisors make any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any results, values, performance or achievements expressed or implied in any forward looking statement except to the extent required by law.

Forward looking statements in this release 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.

## Competent Person Statement

### Exploration Results

The information in this document that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr Nick Gordon, who is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of Gordon Geotechniques Pty Ltd. Mr Gordon has read and understands the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). Mr Gordon is a Competent Person as defined by the JORC Code, 2012 Edition, having twenty eight years' experience that is relevant to the style of mineralisation and type of deposit described in this document.

Neither Mr Gordon nor Gordon Geotechniques Pty Ltd have any material interest or entitlement, direct or indirect, in the securities of Atrum or any companies associated with Atrum. Fees for the preparation of this report are on a time and materials basis. Mr Gordon visited the Groundhog project area on 21 March 2014 whilst exploration personnel were preparing for the next drilling program. Two days were also spent with Atrum geological personnel in Victoria, British Columbia evaluating the geological, coal quality and geotechnical information relevant to the Groundhog project area.

This announcement relates to information in the ASX Announcement made by the Company on 22 June 2016: "Updated Pre-Feasibility Study – Low Capital Starter Mine for Groundhog North" and 14 August 2015: "Atrum Coal Increases Groundhog North Resource" (Previous Announcements).

The Company confirms that it is not aware of any new information or data that materially affects the Previous Announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the Prior Announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Prior Announcements

### Coal Resources

The coal resources documented in this report were estimated in accordance with the guidelines set out in the JORC Code, 2012. They are based on information compiled and reviewed by Mr Nick Gordon, who is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of Gordon Geotechniques Pty Ltd.

With more than 28 years of experience in open cut and underground coal mining, Mr Gordon has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify him as a Competent Person as defined in the JORC Code, 2012 Edition.

Neither Mr Gordon nor Gordon Geotechniques Pty Ltd have any material interest or entitlement, direct or indirect, in the securities of Atrum or any companies associated with Atrum. Mr Gordon consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

# Corporate Overview

## Groundhog Project

The world's largest undeveloped ultra-high grade anthracite deposit in British Columbia, Canada

## US Sales Joint Venture

Atrum has agreed to form a Joint Venture with Atlantic Carbon Group to manage export sales from its anthracite mines in Pennsylvania, USA

## Management

In-country team led by Executive Chairman Bob Bell

## Capital Structure (ASX Listed Public Company)

<b>Shares on issue</b> Fully diluted	204 million
<b>Share price</b> (29/11/16)	A\$0.57
<b>Market capitalisation</b> Fully diluted	A\$117 million



**Atrum is on the path to becoming a global leader in the export of ultra-high grade anthracite**

# Atrum Coal

## Directors and Management



### **Bob Bell**

#### **Executive Director and Chairman**

Bob is a mining engineer with more than 35 years' experience in the Canadian mining industry, including roles in production, sales and marketing, and executive management. Bob was previously at Teck Resources, as Chief Commercial Officer, Coal from (2007–2013). Bob was also a previous Chairman of the Canadian Coal Association and Chairman of Neptune Bulk Terminals (Canada) Ltd.



### **Cameron Vorias**

#### **Non-Executive Director**

Cameron has over 25 years' experience of both metalliferous, and coal mining operations. He is currently Managing Director of Sojitz Coal Mining Pty Ltd. Previous roles include director of numerous companies including Peabody Energy Australia Pty Ltd and New Hope Corporation Limited.



### **James Chisholm**

#### **Non-Executive Director**

James has worked in the engineering and mining sectors for 30 years, and has been involved in numerous coal projects around Australia. He was a founding director of Atrum Coal NL, and is a Non-Executive Director of Fertoz Limited (ASX: FTZ) and Ebony Energy Limited.



### **Theo Renard**

#### **VP – Finance, Company Secretary**

Mr Theo Renard CA (SA), CSA, MAICD has 20 years' experience in commercial and investment banking with a focus on the resources sector. He has held senior roles with The Standard Bank of South Africa, Deloitte & Touche and Nedcor Bank Limited, Nedcor Asia Limited, ABN Amro, and Singer Asia Limited.



### **Peter Doyle**

#### **VP – Marketing & Business Development**

Mr Doyle BSc. (Geology) MBA has spent over 20 years in the international coal industry specialising in operations, marketing and asset development. Previous roles include Chief Operating Officer at Cockatoo Coal, Director at Wiggins Island Coal Export Terminal, and Director of ATEC Rail Group.



