

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2015

HIGHLIGHTS

- Groundhog North Mining Complex identifies new mines
- High-grade anthracite priced at 100% premium to hard coking coal
- Financing efforts continue to advance with equipment supplier

Atrum Coal NL (“Atrum” or the “Company”) (ASX: ATU) is pleased to report the Company’s activities for the quarter ended 30 September 2015.

Commenting on the quarterly achievements, Executive Chairman James Chisholm stated:

“During the quarter, we made progress on the sale of a minority interest in the Groundhog North Mining Complex, paid over-hanging commitments related to previous acquisitions of tenements in Groundhog and continued with development planning for the Bulk Sample and Small Scale Mine.

Further discussions with potential customers has identified a number of products that could potentially be provided from Groundhog, not just blast furnace coke replacement. This has allowed us to further refine our financial model and development plans.

During the next quarter, we expect to progress the sale of a minority interest in the Groundhog North Mining Complex, receive funds related to our latest METC claim and secure the government permit to mine a Bulk Sample at Groundhog. This will enable us to meet customer delivery schedules for 2016.”

Groundhog Anthracite Project

The Groundhog Anthracite Project (Groundhog) is located in the Groundhog Coalfield in north-western British Columbia, Canada. Groundhog covers an area of over 800km², and comprises 46 granted coal licences and 37 coal licence applications. Groundhog is prospective for high grade and ultra-high grade anthracite suitable for application in the manufacture of specialty steels and alloys,



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

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

Key Projects
Groundhog
Naskeena
Bowron River

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

in electric arc furnaces, for ore sintering, as a reductant and cathode paste, as filter media, as feedstock for industrial chemical production and as an economic alternative to graphite.

Following the 2014 drilling program, a mine propensity study was undertaken to ascertain the scale of potential mines at Groundhog. The propensity study identified multiple possible mining opportunities across the Groundhog North Mining Complex (refer Figure 1). The area, highlighted in the map below, hosts multiple potential mining domains. Value engineering of the original Pre-feasibility study, and supplementary mining and transport studies have shown a small scale mining operation could be commissioned for under US\$50m.

The production plan to extract anthracite from mines designed in the Groundhog North Mining Complex is based on initial saleable product limited to 250ktpa, under a small-scale mining permit. Production would be increased to approximately 1.0Mtpa once the Environmental Assessment process is successfully completed, which at this stage is anticipated to be in 2017, and then increase to 3.5Mtpa and beyond thereafter. Environmental studies required for the various permits and approvals continue at Groundhog, and are anticipated to be complete for preparation of an Environmental Impact Assessment in H1 2016.

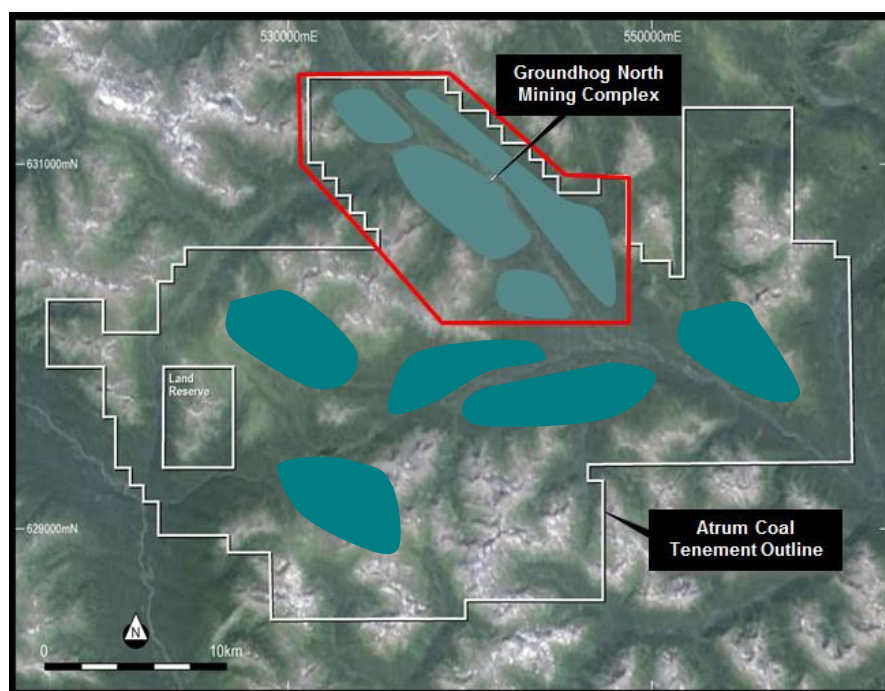


Figure 1. Location of Groundhog North Mining Complex

During the Quarter, the Company continued to monitor various environmental stations at Groundhog for environmental impact assessment for the commercial mine, and to provide supporting data for the Bulk Sample Permit application and a Small Scale Mine Permit application. As well, more field mapping was undertaken, and further outcropping anthracite seams were identified (see below).



