

**ATRUM COAL NL
ACN 153 876 861**

SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This document is a supplementary prospectus (**Supplementary Prospectus**) which supplements, and is intended to be read together with, the prospectus dated 3 August 2015 (**Prospectus**) that was issued by Atrum Coal NL ACN 153 876 861 (**Atrum or Company**), which in turn replaced the prospectus dated 27 July 2015 issued by Atrum.

This Supplementary Prospectus is dated 25 August 2015 and was lodged with ASIC on that date.

Neither ASIC nor ASX take any responsibility for the contents of this Supplementary Prospectus.

No previous supplementary prospectus has been lodged with ASIC in relation to the Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus prevails to the extent of that inconsistency. Other than as set out below, all details in relation to the Prospectus remain unchanged.

This is an important document and should be read in its entirety together with the Prospectus. If after reading this Supplementary Prospectus (in conjunction with the Prospectus) you have any questions about the New Shares or New Options being offered or any other matter, you should consult your stockbroker, accountant or other professional adviser.

Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus unless otherwise defined.

1. INCREASE DISCRETIONARY PLACEMENT SIZE

The Prospectus related to the Entitlement Offer, which has closed, and the Discretionary Placement.

The Prospectus indicated that if the Entitlement Offer was oversubscribed or Atrum receives interest from third party investors, Atrum may, in its discretion, raise up to an additional \$1 million by way of the issue of New Shares at \$0.50 per New Share, together with one (1) New Option free of charge for every two New Shares subscribed for by those Institutional Investors procured or nominated by the Underwriter.

The Directors have decided that the Company will proceed with the Discretionary Placement. Due to the level of interest in the Discretionary Placement however, the Directors have increased the Discretionary Placement to raise up to \$3 million by the issue of up to 6 million New Shares at \$0.50 per New Share, together with one (1) New Option free of charge for every two (2) New Shares subscribed for (together, the **Additional Securities**).

Any Additional Securities issued under the Discretionary Placement to Institutional Investors are offered, and will be issued, by the Company with disclosure to those investors under the Prospectus.

As disclosed in the Prospectus, the net proceeds of the Discretionary Placement will be used to enhance the value of Atrum's Canadian Groundhog Anthracite Project through the collection of bulk samples for potential off-take customers, complete and upgrade the highwall scoping study to PFS level, accelerate business development activities with potential off-takers, and cover general corporate costs.

This Supplementary Prospectus provides an update on the effect of the increased Discretionary Placement offer.

2. AMENDMENTS TO THE PROSPECTUS

2.1 Title page

To include details of the revised Discretionary Placement, paragraph 2 of the Chairman's letter in section 2 of the Prospectus is deleted and replaced with:

"If the Entitlement Offer is oversubscribed or Atrum receives interest from third party investors, Atrum may, in its absolute discretion, raise up to an additional \$3 million under the Discretionary Placement."

2.2 Chairman's letter

To include details of the revised Discretionary Placement, paragraph 2 of the Chairman's letter in section 2 of the Prospectus is deleted and replaced with:

"If the Entitlement Offer is oversubscribed or Atrum receives interest from third party investors, Atrum may, in its absolute discretion, raise up to an additional \$3 million by way of the issue of New Shares at \$0.50 per New Share, together with one (1) New Option free of charge for every two (2) New Shares (together, the Additional Securities²) subscribed for by those Institutional Investors procured or nominated by the Underwriter (**Discretionary Placement**)."

2.3 Key dates

As a result of the changes to the Discretionary Placement, the table in section 3.1 of the Prospectus is deleted and replaced as follows:

Event	Date
Lodgement of the Original Prospectus with ASIC	Monday, 27 July 2015
Lodgement of this Prospectus with ASIC	Monday, 3 August 2015
Record Date for the Entitlement Offer	5pm, Friday, 31 July 2015
Entitlement Offer opens	Thursday, 6 August 2015
Entitlement Offer closes	5pm, Monday, 17 August 2015
Issue date for new securities issued under the Entitlement Offer	Thursday, 27 August 2015
Normal trading of New Shares issued under the Entitlement Offer expected to commence on ASX	Friday, 28 August 2015
Dispatch of holding statements	Friday, 28 August 2015
Expiry date for New Options	5pm, Friday, 25 August 2017

“If the Company, in its absolute discretion, decides to proceed with the Discretionary Placement, it will notify Shareholders of indicative dates for the issue of the Additional Securities and the date on which normal trading for the New Shares issued under the Discretionary Placement is expected to occur.”