### **Ann Marie Hann**

#### **VP – External Relations**

Ms Hann has significant experience leading advocacy discussions and strategies in mining and environment related issues across Canada and internationally. She was President of two national resource industry associations, including the Coal Association of Canada, and Deputy Minister of Environment and Labour.



### **Ben Smith**

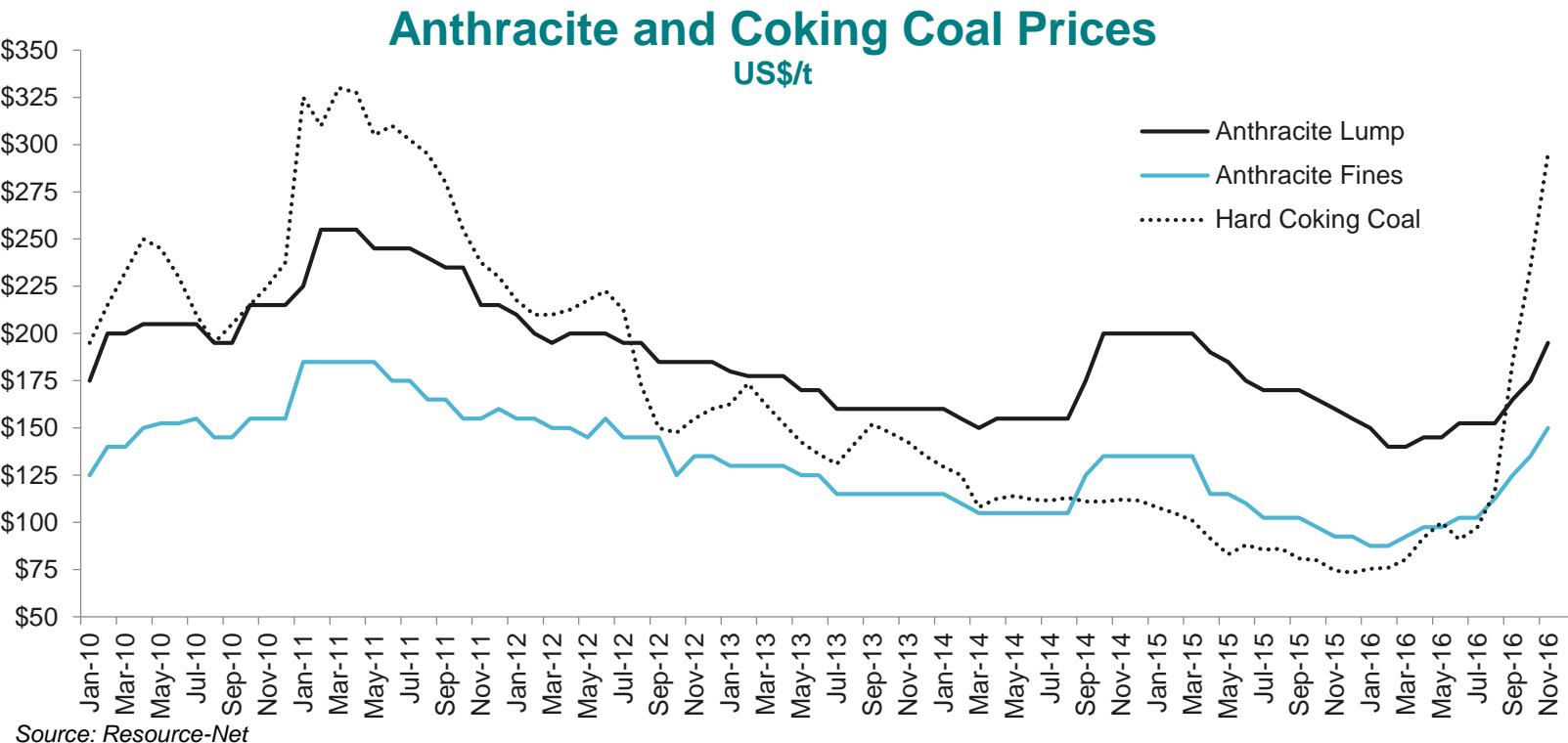
#### **VP – Operations**

Mr Smith, MMEng (Mine Management); Grad Dip (Mine Vent); BEng (Mining, Hons); BCom (Mgmt) has spent 17 years in coal mine operations and international consulting, specialising in mine planning and design, mining engineering, safety, risk engineering and mine management.