Plate 1. Outcrop of main target seam (flat-lying Duke E Seam 2.3m thick)



Plate 2. Outcrop sample of Duke E anthracite

The Company has a services contract at Stewart Bulk Terminals and an MOU at Stewart World Port for loading anthracite mined at Groundhog North into Handymax, Panamax and eventually Capesize vessels for delivery to steel mills, industrial users and briquetting plants around the world. During the Quarter, Stewart World Port completed construction of their berth (see photo below) and are now in the process of designing a loader capable of loading lump and fine anthracite.

The Company is also in negotiations with rail operators to enable anthracite to be railed south from Groundhog to Prince George and then west to the under-utilised Ridley Coal Terminals at Prince Rupert.



Plate 3. Stewart World Port – Berth Completed September, 2015

During the Quarter, the Company progressed joint venture discussions on other areas in Groundhog, focussed on the Panorama Projects (Panorama North; Panorama South and Panorama West). The Panorama Projects contain historical exploration, including 96 surface trenches, and significant surface mapping. Historical coal quality analysis of surface samples indicate the Panorama Projects are prospective for high grade and ultra-high grade anthracite, and the Company intends to focus exploration in 2016 in these areas investigating the occurrence of near surface emplacements of low stripping ratio anthracite. The Company intends to fund this exploration through farm-in style joint-ventures on the Panorama Projects.

Historical exploration activities have shown encouraging results at Panorama and the Company is keen to explore the areas in the future. Joint venturing the Panorama project areas allows the Company to undertake exploration activities without the need for additional capital raises and, at the same time, introduces major Asian partners to the Company, one from Japan and one from China.

