

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Atrum Coal NL (**Company**)

ABN

27 153 876 861

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares in the Company (each, a New Share) and new unquoted options (each, a New Option) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 9,847,258 New Shares and 4,923,839 New Options under the Company's underwritten non-renounceable pro rata entitlement offer of 1 New Share for every 17 shares in the Company held on the record date of 5pm (Sydney time) on 31 July 2015 (Record Date) (Entitlement Offer). |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The New Shares are fully paid ordinary shares in the equity capital of the Company.

Each New Option will have an exercise price of \$0.80 per option, and will be exercisable for a new share in the Company at any time up to and including 5pm (Sydney time) on 25 August 2017. |

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<p>4 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>\$0.50 per New Share.</p> <p>New Options will be granted for no additional consideration.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The net proceeds of the Entitlement Offer will be used to fund the extraction of bulk samples of Groundhog’s anthracite primarily for steel mills and trading conglomerates that may be interested in acquiring a stake in the Groundhog North Mining Complex, to fund the upgrade of the highwall mining scoping study in the Groundhog North Mining Complex to pre-feasibility stage, to advance business development activities particularly in relation to the upcoming potential sell-down of a stake in the Groundhog North Mining Complex, and to cover general corporate costs.</p>
<p>6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>28 November 2014</p>
<p>6c Number of ⁺securities issued without security holder approval under rule 7.1</p>	<p>N/A</p>

+ See chapter 19 for defined terms.

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6d	Number of +securities issued with security holder approval under rule 7.1A	N/A						
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A						
6f	Number of +securities issued under an exception in rule 7.2	N/A						
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A						
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A						
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A						
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>The issue date under the Entitlement Offer was 27 August 2015.</p>						
8	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">180,204,217</td> <td style="text-align: center;">Fully paid ordinary</td> </tr> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </tbody> </table>	Number	+Class	180,204,217	Fully paid ordinary	Number	+Class
Number	+Class							
180,204,217	Fully paid ordinary							
Number	+Class							

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9	Number and ⁺ class of all ⁺ securities not quoted on ASX (<i>including</i> the ⁺ securities in section 2 if applicable)	2,761,600	Partly paid ordinary shares
		4,330,000	Options (expiry 1/7/2016 with an exercise price of \$0.30 each)
		150,000	Options (expiry 30/1/2016 with an exercise price of \$0.30 each)
		100,000	Options (expiry 14/3/2017 with an exercise price of \$1.40 each)
		4,923,839	Options (expiry 25 August 2017 with an exercise price of \$0.80 each).
		2,660,000	Performance Rights
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change.	

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the ⁺ securities will be offered	1-for-17 in relation to the New Shares. See item 2 above in relation to the New Options.
14	⁺ Class of ⁺ securities to which the offer relates	Fully paid ordinary shares
15	⁺ Record date to determine entitlements	5pm (Sydney time) on 31 July 2015

+ See chapter 19 for defined terms.

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16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Where fractions arise in the calculation of entitlements, those entitlements will be rounded up to the nearest whole number.
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	All countries except for Australia and New Zealand, and such other jurisdictions into which the Company decides to make offers (which may include Hong Kong, Singapore or the United Kingdom) under applicable exceptions from the requirement to issue a prospectus in those jurisdictions.
19	Closing date for receipt of acceptances or renunciations	It is expected that the closing date for acceptance of the New Shares and New Options to be issued under the Entitlement Offer will be 5pm (Sydney time) on 17 August 2015.
20	Names of any underwriters	Blackwood Capital Pty Limited (Blackwood)
21	Amount of any underwriting fee or commission	An underwriting and management fee of 5% of the total proceeds to be raised under the Entitlement Offer. As noted in the Prospectus (defined below), the Company may also conduct the 'Discretionary Placement'. If the Discretionary Placement is conducted, Blackwood will also receive a management fee of 5% of the amount raised under that issue.
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A

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26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	The Prospectus (defined below) and a personalised entitlement and acceptance form in respect of the Entitlement Offer will be sent to eligible shareholders on 6 August 2015.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	28 July 2015
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	See the 'How to apply' section of the Company's prospectus which was lodged with the Australian Securities and Investments Commission on 27 July 2015 (Prospectus).
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	See the 'How to apply' section of the Prospectus.
32	How do security holders dispose of their entitlements (except by sale through a broker)?	See the 'How to apply' section of the Prospectus.
33	⁺ Issue date	See item 7 above.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ⁺Securities described in Part 1
- (b) All other ⁺securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought N/A
- 39 +Class of +securities for which quotation is sought N/A
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

 If the additional +securities do not rank equally, please state:
 • the date from which they do
 • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- N/A

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<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	<p>N/A</p>
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	Number	+Class
<p>42 Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in clause 38)</p>	<p>N/A</p>	<p>N/A</p>

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 28/08/2015

Company secretary

Print name:

Theo Renard

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