## **Significant Board and Executive experience building and operating mines and associated infrastructure**

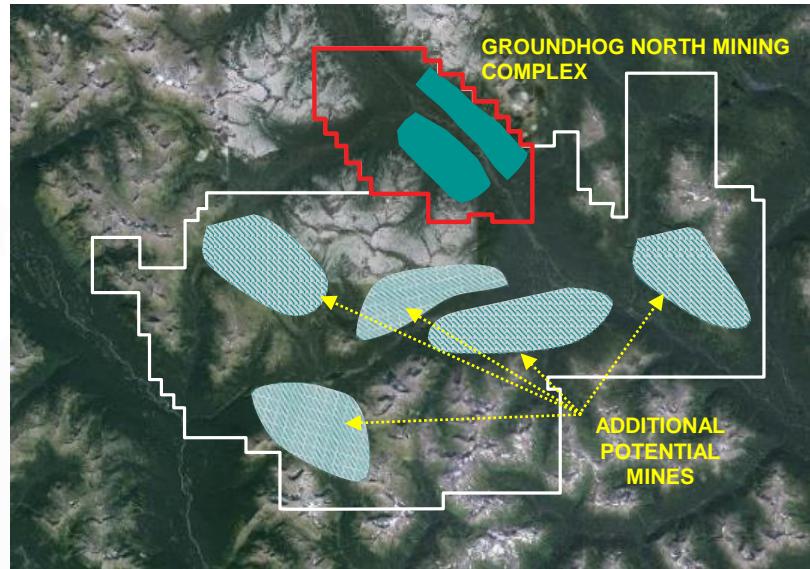
# Anthracite

- Anthracite is the highest grade of coal. It has the highest carbon content, fewest impurities and the highest energy content of all coals.
- Ultra-high grade anthracite (UHG) such as found at Groundhog represents just 0.1% of the worlds coal resources.
- Anthracite is a highly valued industrial mineral, and widely substitutes for metallurgical coke.
- Anthracite prices are rising sharply in line with rapidly appreciating hard coking coal prices.



Anthracite prices are rising sharply, with lumps at \$200/t (CFR Europe and Japan)

# Groundhog Project: Overview



## Groundhog Project, British Columbia, Canada

- **Asset:** world's largest undeveloped ultra-high grade anthracite deposit
- **Access:** Dual access to seaborne ports:
  - south via rail to Ridley Terminals which has spare capacity
  - west via road to Stewart port with two available export facilities
- **Permit:** 100,000t permit in place, and project ready for trial production in 2017
- **Market:** bulk samples to be sent to North Asian customers in 2017

**Groundhog is the world's largest undeveloped ultra-high grade anthracite deposit**

# Groundhog North: Phased development option being considered

Staged development with low initial capital

Low impact operation

Capacity building in mine development

**Atrum  
Pathway  
Option**



Typical Pathway



*\*Small Mines Act Permit may be applied for several years of operation*

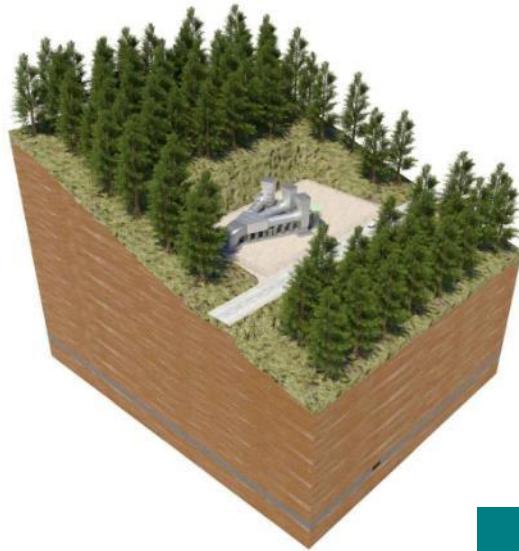
## Phased Development

- Groundhog pathway options being considered make use of BC regulations which enable mine development in stages.
- Ability to de-risk project by phasing expenditure, building a smaller mine first, as pre-cursor to full scale mine.
- Delays full capital commitment to larger mine, and provides early cashflow.
- Provides operating results/history while Environmental assessment (necessary for commercial mine) is underway, enhancing EA proficiency.
- Provides technical guidance and operating efficiencies to be utilized in development of larger mine.