2.4 Investment Overview

As a result of the changes to the Discretionary Placement, the table in section 4 of the Prospectus is amended as follows:

- 2.4.1 The summary of the Discretionary Placement set out in the row entitled ‘Structure of the Entitlement Offer’ is deleted and replaced with:

“If the Entitlement Offer is oversubscribed or Atrum receives interest from third party investors, Atrum may, in its absolute discretion, raise up to an additional \$3 million under the Discretionary Placement by way of the issue of up to an additional 6 million New Shares at \$0.50 per New Share, together with one (1) New Option free of charge for every two (2) New Shares subscribed for. These Additional Securities, if applicable, will be issued to Institutional Investors procured or nominated by the Underwriter if there is sufficient demand for such securities as determined by the Underwriter after conducting a demand discovery and other bidding process in relation to those securities. All Additional Securities, if any, issued by the Company under the Discretionary Placement to Institutional Investors have been offered and will be issued to such investors with disclosure under this Prospectus.”

- 2.4.2 The summary section in the row entitled ‘Maximum amount which may be raised under the Entitlement Offer (before costs and expenses) (not including any capital that may be raised on exercise of the New Options)’ is deleted and replaced with:

“Approximately \$5 million.

Atrum may, in its absolute discretion, raise up to an additional \$3 million under the Discretionary Placement.”

- 2.4.3 The summary section in the row entitled ‘Additional Securities’ is deleted and replaced with:

“If the Entitlement Offer is oversubscribed or Atrum receives interest from third party investors, Atrum may, in its absolute discretion, raise up to an additional \$3 million under the Discretionary Placement by way of the issue of up to 6 million New Shares at \$0.50 per New Share, together with one (1) New Option free of charge for every two (2) New Shares subscribed for.”

- 2.4.4 The summary section in the row entitled ‘Maximum number of New Shares to be issued under the Entitlement Offer, together with any Additional Securities’ is deleted and replaced with:

“Approximately 10,011,416 New Shares to be issued under the Entitlement Offer.

If Atrum decides, in its absolute discretion, to raise up to an additional \$3 million, the maximum number of New Shares to be issued will, in aggregate, be 16,011,416”

- 2.4.5 The summary section in the row entitled ‘Maximum number of New Options to be issued under the Entitlement Offer, together with any Additional Securities’ is deleted and replaced with:

“Approximately 5,005,708 New Options to be issued under the Entitlement Offer.

If Atrum decides, in its absolute discretion, to raise up to an additional \$3 million, the maximum number of New Options to be issued will, in aggregate, be 8,005,708.”

- 2.4.6 The summary section in the row entitled ‘Maximum number of Shares on issue after the Entitlement Offer (not including any Shares that may be issued on exercise of the New Options), together with New Shares forming part of the Additional Securities’ is deleted and replaced with:

“Approximately 180,204,375 Shares on issue after the Entitlement Offer.

If Atrum decides, in its absolute discretion, to raise up to an additional \$3 million, the maximum number of Shares on issue after the Entitlement Offer and issue of New Shares forming part of the Additional Securities will, in aggregate, be 186,204,375.”

- 2.4.7 The final paragraph of the summary section in the row entitled ‘Maximum number of Options on issue after the Entitlement Offer, together with any ordinary shares forming part of the Additional Securities’ is deleted and replaced with:

“If Atrum decides, in its absolute discretion, to raise up to an additional \$3 million, the maximum number of Options on issue after the Entitlement Offer and the issue of New Options forming part of the Additional Securities will, in aggregate, be 12,955,708, which represents an additional 3 million New Options.”

