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# ATRUM COAL LIMITED

ACN 153 876 861

## NOTICE OF ANNUAL GENERAL MEETING

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**TIME:** 11:00 am (AEDT)  
**DATE:** Friday, 3 November 2017  
**PLACE:** Christie Offices, 3 Springs St, Sydney

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 3 9191 0135***

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## **IMPORTANT INFORMATION**

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### **Time and place of Meeting**

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Notice is given that the 2017 annual general meeting of Atrum Coal Limited will be held at 11:00 am (AEDT) on Friday, 3 November 2017 at Christie Offices, 3 Springs St, Sydney.

The Explanatory Statement to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form form part of this Notice.

Terms and abbreviations used in this Notice and the Explanatory Statement are defined in Schedule 1 of the Explanatory Statement.

### **Your vote is important**

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The business of the Meeting affects your shareholding and your vote is important.

### **Voting eligibility**

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those people who are registered Shareholders at 7:00 pm (AEDT) on Wednesday, 1 November 2017.

### **Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above.

### **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return it by the time and date, and in accordance with the instructions, set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of that Shareholder's votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

### **Proxy vote if appointment specifies way to vote**

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands;
- if the proxy is the Chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chair, the proxy need not vote on the poll, but if the proxy does so, *the proxy must vote that way (i.e. as directed)*.

### **Transfer of non-chair proxy to Chair in certain circumstances**

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's Shareholders;
- the appointed proxy is not the Chair of the Meeting;
- at the Meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the Meeting; or
  - the proxy does not vote on the resolution,

the Chair of the Meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the Meeting.

# **AGENDA**

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## **1. ANNUAL REPORT**

To receive the Annual Report of the Company and its controlled entities for the year ended 30 June 2017, which includes the Financial Report, the Directors' Report comprising the review of operations and the Remuneration Report, and the Independent Auditor's Report.

Note: there is no requirement for shareholders to approve these reports.

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## **2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **non-binding resolution**:

*“THAT, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Report for the financial year ended 30 June 2017.”*

A voting exclusion statement applies to this Resolution 1, and is set out in full in the Explanatory Statement to this Notice.

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and comments made by shareholders on the remuneration report at the meeting when reviewing the Company's remuneration policies.

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## **3. RESOLUTION 2 – APPROVAL OF ISSUE OF 10,000,000 OPTIONS TO MAX WANG**

To consider, and if in favour, to pass the following Resolution as an **ordinary resolution**:

*“THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of up to 10,000,000 Options in the Company, to Max Wang, the Chief Executive Officer and a proposed Director of the Company, or his nominee, on the terms described in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution 2, and is set out in full in the Explanatory Statement to this Notice.

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## **4. RESOLUTION 3 – APPROVAL OF ISSUE OF 2,400,000 OPTIONS TO CHARLES BLIXT**

To consider, and if in favour, to pass the following Resolution as an **ordinary resolution**:

*“THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of up to 2,400,000 Options in the Company, to Charles Blixt, a Director of the Company, or his nominee, on the terms described in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution 3, and is set out in full in the Explanatory Statement to this Notice.

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**5. RESOLUTION 4 – APPROVAL OF ISSUE OF 1,600,000 OPTIONS TO GEORGE EDWARDS**

To consider, and if in favour, to pass the following Resolution as an **ordinary resolution**:

*“THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of up to 1,600,000 Options in the Company, to George Edwards, a Director of the Company, or his nominee, on the terms described in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution 4, and is set out in full in the Explanatory Statement to this Notice.

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**6. RESOLUTION 5 – APPROVAL OF ISSUE OF 1,600,000 OPTIONS TO CHARLES FEAR**

To consider, and if in favour, to pass the following Resolution as an **ordinary resolution**:

*“THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of up to 1,600,000 Options in the Company, to Charles Fear, a Director of the Company, or his nominee, on the terms described in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution 5, and is set out in full in the Explanatory Statement to this Notice.