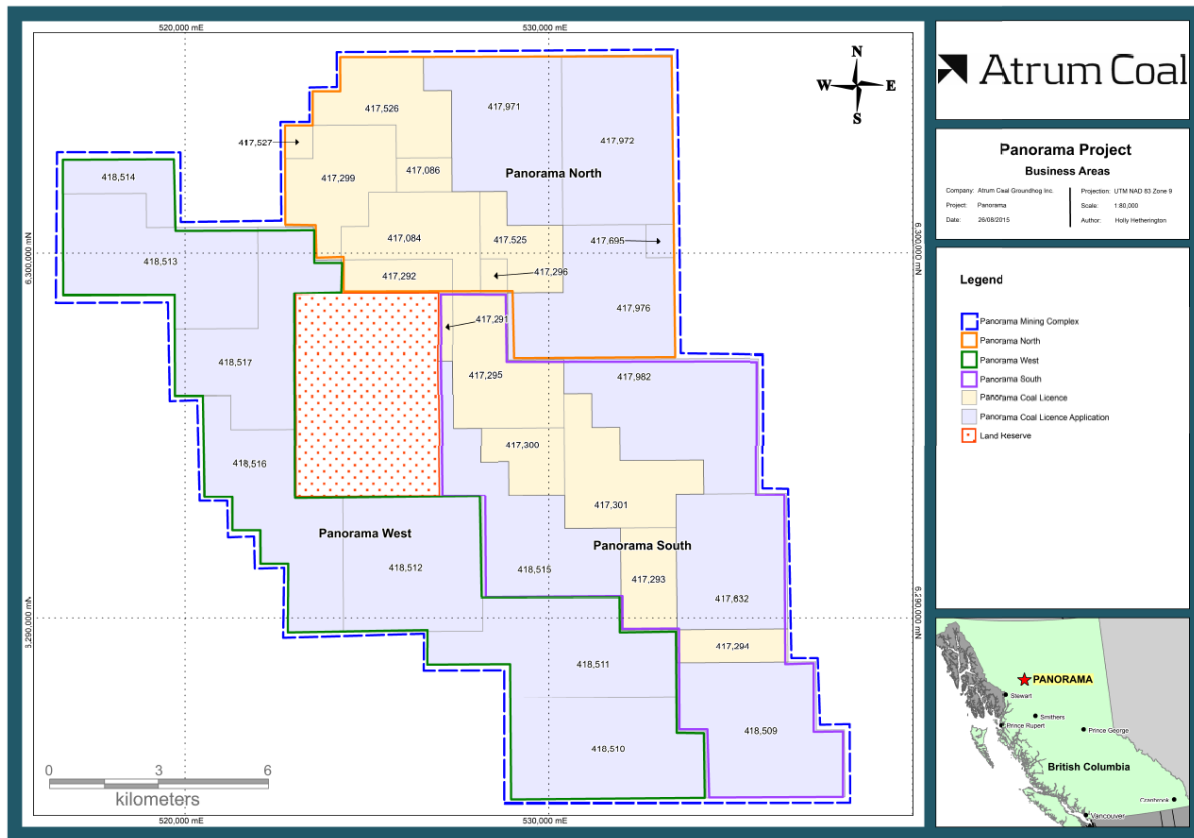
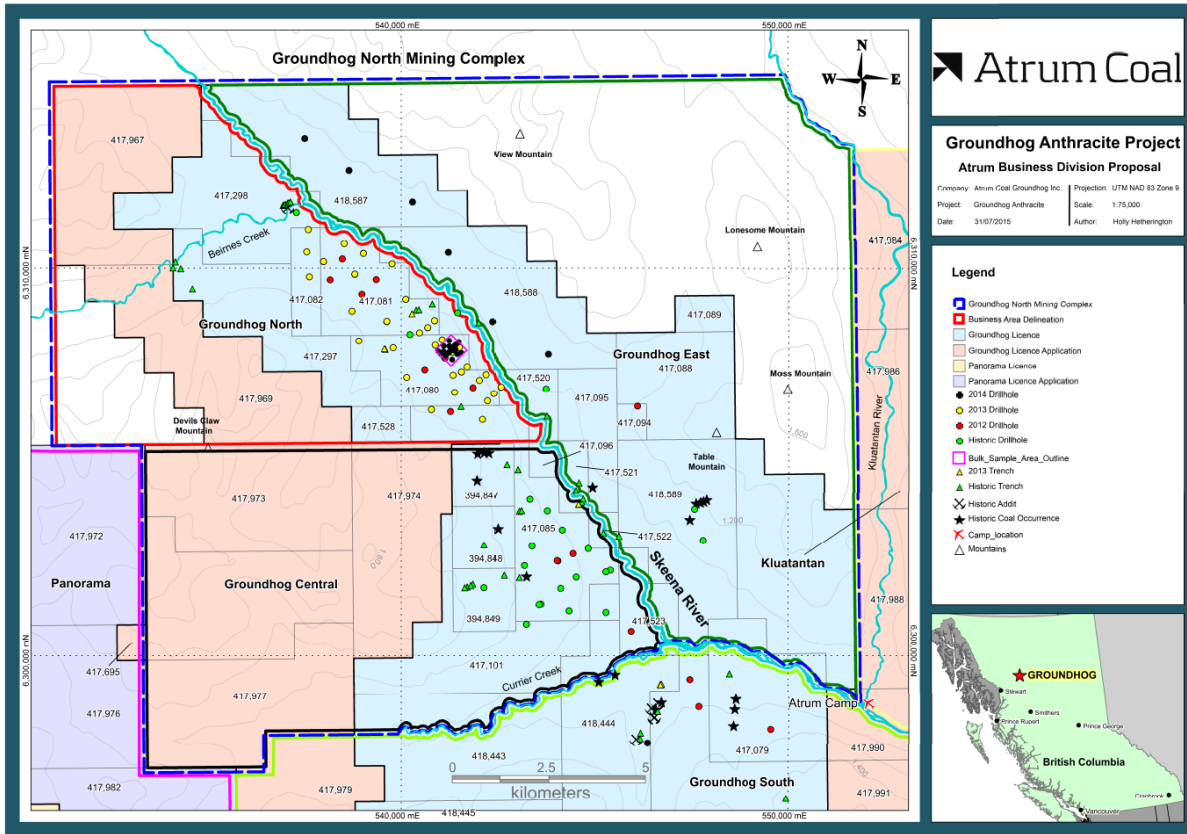


Figure 2. Map of Atrum's Panorama Project coal tenures

As advised in the Company's press release of 16 October 2014, the Company is also investigating separating Groundhog Central and Groundhog South into new companies for further exploration activities.