2.5 Details of the offer

As a result of the changes to the Discretionary Placement, the third paragraph of section 5.1 of the Prospectus is deleted and replaced with:

“If the Entitlement Offer is oversubscribed or Atrum receives interest from third party investors, Atrum may, in its absolute discretion, raise up to an addition \$3 million under the Discretionary Placement by way of the issue of up to an additional 6 million New Shares at \$0.50 per New Share, together with one (1) New Option free of charge for every two (2) New Shares subscribed for by Institutional Investors invited to participate in the Discretionary Placement, if applicable.”

2.6 Additional Securities

As a result of the changes to the Discretionary Placement, the first paragraph of section 5.2.2 of the Prospectus is deleted and replaced with:

“If the Entitlement Offer is oversubscribed or Atrum receives interest from third party investors, Atrum may, in its absolute discretion, raise up to an addition \$3 million under the Discretionary Placement by way of the issue of up to an additional 6 million New Shares at \$0.50 per New Share, together with one (1) New Option free of charge for every two (2) New Shares subscribed under the Discretionary Placement.”

2.7 Oversubscription of the Entitlement Offer or interest from third party investors

As a result of the changes to the Discretionary Placement, the first paragraph of section 5.2.6 of the Prospectus is deleted and replaced with:

“If the Entitlement Offer is oversubscribed or Atrum receives interest from third party investors, Atrum may, in its absolute discretion, raise up to an addition \$3 million.”

2.8 Purpose and effect of the Entitlement Offer

As a result of the changes to the Discretionary Placement, the first sentence of the second paragraph of section 6.1 of the Prospectus is deleted and replaced with:

“If the Entitlement Offer is oversubscribed or Atrum receives interest from third party investors, Atrum may, in its absolute discretion, raise up to an addition \$3 million under the Discretionary Placement.”

2.9 Historical and pro forma financial positions

2.9.1 Overview

The selected historical consolidated financial information in relation to Atrum set out below has been extracted from the financial statements of Atrum for the six months ended 31 December 2014. These financial statements were subject to a review.

2.9.2 Introduction and basis of preparation and presentation of the pro-forma balance sheet

Atrum prepares its financial statements in accordance with the Australian equivalents to the International Financial Reporting Standards ('AIFRS'). The accounting policies upon which the pro-forma financial information has been prepared are set out in Atrum's financial statements for the year ended 30 June 2014. A copy of Atrum's annual report and financial statements for the year ended 30 June 2014 and half-year ended 31 December 2014 can be viewed on the ASX platform (ticker: ATU). The pro-forma consolidated balance sheet is presented in abbreviated form and does not contain all the disclosures that are usually found in financial statements prepared in accordance with the Corporations Act. This information is not represented as being indicative of Atrum's views on its future financial condition and/or performance.

The pro-forma balance sheet has been prepared for illustrative purposes only, to show the impact on the 31 December 2014 balance sheet of the gross proceeds of \$5,005,708 from the Entitlement Offer. The pro forma balance sheet is not intended to be a statement of Atrum's current financial position. Atrum has not yet prepared its financial statements for the year ended 30 June 2015 (although, the Directors are not aware of any matter that has occurred post-31 December 2014 that would materially alter the pro-forma balance sheet as presented).

(a) Historical and pro-forma balance sheets –

Atrum – balance sheet as at 31 December 2014			
	Historical Consolidated (Reviewed) \$000 (Note 1)	Impact of the Entitlement Offer and placement \$000	Pro-Forma Consolidated \$000
Current assets			
Cash and cash equivalents	3.0	6.7	9.7
Trade and other receivables	1.0		1.0
Total current assets	4.0	6.7	10.7
Non-current assets			
Plant and equipment	1.5		1.5
Exploration and evaluation expenditure	8.3		8.3
Total non-current assets	9.8		9.8
Total assets	13.8	6.7	20.5
Current liabilities			
Trade and other payables	3.8		3.8
Other Financial Liabilities (Note 2)	3.3		3.3
Total current liabilities	7.1		7.1
Non-current liabilities			
Borrowings	0.7	(0.7)	-
Total non-current liabilities	0.7	(0.7)	-
Total Liabilities	7.8	(0.7)	7.1
Net assets	6.0	7.4	13.4
Equity			
Issued capital	43.1	7.4	50.5
Reserves	1.6		1.6
Accumulated Losses Capital and reserves attributable to owners of Atrum Coal NL			
Non-Controlling Interests	(38.7)		(38.7)
Total Equity	6.0	7.4	13.4