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**7. RESOLUTION 6 – ELECTION OF MAX WANG AS DIRECTOR**

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

*“THAT, Mr Max Wang, who being eligible for election, be elected as a Director.”*

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**8. RESOLUTION 7 – ELECTION OF CHARLES BLIXT AS DIRECTOR**

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

*“THAT, Mr Charles Blixt, who, having been appointed as a non-executive director since the last General Meeting of the Company to fill a casual vacancy, ceases to hold office at the end of this Meeting, and being eligible for election, be elected as a Director.”*

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**9. RESOLUTION 8 – ELECTION OF GEORGE EDWARDS AS DIRECTOR**

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

*“THAT, Mr George Edwards, who, having been appointed as a non-executive director since the last General Meeting of the Company to fill a casual vacancy, ceases to hold office at the end of this Meeting, and being eligible for election, be elected as a Director.”*

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**10. RESOLUTION 9 – ELECTION OF CHARLES FEAR AS DIRECTOR**

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

*“THAT, Mr Charles Fear, who, having been appointed as a non-executive director since the last General Meeting of the Company to fill a casual vacancy, ceases to hold office at the end of this Meeting, and being eligible for election, be elected as a Director.”*

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**11. RESOLUTION 10 - RE-ELECTION OF JAMES CHISHOLM AS DIRECTOR**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"THAT, Mr James Chisholm who retires as a Director by rotation, and offers himself for re-election, be elected as a Director."*

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**12. RESOLUTION 11 – RATIFICATION OF PRIOR ISSUE OF 27,000,000 SHARES**

To consider, and if in favour, to pass the following Resolution as an **ordinary resolution**:

*"THAT, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the previous issue of 27,000,000 Shares, on the terms and conditions, set out in the Explanatory Statement."*

A voting exclusion statement applies to this Resolution 11, and is set out in full in the Explanatory Statement to this Notice.

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**13. RESOLUTION 12 – RATIFICATION OF PRIOR ISSUE OF 300,000 SHARES**

To consider, and if in favour, to pass the following Resolution as an **ordinary resolution**:

*"THAT, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the previous issue of 300,000 Shares, on the terms and conditions, set out in the Explanatory Statement."*

A voting exclusion statement applies to this Resolution 12, and is set out in full in the Explanatory Statement to this Notice.

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**14. RESOLUTION 13 – RATIFICATION OF PRIOR ISSUE OF 1,063,636 OPTIONS**

To consider, and if in favour, to pass the following Resolution as an **ordinary resolution** under the Corporations Act:

*"THAT, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the previous issue 1,063,636 Options, on the terms and conditions, set out in the Explanatory Statement."*

A voting exclusion statement applies to this Resolution 13, and is set out in full in the Explanatory Statement to this Notice.

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**15. RESOLUTION 14 – RATIFICATION OF PRIOR ISSUE OF 198,007 SHARES**

To consider, and if in favour, to pass the following Resolution as an **ordinary resolution** under the Corporations Act:

*"THAT, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the previous issue of 198,007 Shares, on the terms and conditions, set out in the Explanatory Statement."*

A voting exclusion statement applies to this Resolution 14, and is set out in full in the Explanatory Statement to this Notice.

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**16. RESOLUTION 15 – RATIFICATION OF PRIOR ISSUE OF 3,000,000 OPTIONS**

To consider, and if in favour, to pass the following Resolution as an **ordinary resolution** under the Corporations Act:

*"THAT, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the previous issue 3,000,000 Options, on the terms and conditions, set out in the Explanatory Statement."*

A voting exclusion statement applies to this Resolution 15, and is set out in full in the Explanatory Statement to this Notice.

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**17. RESOLUTION 16 – APPROVAL OF 10% PLACEMENT CAPACITY**

To consider and, if thought fit, to pass the following resolution as a special resolution:

*"THAT, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."*

A voting exclusion statement applies to this Resolution 16, and is set out in full in the Explanatory Statement to this Notice

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**OTHER BUSINESS**

To transact any other business that may be lawfully brought forward in accordance with the constitution of the Company, the Corporations Act and the ASX Listing Rules.

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**Dated: 2 October 2017**

**By order of the Board**

**JUSTYN STEDWELL  
COMPANY SECRETARY**

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# EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in connection with the business to be conducted at the Meeting to be held at Christie Offices, 3 Springs St, Sydney, NSW at 11:00am (AEDT) on Friday, 3 November 2017.

This Explanatory Statement should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Statement is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A Proxy Form is included at the end of this Explanatory Statement.

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## 1. ANNUAL REPORT

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. Copies of the Annual Report can be found on the Company's website [www.atrumcoal.com](http://www.atrumcoal.com) and on the ASX website [www.asx.com.au](http://www.asx.com.au) (ASX code: ATU) or by contacting the Company on +61 3 9191 0135.