**100,000 tonnes → 250,000ktpa → 880,000ktpa**

# Groundhog North: Ramp-up (880ktpa)

Low impact on surface



TYPICAL SURFACE ARRANGEMENT

Underground development

Staged expansion to de-risk project

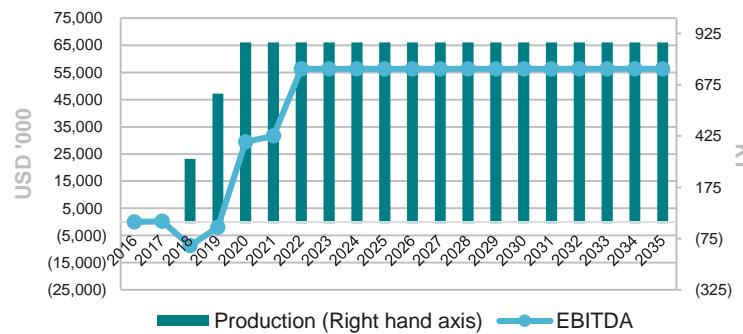
## Ramp-up to commercial production rates

- Progression from 100,000 tonne bulk sample to 880,000tpa mine (see note below)
- Low-impact and low-disturbance mining methods
- Low-cost operations utilising continuous miners
- Transport south via existing rail to access Ridley Terminal, then the western road route to Stewart Port will be constructed to significantly reduce transport costs
- Expands and solidifies customer base and facilitates contract formulation

	Project	Equity
NPV	US\$239M	US\$179M
IRR	21%	38%

Note: Refer to ASX Announcement dated 22 June 2016 "Updated Pre-Feasibility Study" for further information (June Announcement). Refer to June Announcement for further information including material assumptions. All material assumptions underpinning the production target and forecast financial information derived from the production target in the June Announcement continue to apply and have not materially changed.

NPV uses WACC 7.6% ;Long-term average lump anthracite price: US\$179/t ; Long-term average fine anthracite price: US\$128/t; Sales forecasts assume 50:50 split for lump & fine anthracite sales



Low capital entry to mining, with strong returns

# Groundhog Project: Key Achievements

	Key Achievements
Project	<ul style="list-style-type: none"><li>✓ Awarded Permits - for extraction of 100,000 tonnes of anthracite.</li><li>✓ Pre-Feasibility Study - advanced planning for Groundhog North to Pre-Feasibility level, including a phased approach to building a mining complex, including an 880,000tpa (product) mine, resulting in reduced initial capital, and accelerated cashflows.</li><li>✓ Coal Licences - all Atrum Licence Applications have now been converted to Coal Licences, covering 800km<sup>2</sup> at Groundhog. This allows Atrum greater control over the coalfield.</li></ul>
Transport	<ul style="list-style-type: none"><li>✓ Awarded Special Use Permit - to construct road access from Groundhog North to Minaret, providing access to Ridley Terminal via existing rail system, ultimately leading to exports. The permits allow ground-based delivery of equipment, personnel and supplies to site and the transport of product from Groundhog to ports.</li><li>✓ Western Access Route - planned and delineated western access road to Stewart Port which will facilitate reduced operating costs by through shorter haulage routes.</li></ul>
Commercial	<ul style="list-style-type: none"><li>✓ Market Entry - Process of delivering bulk samples from Groundhog for testing and trialling by steel producers established. Orders from several major steel mills received.</li><li>✓ Carbon - MOU signed with European specialty carbon consumer for offtake and marketing of specialty carbon products in Europe.</li><li>✓ Joint Venture - advanced discussion on potential Joint Venture partners for Groundhog North.</li></ul>