It should be noted that another company, formed by ex-directors of Atrum have used the name Groundhog South in recent unsolicited communications to many Atrum shareholders. The Company will deal with this issue once the Bulk Sample Permit is secured.

Groundhog Marketing and Offtake Negotiations

Meetings continue with potential off-take and funding partners. These meetings are progressing well with potential customers now identifying several areas in steel production suitable for Groundhog anthracite. There is strong demand for a higher ash, high carbon fine product for use in sinter plants. Given the lower processing costs associated with such a product, margins are attractive and such markets make use of the anthracite fines.

Anthracite Market Update

Unlike many current resource development projects, the expected margins at Groundhog are excellent even in the current market. Whilst hard coking coal prices remain subdued, high-grade anthracite is selling for between \$150/t-\$175/t in Japan and Europe, and demand for anthracite remains strong (refer to Figure 3 and Figure 4).

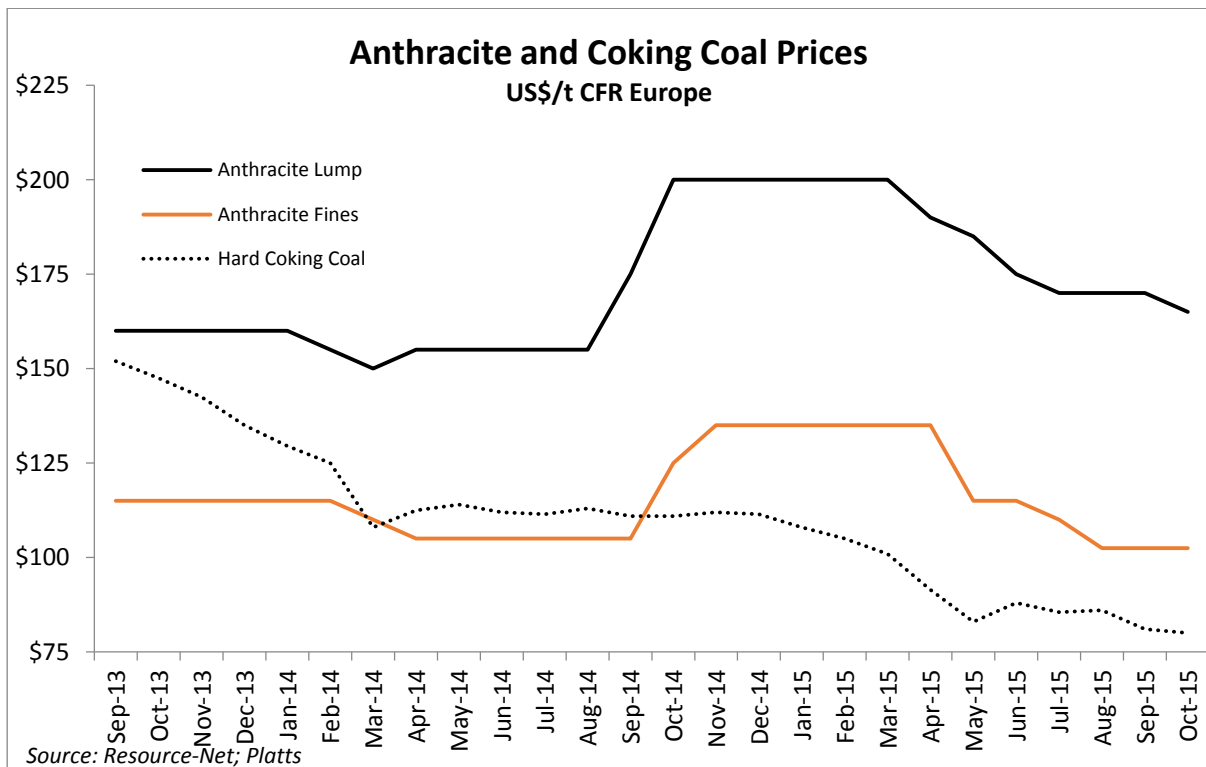


Figure 3: Current Anthracite and Hard Coking Coal Prices

Anthracite production for export continues to decrease, and whilst hard coking coal markets are in over supply, anthracite markets are undersupplied. Vietnam and Ukraine, once the largest exporters of high grade anthracite are quickly receding from the market with their combined exports anticipated to be only 2.7Mt in 2015, against supply of 20.8Mt in 2012, and 11.7Mt last year (refer Figure 2). The rapid decrease in anthracite exports appears unable to be supplied from other major exporters in Russia and South Africa, resulting in a tight supply and demand dynamic, creating a strong price environment. There is only minor new supply available, and consumers of anthracite are turning to less suitable alternate supplies of carbon in the form of metallurgical coke, petroleum coke, and lower carbon coals in the interim.