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will have the opportunity to:

- (a) discuss the Annual Report for the financial year ended 30 June 2017;
- (b) ask questions or make comment on the management of the Company; and
- (c) ask the Company's auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's office of Unit 1B, 205-207 Johnston Street Fitzroy VIC 3065.

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## 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

### 2.1 General

The Corporations Act requires that, at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the Shareholders. Such a resolution is advisory only and does not bind the Company or the Directors of the Company.



The Remuneration Report sets out the Company's remuneration arrangements for the Directors and Key Management Personnel of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial reporting of the Company for a financial year.

The Chair of the Meeting must allow a reasonable opportunity for Shareholders to ask questions about or make comments on the Remuneration Report at the Meeting.

## **2.2 Voting exclusion statement**

In accordance with s250(R)(4) of the Corporations Act, the Company will disregard any votes cast on Resolution 1:

- (a) by any member of the Company's Key Management Personnel, or a Closely Related Party of such a member of the Key Management Personnel regardless of the capacity in which the vote is cast;
- (b) as a proxy by a member of the Company's Key Management Personnel, or a Closely Related Party of such a member of the Key Management Personnel unless the vote is cast as a proxy for a person who is entitled to vote on this resolution:
  - (i) in accordance with their directions of how to vote set out in the relevant Proxy Form; or
  - (ii) by the Chair pursuant to an express authorisation set out in the relevant Proxy Form.

The Company's Proxy Form has been prepared on the basis that where a Shareholder grants a proxy to the Chair, or the Chair is their proxy by default, the Shareholder provides express authorisation for the Chair to exercise the proxy as the Chair decides in relation to Resolution 1. The Chair will vote undirected proxies and intends to vote such proxies in favour of Resolution 1.

Shareholders entitled to vote on Resolution 1, who appoint as their proxy, a member of the Company's Key Management Personnel or a Closely Related Party (other than the Chair), should direct their proxy as to how to vote by marking either "For", "Against" or "Abstain" on the Proxy Form for Resolution 1. Failing to direct such a proxy will result in that Shareholder's vote on Resolution 1 being disregarded.

## **2.3 Board recommendation and Chair's vote**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1. The Chair intends to vote all available proxies in favour of this Resolution 1.

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## **3. RESOLUTION 2 – APPROVAL OF ISSUE OF 10,000,000 OPTIONS TO MAX WANG**

The Company proposes to issue 10,000,000 Options to Max Wang and/or his nominee on the terms and conditions set out below. The issue of options to directors as a form of incentive based remuneration is common practice in listed companies and further encourages and rewards efforts by directors to improve the performance of the Company to the commercial benefit of all Shareholders.

The Board believes it is important to offer these Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market. In addition, the Options may provide the Company with additional funding (if the Options are exercised).

### 3.1 Chapter 2E of the Corporations Act

Pursuant to Chapter 2E of the Corporations Act a public company cannot give a 'financial benefit' to a 'related party' unless one of the exceptions set out in Sections 210 to 216 of the Corporations Act apply. Shareholders have in a general meeting approved the giving of that financial benefit to the related party. The issue of Options to Max Wang constitutes giving a financial benefit and Max Wang is a related party by virtue of being the Chief Executive Officer and a proposed Director of the Company.

The Directors (other than Max Wang who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Options to Max Wang because the Options form part of Max's remuneration as an officer of the Company and the remuneration is reasonable given Max's circumstances and the circumstances of the Company.

Accordingly, approval will not be sought under Chapter 2E for the issue of these Options to Max Wang as the issue of the Options constitutes 'reasonable remuneration' in accordance with section 211 of the Corporations Act.

### 3.2 ASX Listing Rule 10.11

Under ASX Listing Rule 10.11, Shareholder approval is required for the issue of equity securities to a related party of a listed company. Once approval is obtained pursuant to Listing Rule 10.11, the Company is entitled to rely on Listing Rule 7.2, Exception 14 as an exception to any requirement that may otherwise apply requiring Shareholder approval under Listing Rule 7.1.

It is proposed that Options be issued to Max Wang as part of his remuneration as an officer of the Company.

### 3.3 Information required by ASX Listing Rule 10.13

In compliance with the information requirements of ASX Listing Rule 10.13, Shareholders are advised of the following particulars on the allotment and issue:

<b>Maximum number of securities to be issued</b>	10,000,000 Options
<b>Date of issue</b>	If Shareholder approval is obtained, the issue of the Options will occur no later than one (1) month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
<b>Issue price per security</b>	Options will be issued for nil consideration.