**The Groundhog project is positioned for successful commercialisation**

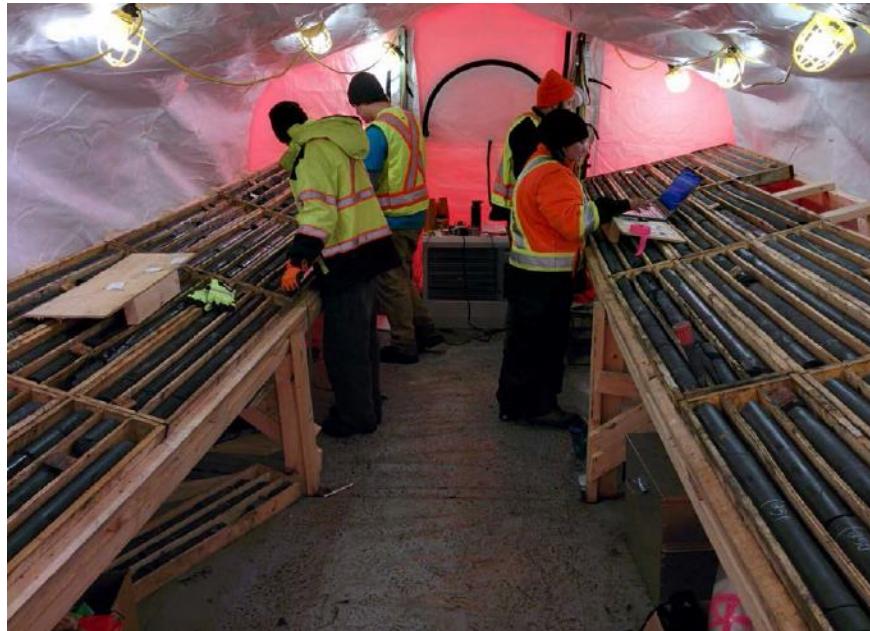
# Groundhog External Relations Update

Key Achievements	
Permitting	<ul style="list-style-type: none"><li>✓ <b>Bulk Sample Permits</b> - award of the Bulk Sample Permit and related permits in May 2016 demonstrates the company's ability to work effectively with a multitude of government ministries and Aboriginal groups.</li><li>✓ <b>Review</b> - Mine Development Review Committee, comprised of multiple government ministries and relevant Aboriginal groups, led regulatory review process of Atrum applications.</li></ul>
Government	<ul style="list-style-type: none"><li>✓ <b>Reputational</b> - Atrum's reputation with government as a credible mining company operating in BC now established.</li><li>✓ <b>Expert Knowledge</b> - knowledge of government decision-making processes.</li><li>✓ <b>Networks</b> - key relationships and networks with government agencies formed.</li></ul>
Aboriginal	<ul style="list-style-type: none"><li>✓ <b>Relationships</b> - proven track record of implementing exploration programs and developing mining plans that respect the local environment and Aboriginal rights.</li><li>✓ <b>Mutual Benefit</b> - established plans that provide mutual benefit to both the Company and to Aboriginal peoples and their businesses.</li><li>✓ <b>Aboriginal Support</b> - Aboriginal service providers and people employed for exploration.</li></ul>

**Atrum is continuing to build a solid foundation of Government and Aboriginal relations**

# Panorama North: Joint Venture with JOGMEC

- Atrum Coal entered into an Exploration Joint Venture with Japan Oil, Gas and Metals National Corporation (JOGMEC).
- During October, exploration drilling was conducted on site at Panorama North. Core samples from the drilling program are currently being analysed.
- Significant coal seams were intercepted in all drill holes and confirm Panorama North as prospective for coal.
- It is anticipated that further exploration programs at Panorama North may be undertaken as part of the JOGMEC Joint Venture agreement in 2017.



**Joint Venture with JOGMEC continues the expansion of the Groundhog Coalfield**

# Atrum Corporate: Key Achievements

	Key Achievements
Commercial	<ul style="list-style-type: none"><li>✓ <b>Agreement to Form US Sales Joint Venture</b> - for export sales of 250,000tpa ultra-high grade anthracite with Atlantic Carbon Group PLC. JV sales expected to provide significant positive cashflow in 2017, to be used developing Groundhog.</li><li>✓ <b>Kuro Coal Assets</b> - identified additional north American hard coking coal opportunities for Kuro Coal and currently considering a public listing of Kuro Coal as originally planned.</li><li>✓ <b>Kuro Coal Board</b> - revised Board for Kuro Coal in preparation for a possible public listing, along with commercial and taxation advice of an in-specie distribution as originally planned.</li></ul>
People	<ul style="list-style-type: none"><li>✓ <b>Executive Chairman</b> - Canadian coal industry veteran Bob Bell elected to lead Atrum Coal, based in Vancouver, Canada.</li><li>✓ <b>Renewed Atrum Board</b> - identified high profile potential new board members and initiated process of succession planning.</li><li>✓ <b>VP - External Relations</b> - highly respected Canadian public coal advocate and ex-Deputy Minister in Government, Ann Marie Hann joined Atrum.</li></ul>
Financial	<ul style="list-style-type: none"><li>✓ <b>BC Anthracite litigation</b> - secured life of asset royalty over all BC Anthracite tenements, and transfer of five additional tenements from BC Anthracite to Atrum Coal.</li><li>✓ <b>Anglo Pacific</b> - completed repayment of the Anglo-Pacific promissory note.</li><li>✓ <b>Corporate Overheads</b> - consolidation of Australian and Canadian offices.</li></ul>