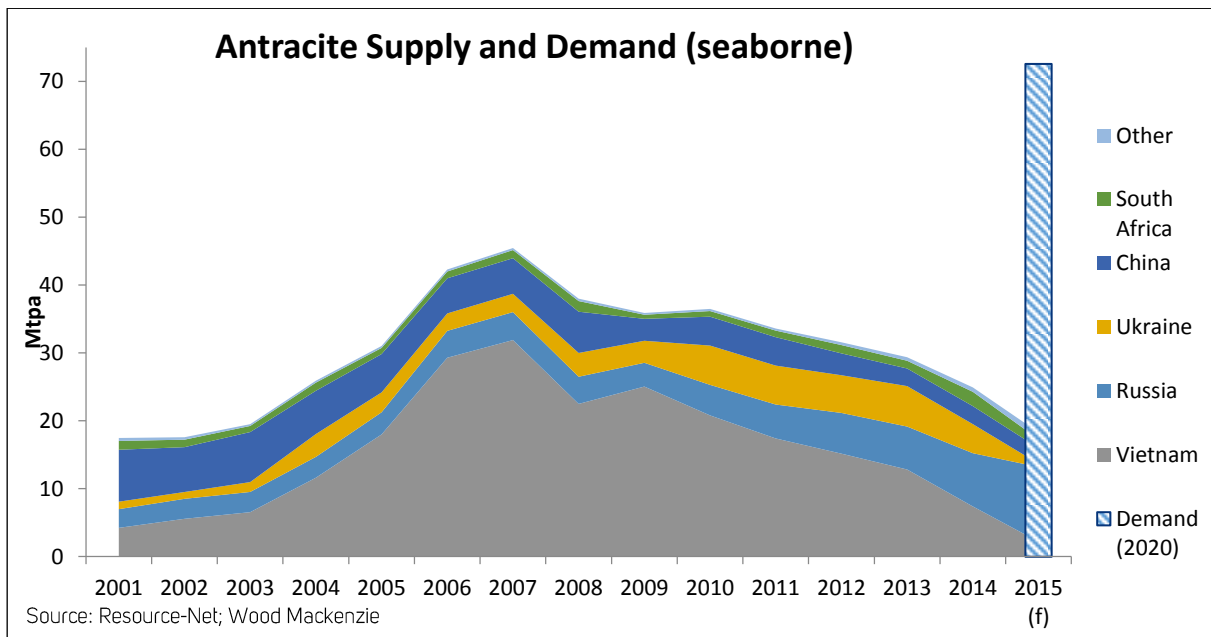


Figure 4: Supply and Forecast Demand of Anthracite

Bulk Sample Permit

The Bulk Sample Permit Application is in the statutory Review period. Approval in H2 2015 will allow the Company to provide trial cargoes to steel producers in Asia, USA and South America, and also provide specialist end-users with samples of very low ash, ultra-high grade anthracite for trial, as well as higher ash, high carbon fine products for sinter plants.

Peace River and Naskeena

During the quarter, the Company elected to relinquish the Peace River Project tenements. Desktop work conducted on the project, along with the 0 – 25mt JORC target was not considered to be commercially sustainable to maintain annual tenement rentals. The Company had previously reduced the Naskeena holdings as well, and is currently reviewing the Bowron River Project. An updated table of tenements held by the Company is shown at end of this report.

Financing

Atrum has formalised a binding MOU previously signed with CCTEG by entering into a general contract with CCTEG for the supply of equipment for the Groundhog Project.

During the Quarter, the Company raised approximately \$8 million via an Entitlement Issue and Placement. \$1 million was offset against the working capital loan provided by Lenark Pty Ltd. Other payments were made in relation to past tenement acquisitions, site activities to prepare the Groundhog site for the winter period, significant environmental reports and final submissions relating to the Bulk Sample Permit, anthracite quality reports required for sell-down discussions and legal costs associated with the injunction forced on the Company by previous directors. The

discrepancy between the forecast expenditure and actual expenditure during the quarter resulted from the payment to Anglo Pacific PLC, fees and costs associated with the capital raise and costs associated with the injunction.

