

ATRUM SECURES OPTION FOR THE SUPPLY OF 100,000 TONNES OF ANTHRACITE

HIGHLIGHTS

- Atrum has secured the supply of up to 100,000t of anthracite from ACG for sales to potential customers in Europe, Asia and South America, with Atrum and ACG splitting the profits generated

Further to its announcement on 3 August 2016, Atrum Coal NL (“Atrum” or the “Company”) (ASX: ATU) is pleased to announce it has entered into an option agreement with Atlantic Carbon Group PLC (ACG) for the supply of up to 100,000t of sized anthracite produced by ACG to various Atrum target customers in Europe, South America and Asia in 2016.

Under the arrangement, Atrum and ACG will share profits generated by the sale of anthracite supplied by ACG to Atrum customers on a 50/50 basis. The profits are determined after each of Atrum and ACG recover all their respective costs on production and transportation of the clean anthracite. The Agreement allows Atrum to start selling anthracite into export markets which are significantly undersupplied, prior to the development of its flagship Groundhog North Mining Complex in British Columbia, Canada.

Subject to specified pricing hurdles, ACG will, on request from Atrum, make available up to 100,000t of anthracite in aggregate at its site in Pennsylvania for Atrum to collect and arrange transport to its customers.

Atrum has previously announced it had entered into a binding agreement to acquire a 26.68% interest in ACG (see ASX Announcement 3 August 2016 “Acquisition of shares in Atlantic Carbon Group PLC”).

Bob Bell, Executive Chairman of Atrum, commented: “This is another significant step in our development as a company. Having product to sell into undersupplied markets will assist us to secure our position in the anthracite supply market whilst we develop Groundhog North and potentially expand our supply option from Pennsylvania.”



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J. Wasik
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Key Projects
Groundhog Ownership: 100%
Naskeena Ownership: 100%
Bowron River Ownership: 100%

ACG is a high grade and ultra-high grade anthracite producer with operations in north eastern Pennsylvania, USA. It operates mines and processing plants near the town of Hazleton, Pennsylvania. The Stockton mine is an established anthracite mine and is the top anthracite producing pit in the USA¹. It is a fully operational open-cut anthracite mine with an on-site processing plant and a new rail-loading facility providing direct rail access to domestic and export markets. ACG recently acquired the Hazleton Shaft and Jeansville mines, also in north eastern Pennsylvania, USA. Jeansville is located 3.5 miles from the Stockton mine and Hazelton Shaft is part of the western extension of the Stockton Basin and borders the Stockton Mine. With the acquisition of the Hazleton Shaft and Jeansville mines, ACG now operates three mines, two primary processing plants and a secondary processing (drying) plant. (see ASX Announcement 3 August 2016 "Acquisition of shares in Atlantic Carbon Group PLC").



Fig. 1. Sized Anthracite stockpile, Hazelton Shaft. Source: ACG Investor Presentation June - 2016

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¹ Atlantic Carbon Group, "Stockton Mine top anthracite producer in USA in 2015", 29 January 2016