**Atrum has built a position to provide early cashflow at minimal risk and capital**

# US Sales Joint Venture: Overview



## Atlantic Carbon Group

Agreement to form a US Sales Joint Venture with Atlantic Carbon Group in order to undertake export sales (250,000tpa) from east coast USA.

Atlantic Carbon produces premium anthracite from three open-cut mines in north-eastern Pennsylvania, USA.

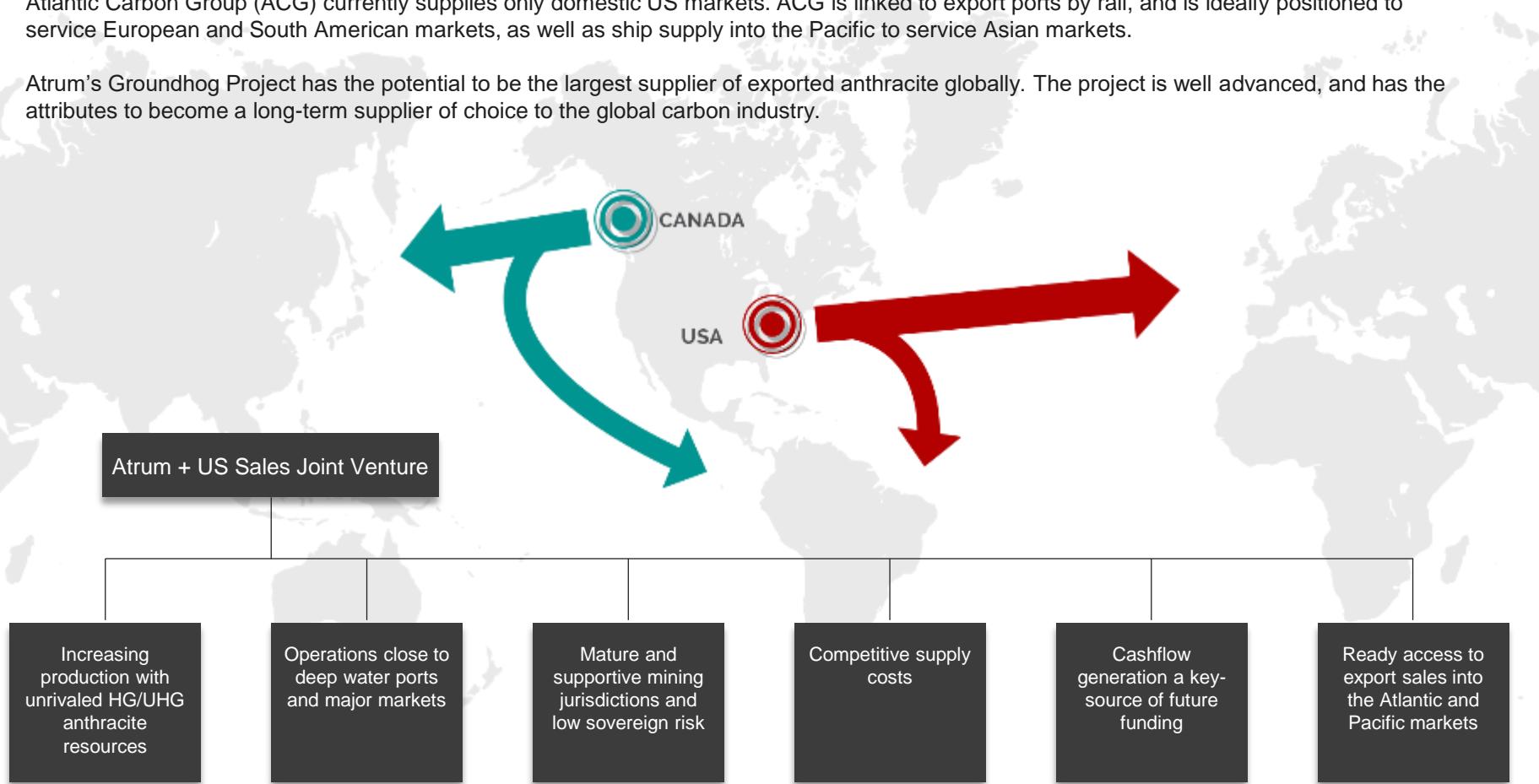


**Atlantic's Stockton Mine had the highest anthracite production of any US anthracite mine in 2015**

# Vision: To be the world's