

# 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")

30 June 2015

### Consolidated statement of cash flows

	Current Quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	161
1.2 Payments for		
(a) exploration & evaluation	(2,194)	(16,341)
(b) development	-	-
(c) production	-	-
(d) administration	(418)	(4,361)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1	76
1.5 Interest and other costs of finance paid	(24)	(24)
1.6 Income taxes paid	-	-
1.7 Other - (GST paid/received)	-	-
Other – Spin out costs	-	(46)
<b>Net Operating Cash Flows</b>	<b>(2,635)</b>	<b>(20,535)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	(832)
(b) equity investments	-	-
(c) other fixed assets	(27)	(1,115)
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>(27)</b>	<b>(1,947)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(2,662)</b>	<b>(22,482)</b>

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1.13	Total operating and investing cash flows (brought forward)	(2,662)	(22,482)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	8,284
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	2,112	3,612
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Convertible note subscription)	-	800
	Other (capital raising costs)	-	(503)
	Other (Forward contract losses)	-	(91)
	<b>Net financing cash flows</b>	<b>2,112</b>	<b>12,102</b>
	<b>Net increase (decrease) in cash held</b>	<b>(550)</b>	<b>(10,380)</b>
1.20	Cash at beginning of quarter/year to date	460	10,323
1.21	Exchange rate adjustments to item 1.20	343	310
1.22	<b>Cash at end of quarter *</b>	<b>253</b>	<b>253</b>

\*Any fractional differences are due to rounding

**Note:**

*During July 2015, Atrum received C\$2 million for the 2013 METC refund from the Canadian Revenue Agency (CRA) and has received confirmation from the CRA that the H1 2014 METC refund for C\$1.2 million will be made in H1 2016 financial year. These are exploration refunds associated with the Groundhog Anthracite Project.*

*Application will be submitted in H1 2016 financial year for all exploration-related activities conducted from 1 July 2014 through to 31 December 2014. This additional METC claim will be for approximately C\$3.2 million.*

**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	75
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 quarter.

Item 1.2 (a) The exploration and evaluation expenditure relates to previous and recent exploration expenditure for the Groundhog Anthracite Project, including coal quality analysis and environmental monitoring and baseline testing, the costs of which have been included in Item 1.2 (a).

Item 1.8 (c) relates to the purchase of the Stage 1 development camp at the Groundhog Anthracite Project to support the ongoing development of the project and the upcoming bulk sample site activities at Groundhog.

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.

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### 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	2,208	2,473
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 million loan credit facility.
- On 17 June 2014, Lenark Pty Ltd converted the balance of its partly paid ordinary shares converting these securities into fully paid ordinary shares. This had the effect that the loan facility was thereby in effect repaid in full, however the loan facility remains available to the Company, if required, subject to cash calls and approvals.

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	700
4.2 Development	-
4.3 Production	-
4.4 Administration (including spin out costs)	650
<b>Total</b>	<b>1,350</b>

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## 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	176	383
5.2 Deposits at call	77	77
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>253</b>	<b>460</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		

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**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 (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>	-	-		
7.2 Changes during quarter				
7.3 <b>+Ordinary securities</b>	170,192,959	170,192,959	Fully Paid	Fully Paid
	2,761,600	-	Partly Paid - \$0.20	\$0.00008 per share
7.4 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs				
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>	4,300,000	-	<i>Exercise price</i> \$0.30	<i>Expiry date</i> 01/07/2016
	150,000	-	\$0.30	30/01/2016
	100,000	-	\$1.40	14/03/2017
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 <b>Performance Rights</b>	2,660,000	Nil		
7.12 Issued during quarter	Nil	Nil		
7.13 Exercised during quarter	Nil	Nil		
7.14 Expired during quarter	Nil	Nil		
7.15 <b>Debentures</b> <i>(totals only)</i>	-	-		
7.16 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		

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## 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:

Date: 27 July 2015  
(Company Secretary)

Print name: Theo Renard

## 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.

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