Note 1: The following additional information should also be taken into consideration when evaluating the effects of the Entitlement Offer:

Date	Transaction	Amount C\$	Amount A\$ ¹
Offset Loan Agreement	Amount remaining under Lenark Offset Loan Agreement.	Not applicable	\$2,108,162
METC refund	Received from the CRA in July 2015	C\$2 million	Approximately A\$2.11 million
METC refund	Confirmation from CRA that payment will be made in H1 ²	C\$1.2 million	Approximately A\$1.27 million
METC refund	Application to be submitted in H1, receipt is anticipated before the end of Q3 ³	Approximately C\$3.2 million	Approximately A\$3.38 million

Note 2: Other Financial Liabilities include:

- as at 30 June 2015 Atrum had a US\$2 million (equivalent to approximately A\$2.74 million⁴) promissory note incurring interest at 8% pa with Anglo Pacific Group PLC for the purchase of coal licenses and applications at Groundhog and Panorama, which is repayable on 9 September 2015 unless extended; and
- a liability of \$800,000 for convertible notes issued by Kuro Coal Limited, a wholly owned subsidiary of Atrum. Atrum will be calling a meeting of convertible noteholders to consider options in relation to the convertible notes including repayment in cash and/or Shares

Note 3: Quarterly Cash Flow Reports:

- the above information should be considered together with the Atrum Quarterly Cash Flow Report released on 30 April 2015; and

the above information should be considered together with the Atrum Quarterly Cash flow report for the quarter ending on 30 June 2015.

¹ Based on the reported approximate AUD/CAD exchange rate of CAD0.9481 at noon on the date of this Prospectus.

² H1 refers to the first half year of financial year 2016.

³ Q3 refers to the third quarter of financial year 2016.

⁴ Based on the reported approximate AUD/USD exchange rate of USD0.7293 at noon on the date of this Prospectus.

2.10 Capital structure immediately after the Entitlement Offer

As a result of the changes to the Discretionary Placement, section 6.4 is amended as follows:

2.10.1 The first table in section 6.4 of the Prospectus is deleted and replaced with:

	Record Date	Completion of the Entitlement Offer	If the maximum number of Additional Securities are issued
Quoted Ordinary Shares	170,192,959	180,204,375	186,204,375
Unquoted Partly-paid Shares	2,761,600	2,761,600	2,761,600
Unquoted Options (exercisable for 1 Share each)	4,550,000	9,955,708	12,955,708
Performance Rights	2,660,000	2,660,000	2,660,000

2.10.2 The paragraph that follows the second table in section 6.4 of the Prospectus is The paragraph that follows the second table in section 6.4 of the Prospectus is deleted and replaced with:

“If Atrum decides, in its absolute discretion, to raise up to an additional \$3 million under the Discretionary Placement, the maximum number of Options on issue after the Entitlement Offer and issue of New Options forming part of the Additional Securities will, in aggregate, be 12,955,708 which represents an additional 3 million New Options with an exercise price of \$0.80 expiring on 25 August 2017.”

2.11 Effect on control

As a result of the changes to the Discretionary Placement, section 6.6 of the Prospectus is amended as follows:

2.11.1 The first paragraph of section 6.6 of the Prospectus is deleted and replaced with:

“The Entitlement Offer is fully underwritten by the Underwriter and accordingly all New Shares and New Options offered under the Entitlement Offer will be taken up. On this basis, if an Eligible Shareholder takes up their full Entitlement under the Entitlement Offer, their percentage interest in Atrum will not change¹⁵. If Atrum decides, in its absolute discretion, to raise up to an additional \$3 million under the Discretionary Placement, then Eligible Shareholders who take up their full Entitlement under the Entitlement Offer, but do not participate in the Discretionary Placement will be diluted by up to a maximum of 3.3%. It is your responsibility to ensure that you will not breach the takeovers provisions in the Corporations Act by applying for Shortfall Securities.”