Given the Company's focus is on securing the required permits to begin mining, project expenditure has been minimised to that associated with obtaining the Bulk Sample Permit. As noted earlier in this report, exploration activities for other areas in Groundhog and Panorama are under joint-venture discussions such that the Company will not be required to fund the planned exploration. With remaining cash reserves, and C\$3.2m METC refund, the Company has sufficient financial resources for planned activities.

Atrum remains committed to financing the mine through the combination of the existing equipment finance, traditional project finance, and selling a minority share in the Groundhog North Mining Complex (Complex). As permitting is imminent, the Complex requires a modest level of investment from Q2 2016 to enable trial cargoes to be sold to customers in 2016. The Company is confident the sale process will reach a successful conclusion prior to project construction beginning in 2016.

SUBSEQUENT TO THE QUARTER

Mineral Exploration Tax Credit (METC)

Subsequent to the Quarter, the Company finalised accounts relating to the next METC refund for C\$3.2m. Based on the three previous METC refunds, funds associated with the METC are expected prior to Christmas. A separate refund application is being prepared for work completed on the Elan project in Alberta.

Kuro Coal Ltd

During and subsequent to the Quarter, the Company has undertaken a review of the Elan Coking Coal Project in Alberta, and a number of other opportunities that have been presented with the downturn of the coking coal market. Although focussed on the development of Groundhog, the Board is reviewing acquisition opportunities for Kuro. A meeting of Kuro Coal noteholders is being planned to vote on converting notes to Atrum shares and options.

Annual General Meeting

The 2015 AGM will be held at 11am on 27th November on level 27 of Angel Place, 123 Pitt St, Sydney. All shareholders are encouraged to attend to discuss the Company and its projects with directors, receive an update on activities, vote on resolutions and raise any concerns.

For further information contact:

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Forward Looking Statements

This release includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “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. Forward looking statements in this release include, but are not limited to, the capital and operating cost estimates and economic analyses from the Study.

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.

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.

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.

ASX Listing 5.19 Compliance

Pursuant to ASX Listing Rule (LR) 5.19, the following information is required to be disclosed within the Quarterly Activities Report for the period ended 31 December 2014:

- (a) LR 5.19.1: The production targets and forecast financial information referred to in the Quarterly Activities Report for the period ended 30 September 2015 were derived from the ASX announcement titled “Supplementary PFS at Groundhog North Delivers \$1.7Bn NPV” which was released on 20 October 2014 and “Supplementary PFS Results Presentation” also announced to ASX on 20 October 2014. In addition, please refer to the ASX announcement dated 18 November 2014 and titled “Atrum Coal – SPFS Clarification Notice”.
- (b) LR 5.19.2: Atrum Coal confirms that all the material assumptions underpinning the production target and the forecast financial information derived from the production target as outlined in the ASX announcements dated 20 October 2014 and subsequently clarified in the announcement dated 18 November 2014 continue to apply and have not materially changed.
- (c) LR 5.19.3: Not Applicable.
- (d) LR 5.19.4: Not Applicable.

Competent Person Statement

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 of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.”

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 21st 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.

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.

