

8 February 2017

Ms Anjuli Sinniah
Adviser, Listings Compliance (Perth)
ASX Compliance Pty Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

By email: anjuli.sinniah@asx.com.au

Dear Ms Sinniah

Atrum Coal Limited – Response to Appendix 3Y Questions

In response to your letter dated 7 February 2017, the Company addresses your questions as follows:

1. The Company confirms that the late lodgement of the Appendix 3Y for Mr James Chisholm was a result of an oversight. Mr Chisholm has indicated that he only recently became aware that the securities in question had been transferred to a direct holding in his name from the estates of Mr J Chisholm and Mrs P Chisholm.
2. The Company requires each director to sign a Letter of Appointment, that includes, amongst other terms and conditions, the requirement for a director to provide information to the Company within a required timeframe with respect to any notifiable interest of a director (as defined by the ASX Listing Rules) so that the Company can meet its disclosure obligations under Listing Rule 3.19A.



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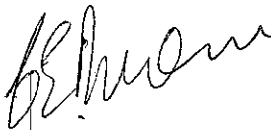
Board of Directors
Non-Executive Director J. Chisholm
Non-Executive Director C. Burton
Company Secretary C. Brown

Key Projects
Groundhog Ownership: 100%
Naskeena Ownership: 100%
Bowron River Ownership: 100%

In addition, the Company's Securities Trading Policy, as lodged with ASX on 25 June 2015, includes requirements for each director to promptly notify the Company of all information required by the Company to be able to meet its disclosure obligations to the ASX. Each director is provided with a copy of the Security Trading Policy on appointment.

3. In addition to the arrangements noted above, the Company will be including a standing agenda item for each board meeting to reinforce the Company's disclosure obligations under Listing Rule 3.19A and for each director to confirm that they have provided the Company with the required information relating to a notifiable interest as required under their Letter of Appointment.

Yours sincerely



Chris Brown
Company Secretary



7 February 2017

Chris Brown
Company Secretary
Level 19, 1 O'Connell Street,
SYDNEY NSW 2000

By email: cbrown@atrumcoal.com

Dear Mr Brown

Atrum Coal Limited (the "Company")

We refer to the following:

The Company's announcement lodged with ASX Ltd ("ASX") on 3 February 2017 regarding a change of director's interest notice for James Alexander Chisholm ("Appendix 3Y").

Listing rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times:

- *On the date that the entity is admitted to the official list.*
- *On the date that a director is appointed.*

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.

Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z



within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

As the Appendix 3Y indicates that a change in James Alexander Chisholm's notifiable interest occurred on 26 September 2016 and 3 October 2016 the Appendix 3Y should have been lodged with the ASX on 3 October 2016 and 10 October 2016 respectively. As the Appendix 3Y was lodged on 3 February 2017 it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions.

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail to anjuli.sinniah@asx.com.au. It should not be sent to ASX Market Announcements.

A response is requested as soon as possible and, in any event, not later than **3:00 pm WST on Thursday 9 February 2017**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely,

[sent electronically without signature]

Anjuli Sinniah
Adviser, Listings Compliance (Perth)