largest exporter of ultra-high grade anthracite

Atlantic Carbon Group (ACG) currently supplies only domestic US markets. ACG is linked to export ports by rail, and is ideally positioned to service European and South American markets, as well as ship supply into the Pacific to service Asian markets.

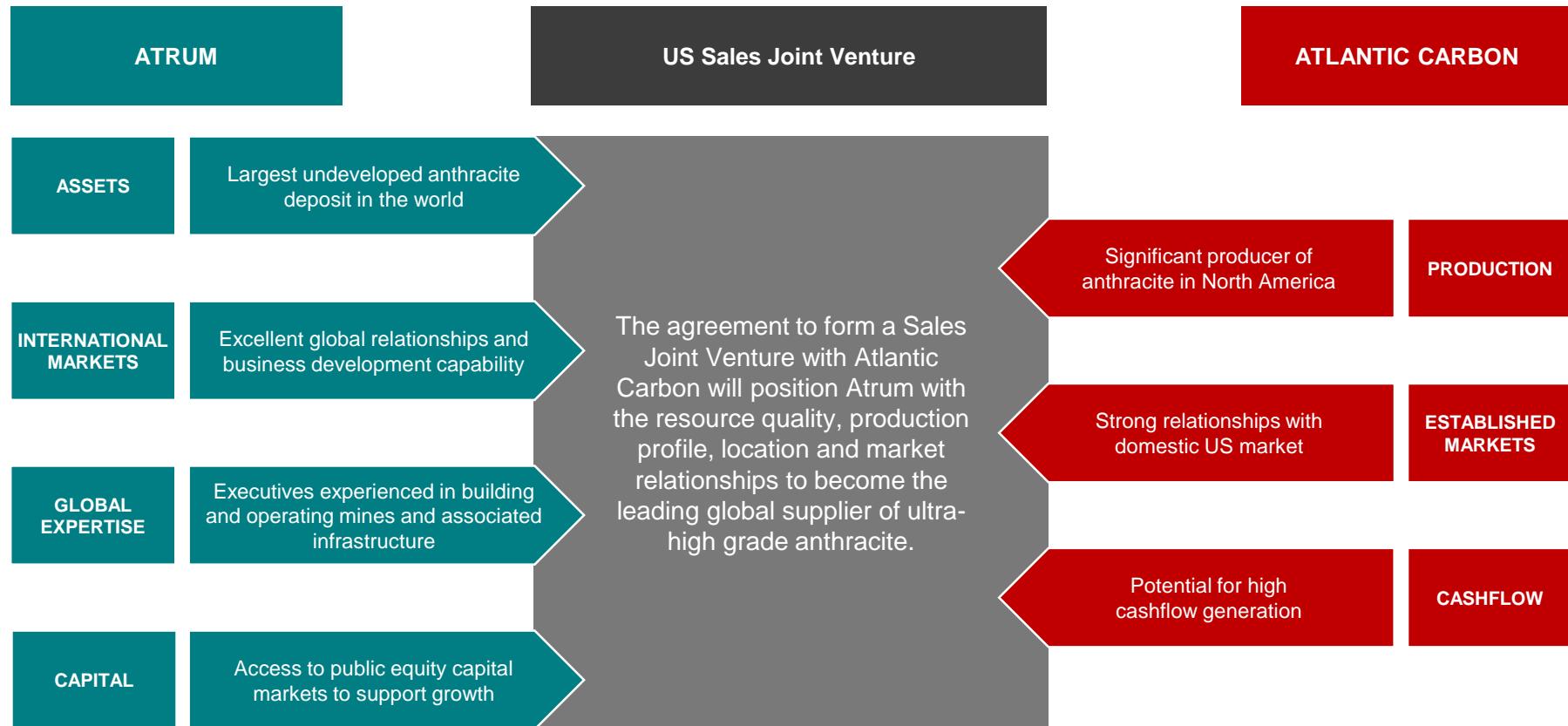
Atrum's Groundhog Project has the potential to be the largest supplier of exported anthracite globally. The project is well advanced, and has the attributes to become a long-term supplier of choice to the global carbon industry.