<b>Terms of issue</b>	The exercise price and expiry date of the Options are set out below and the Options will otherwise be issued on the terms and conditions set out in Schedule 2.			
	Options	Exercise Price	Expiry Date	Vesting Conditions
	500,000	\$0.18	12 months from issue	N/A
	500,000	\$0.23	12 months from issue	6 months of service as the Managing Director
	1,000,000	\$0.40	18 months from issue	Announcement to the ASX during the term of employment (Term), of the appointment of a Board-approved partner to assist in the development of one or more projects at Groundhog.
	2,000,000	\$0.50	24 months from issue	Announcement to the ASX during the Term, of the appointment of a Board-approved partner to the Company i.e. a partner at Atrium Coal Ltd level rather than project level.
	3,000,000	\$0.70	30 months from issue	Announcement to the ASX during the Term, of the award by Government of a 1mtpa (or greater) commercial mining license for any project (where the majority of that project is owned by Atrium Coal Ltd or any affiliated companies)
	3,000,000	\$1.00	36 months from issue	The sale of an aggregate of 500,000 tonnes of coal produced by Atrium Coal Ltd or any Affiliated Companies during the Term.
<b>Persons to whom securities will be issued</b>	Max Wang, the Chief Executive Officer and a proposed Director of the Company, or his nominee.			
<b>Intended use of funds</b>	No funds will be raised from the issue of Options.			

### 3.4 Voting exclusion statement

The Company will, in accordance with ASX Listing Rules 7.4 and 14.11, disregard any votes cast on Resolution 2, by or on behalf of Max Wang and nominees and any of his associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

### 3.5 Board recommendation and Chair's vote

The Directors (with Max Wang abstaining) unanimously recommend that Shareholders vote in favour of Resolution 2. The Chair intends to vote all available proxies in favour of this Resolution 2.

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## 4. RESOLUTION 3 – APPROVAL OF ISSUE OF 2,400,000 OPTIONS TO CHARLES BLIXT

The Company proposes to issue 2,400,000 Options to Charles Blixt and/or his nominee on the terms and conditions set out below. The issue of options to directors as a form of incentive based remuneration is common practice in listed companies and further

encourages and rewards efforts by directors to improve the performance of the Company to the commercial benefit of all Shareholders.

The Board believes it is important to offer these Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market. In addition, the Options may provide the Company with additional funding (if the Options are exercised).

#### **4.1 Chapter 2E of the Corporations Act**

Pursuant to Chapter 2E of the Corporations Act a public company cannot give a 'financial benefit' to a 'related party' unless one of the exceptions set out in Sections 210 to 216 of the Corporations Act apply shareholders have in a general meeting approved the giving of that financial benefit to the related party. The issue of Options to Charles Blixt constitutes giving a financial benefit and Charles Blixt is a related party by virtue of being a Director of the Company.

The Directors (other than Charles Blixt who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Options to Charles Blixt because the Options form part of Charles' remuneration as an officer of the Company and the remuneration is reasonable given Charles' circumstances and the circumstances of the Company.

Accordingly, approval will not be sought under Chapter 2E for the issue of these Options to Charles Blixt as the issue of the Options constitutes 'reasonable remuneration' in accordance with section 211 of the Corporations Act.

#### **4.2 ASX Listing Rule 10.11**

Under ASX Listing Rule 10.11, Shareholder approval is required for the issue of equity securities to a related party of a listed company. Once approval is obtained pursuant to Listing Rule 10.11, the Company is entitled to rely on Listing Rule 7.2, Exception 14 as an exception to any requirement that may otherwise apply requiring Shareholder approval under Listing Rule 7.1.

It is proposed that Options be issued to Charles Blixt as part of his remuneration as an officer of the Company.

#### **4.3 Information required by ASX Listing Rule 10.13**

In compliance with the information requirements of ASX Listing Rule 10.13, Shareholders are advised of the following particulars on the allotment and issue:

<b>Maximum number of securities to be issued</b>	2,400,000 Options
<b>Date of issue</b>	If Shareholder approval is obtained, the issue of the Options will occur no later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
<b>Issue price per security</b>	Options will be issued for nil consideration.