2.11.2 The table in section 6.6 of the Prospectus is deleted and replaced with:

Event	Cumulative no. of Shares	% change in voting power in Atrum	% voting power in Atrum	% change in voting power in Atrum	% voting power in Atrum
		No Discretionary Placement	Max. Discretionary Placement		
Lenark interest as at the date of the Prospectus	36,573,500	nil	21.49%	nil	21.49%
Take up of full Entitlement	38,724,882	nil	21.49%	(0.69%)	20.80%
Maximum sub-undertaking	40,724,882	1.11%	22.60%	(0.73%)	21.87%
Exercise of all options issued to Lenark under the Entitlement Offer and sub-underwriting arrangement (assuming no other New Options are exercised)	42,800,753	1.99%	23.48%	(0.62%)	22.85%
Exercise of all options issued to Lenark under the Entitlement Offer and sub-underwriting arrangement (assuming all New Options are exercised)	42,800,753	1.62%	23.11%	(1.61%)	21.49%

2.12 Additional Securities

As a result of the changes to the Discretionary Placement, the first paragraph of section 7.2 of the Prospectus is deleted and replaced with:

“If the Entitlement Offer is oversubscribed or Atrum receives interest from third party investors, Atrum may, in its absolute discretion, raise up to an additional \$3 million.”

2.13 Dilution risk

As a result of the changes to the Discretionary Placement, the third paragraph of section 9.2 of the Prospectus is deleted and replaced with:

“A Shareholder’s voting power in Atrum will be diluted if the Shareholder does not take up the Shareholder’s full entitlement in the Entitlement Offer and/or if Atrum decides, in its absolute discretion, to raise up to an additional \$3 million under the Discretionary Placement by way of the issue of Additional Securities.”

2.14 Acceptance of the Entitlement Offer

As a result of the changes to the Discretionary Placement, the seventh paragraph of section 10.2 of the Prospectus is deleted and replaced with:

“If the Entitlement Offer is oversubscribed or Atrum receives interest from third party investors, Atrum may, in its absolute discretion, raise up to an additional \$3 million by way of the issue of up to 6 million New Shares (and up to 3 million New Options for no additional consideration) under the Discretionary Placement.”

2.15 No liability for premature trading

As a result of the changes to the Discretionary Placement, the first paragraph of section 11.2 of the Prospectus is deleted and replaced with:

“Atrum has applied to ASX for the grant of official quotation of the New Shares. Atrum will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares before the New Shares are quoted on a normal ('T+3') settlement basis on ASX or before they receive their confirmation of issue, whether on the basis of confirmation of the allocation provided by Atrum or the Share Registry or otherwise. It is expected that normal trading on ASX will commence in relation to New Shares issued under the Entitlement Offer on 28 August 2015.”

2.16 Definitions

As a result of the changes to the Discretionary Placement, the definition of 'Additional Securities' in section 12.1 is deleted and replaced with:

“**Additional Securities** means up to a maximum of 6 million New Shares and 3 million New Options that may be issued by Atrum at the absolute discretion of the Directors to raise up to an additional \$3 million if the Entitlement Offer is oversubscribed or there is interest from third party investors.

3. APPLICATIONS

The Directors believe that the changes in this Supplementary Prospectus are not materially adverse from the point of view of an investor. Accordingly, no action needs to be taken if you have already applied for Additional Securities under the Discretionary Placement.

4. AUTHORISATION

This Supplementary Prospectus has been approved by a resolution of the Atrum Board on 25 August 2015.

Signed for and on behalf of Atrum:



James Chisholm
Executive Chairman
Atrum Coal NL

Dated: 25 August 2015