**Atrum is able to supply ultra-high grade anthracite to Atlantic and Pacific markets**

# Sales Joint Venture with Atlantic Carbon: Strategic Rationale

The agreed US Sales Joint Venture with the Atlantic Carbon Group will combine the key strengths of each entity to create a producer of premium anthracite with the capability and clear pathway to become a leading global exporter of ultra-high grade anthracite.



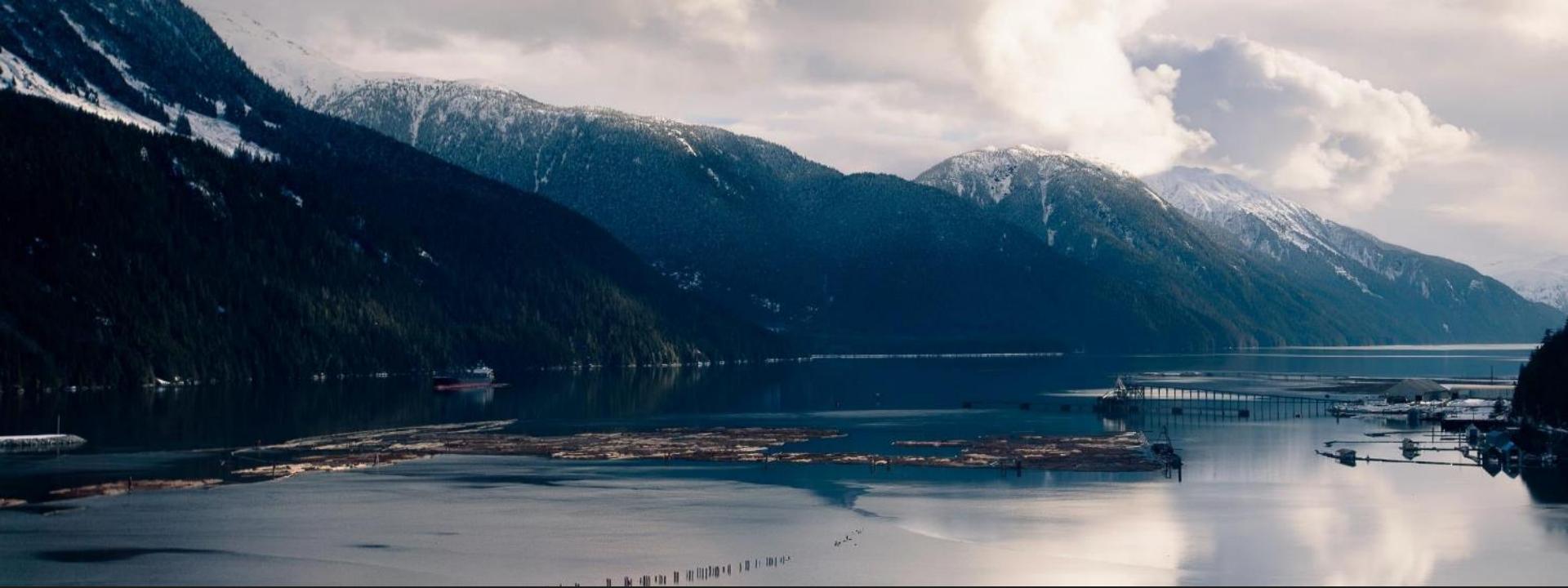
**Profit from the US Sales Joint Venture will provide early cashflow to support the growth of Atrum Coal**

# Summary

Groundhog is the world's largest undeveloped ultra-high grade anthracite deposit.

Atrum has received permits enabling construction, mining and distribution of samples to potential customers.

The agreement to form US Sales Joint Venture between Atrum and Atlantic Carbon provides a low-risk entry to anthracite sales. Expected revenues from the sales will be used to support the development of Groundhog.



# ► Atrum Coal

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