Tenements holdings as at 30 October 2015

Tenure Number	Owner	Tenure Type	Tenure Sub Type	Area (ha)
394847	Atrum Coal Groundhog Inc.	Coal	License	259
394848	Atrum Coal Groundhog Inc.	Coal	License	259
394849	Atrum Coal Groundhog Inc.	Coal	License	259
417079	Atrum Coal Groundhog Inc.	Coal	License	991
417080	Atrum Coal Groundhog Inc.	Coal	License	565
417081	Atrum Coal Groundhog Inc.	Coal	License	636
417082	Atrum Coal Groundhog Inc.	Coal	License	212
417084	Atrum Coal Groundhog Inc.	Coal	License	708
417085	Atrum Coal Groundhog Inc.	Coal	License	1031
417086	Atrum Coal Groundhog Inc.	Coal	License	142
417088	Atrum Coal Groundhog Inc.	Coal	License	777
417089	Atrum Coal Groundhog Inc.	Coal	License	142
417090	Atrum Coal Groundhog Inc.	Coal	License	568
417094	Atrum Coal Groundhog Inc.	Coal	License	71
417095	Atrum Coal Groundhog Inc.	Coal	License	425
417096	Atrum Coal Groundhog Inc.	Coal	License	71
417098	Atrum Coal Groundhog Inc.	Coal	License	1204
417100	Atrum Coal Groundhog Inc.	Coal	License	71
417101	Atrum Coal Groundhog Inc.	Coal	License	960
417297	Atrum Coal Groundhog Inc.	Coal	License	918
417298	Atrum Coal Groundhog Inc.	Coal	License	1059
417520	Atrum Coal Groundhog Inc.	Coal	License	212
417521	Atrum Coal Groundhog Inc.	Coal	License	142
417522	Atrum Coal Groundhog Inc.	Coal	License	71
417523	Atrum Coal Groundhog Inc.	Coal	License	354
417528	Atrum Coal Groundhog Inc.	Coal	License	142
417695	Atrum Coal Groundhog Inc.	Coal	Application	75

417967	Atrum Coal Groundhog Inc.	Coal	Application	1411
417968	Atrum Coal Groundhog Inc.	Coal	Application	1411
417969	Atrum Coal Groundhog Inc.	Coal	Application	1413
417970	Atrum Coal Groundhog Inc.	Coal	Application	1412
417980	Atrum Coal Groundhog Inc.	Coal	Application	1416
417981	Atrum Coal Groundhog Inc.	Coal	Application	1416
417984	Atrum Coal Groundhog Inc.	Coal	Application	1412
417985	Atrum Coal Groundhog Inc.	Coal	Application	1412
417986	Atrum Coal Groundhog Inc.	Coal	Application	1413
417987	Atrum Coal Groundhog Inc.	Coal	Application	1413
417988	Atrum Coal Groundhog Inc.	Coal	Application	1415
417989	Atrum Coal Groundhog Inc.	Coal	Application	1415
417990	Atrum Coal Groundhog Inc.	Coal	Application	1416
417991	Atrum Coal Groundhog Inc.	Coal	Application	1417
417992	Atrum Coal Groundhog Inc.	Coal	Application	1417
417993	Atrum Coal Groundhog Inc.	Coal	Application	1273
417994	Atrum Coal Groundhog Inc.	Coal	Application	1415
418104	Atrum Coal Groundhog Inc.	Coal	Application	2775
418122	Atrum Coal Groundhog Inc.	Coal	Application	3375
418443	Atrum Coal Groundhog Inc.	Coal	License	1416
418444	Atrum Coal Groundhog Inc.	Coal	License	1416
418445	Atrum Coal Groundhog Inc.	Coal	License	1417
418446	Atrum Coal Groundhog Inc.	Coal	License	1205
418587	Atrum Coal Groundhog Inc.	Coal	License	1411
418588	Atrum Coal Groundhog Inc.	Coal	License	1412
418589	Atrum Coal Groundhog Inc.	Coal	License	1273
418590	Atrum Coal Groundhog Inc.	Coal	License	1415
1011782	Atrum Coal Groundhog Inc.	Mineral	Claim	159
1029685	Atrum Coal Groundhog Inc.	Mineral	Claim	620
417291	Kuro Coal Panorama Inc.	Coal	License	73

417292	Kuro Coal Panorama Inc.	Coal	License	279
417293	Kuro Coal Panorama Inc.	Coal	License	426
417294	Kuro Coal Panorama Inc.	Coal	License	284
417295	Kuro Coal Panorama Inc.	Coal	License	851
417296	Kuro Coal Panorama Inc.	Coal	License	71
417299	Kuro Coal Panorama Inc.	Coal	License	779
417300	Kuro Coal Panorama Inc.	Coal	License	355
417301	Kuro Coal Panorama Inc.	Coal	License	851
417525	Kuro Coal Panorama Inc.	Coal	License	425
417526	Kuro Coal Panorama Inc.	Coal	License	707
417527	Kuro Coal Panorama Inc.	Coal	License	71
417632	Kuro Coal Panorama Inc.	Coal	Application	1136
417971	Kuro Coal Panorama Inc.	Coal	Application	1343
417972	Kuro Coal Panorama Inc.	Coal	Application	1414
417973	Kuro Coal Panorama Inc.	Coal	Application	1414
417974	Kuro Coal Panorama Inc.	Coal	Application	1265
417975	Kuro Coal Panorama Inc.	Coal	Application	1415
417976	Kuro Coal Panorama Inc.	Coal	Application	1345
417977	Kuro Coal Panorama Inc.	Coal	Application	1416
417979	Kuro Coal Panorama Inc.	Coal	Application	1418
417982	Kuro Coal Panorama Inc.	Coal	Application	1417
417983	Kuro Coal Panorama Inc.	Coal	Application	1418
418505	Kuro Coal Panorama Inc.	Coal	Application	1500
418506	Kuro Coal Panorama Inc.	Coal	Application	1500
418507	Kuro Coal Panorama Inc.	Coal	Application	1500
418508	Kuro Coal Panorama Inc.	Coal	Application	1500
418509	Kuro Coal Panorama Inc.	Coal	Application	1500
418510	Kuro Coal Panorama Inc.	Coal	Application	1500
418511	Kuro Coal Panorama Inc.	Coal	Application	1500
418512	Kuro Coal Panorama Inc.	Coal	Application	1500

418513	Kuro Coal Panorama Inc.	Coal	Application	1500
418514	Kuro Coal Panorama Inc.	Coal	Application	375
418515	Kuro Coal Panorama Inc.	Coal	Application	1500
418516	Kuro Coal Panorama Inc.	Coal	Application	1500
418517	Kuro Coal Panorama Inc.	Coal	Application	1500
418103	Atrum Coal Peace River Inc.	Coal	Application	1875
418136	Atrum Coal Peace River Inc.	Coal	Application	1875
417842	Atrum Coal Naskeena Inc.	Coal	Application	1200
417845	Atrum Coal Naskeena Inc.	Coal	Application	1125

Note: During the quarter, on September 18, 2015, the Company relinquished the Peace River Project, which contained the Licence Applications: 418672; 418673; 418674; 418675.

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 September 2015

Consolidated statement of cash flows

	Current Quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration & evaluation	(992)	(992)
(b) development	-	-
(c) production	-	-
(d) administration	(1,102)	(1,102)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - (GST paid/received)	-	-
Other – Spin out costs	-	-
Net Operating Cash Flows	(2,094)	(2,094)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(21)	(21)
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)	-	-
Net investing cash flows	(21)	(21)
1.13 Total operating and investing cash flows (carried forward)	(2,115)	(2,115)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,115)	(2,115)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	6,935	6,935
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(1,158)	(1,158)
1.18	Dividends paid	-	-
1.19	Other (Convertible note subscription)	-	-
	Other (capital raising costs)	(512)	(512)
	Other (Forward contract losses)	(142)	(142)
	Net financing cash flows	5,123	5,123
	Net increase (decrease) in cash held	3,008	3,008
1.20	Cash at beginning of quarter/year to date	253	253
1.21	Exchange rate adjustments to item 1.20	(90)	(90)
1.22	Cash at end of quarter *	3,171	3,171

*Any fractional differences are due to rounding

Note:

Funds related to an additional METC claim for approximately C\$3.2 million for exploration activities between 1 July 2014 and 31 December 2014 are expected prior to the end of CY 2015. .

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	115
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.

+ See chapter 19 for defined terms.

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	2,500	1,548
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 into fully paid ordinary shares. On 21 August 2015, Lenark Pty Ltd converted approximately \$1million of its offset loan to fully paid ordinary shares in the Entitlement Issue.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	75
4.2 Development	-
4.3 Production	-
4.4 Administration (including spin out costs)	735
Total	810

Appendix 5B
Mining exploration entity quarterly report

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	3,094	176
5.2 Deposits at call	77	77
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,171	253

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	418672,	Exploration tenement	100%	0
	418673,	Exploration tenement	100%	0
	418674,	Exploration tenement	100%	0
	418675	Exploration tenement	100%	0
6.2 Interests in mining tenements acquired or increased	Nil			

+ See chapter 19 for defined terms.

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 Preference securities <i>(description)</i>	-	-		
7.2 Changes during quarter				
7.3 +Ordinary securities	180,204,375	180,204,375	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	16,210,001	16,210,001	Fully Paid	Fully Paid
7.5 +Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <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
	9,155,210	-	\$0.50	25/08/2017
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Performance Rights	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 Debentures <i>(totals only)</i>	-	-		
7.16 Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

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: 30 October 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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