<b>Terms of issue</b>	The exercise price and expiry date of the Options are set out below and the Options will otherwise be issued on the terms and conditions set out in Schedule 2.			
	Options	Exercise Price	Expiry Date	Vesting Condition
	400,000	\$0.23	12 months from issue	N/A
	400,000	\$0.40	18 months from issue	Announcement to the ASX during the Term as a director of the Company (Term), of the appointment of a Board-approved partner to assist in the development of one or more projects at Groundhog.
	400,000	\$0.50	24 months from issue	Announcement to the ASX during the Term, of the appointment of a Board-approved partner to the Company i.e. a partner at Atrium Coal Ltd level rather than project level.
	600,000	\$0.70	30 months from issue	Announcement to the ASX during the Term, of the award by Government of a 1mtpa (or greater) commercial mining license for any project (where the majority of that project is owned by Atrium Coal Ltd or any affiliated companies)
	600,000	\$1.00	36 months from issue	The sale of an aggregate of 500,000 tonnes of coal produced by Atrium Coal Ltd or any Affiliated Companies during the Term.
<b>Persons to whom securities will be issued</b>	Charles Blixt, a Director of the Company, or his nominee.			
<b>Intended use of funds</b>	No funds will be raised from the issue of Options.			

#### 4.4 Voting exclusion statement

The Company will, in accordance with ASX Listing Rules 7.4 and 14.11, disregard any votes cast on Resolution 3, by or on behalf of Charles Blixt and nominees and any of his associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

#### 4.5 Board recommendation and Chair's vote

The Directors (with Charles Blixt abstaining) unanimously recommend that Shareholders vote in favour of Resolution 3. The Chair intends to vote all available proxies in favour of this Resolution 3.

### 5. RESOLUTION 4 – APPROVAL OF ISSUE OF 1,600,000 OPTIONS TO GEORGE EDWARDS

The Company proposes to issue 1,600,000 Options to George Edwards and/or his nominee on the terms and conditions set out below. The issue of options to directors as a form of incentive based remuneration is common practice in listed companies and further encourages and rewards efforts by directors to improve the performance of the Company to the commercial benefit of all Shareholders.

The Board believes it is important to offer these Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market. In addition, the Options may provide the Company with additional funding (if the Options are exercised).

## 5.1 Chapter 2E of the Corporations Act

Pursuant to Chapter 2E of the Corporations Act a public company cannot give a 'financial benefit' to a 'related party' unless one of the exceptions set out in Sections 210 to 216 of the Corporations Act apply. Shareholders have in a general meeting approved the giving of that financial benefit to the related party. The issue of Options to George Edwards constitutes giving a financial benefit and George Edwards is a related party by virtue of being a Director of the Company.

The Directors (other than George Edwards who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Options to George Edwards because the Options form part of George's remuneration as an officer of the Company and the remuneration is reasonable given George's circumstances and the circumstances of the Company.

Accordingly, approval will not be sought under Chapter 2E for the issue of these Options to George Edwards as the issue of the Options constitutes 'reasonable remuneration' in accordance with section 211 of the Corporations Act.

## 5.2 ASX Listing Rule 10.11

Under ASX Listing Rule 10.11, Shareholder approval is required for the issue of equity securities to a related party of a listed company. Once approval is obtained pursuant to Listing Rule 10.11, the Company is entitled to rely on Listing Rule 7.2, Exception 14 as an exception to any requirement that may otherwise apply requiring Shareholder approval under Listing Rule 7.1.

It is proposed that Options be issued to George Edwards as part of his remuneration as an officer of the Company.

## 5.3 Information required by ASX Listing Rule 10.13

In compliance with the information requirements of ASX Listing Rule 10.13, Shareholders are advised of the following particulars on the allotment and issue:

<b>Maximum number of securities to be issued</b>	1,600,000 Options
<b>Date of issue</b>	If Shareholder approval is obtained, the issue of the Options will occur no later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
<b>Issue price per security</b>	Options will be issued for nil consideration.

<b>Terms of issue</b>	The exercise price and expiry date of the Options are set out below and the Options will otherwise be issued on the terms and conditions set out in Schedule 2.			
	Options	Exercise Price	Expiry Date	Vesting Condition
	250,000	\$0.23	12 months from issue	N/A
	250,000	\$0.40	18 months from issue	Announcement to the ASX during the Term as a director of the Company (Term), of the appointment of a Board-approved partner to assist in the development of one or more projects at Groundhog.
	300,000	\$0.50	24 months from issue	Announcement to the ASX during the Term, of the appointment of a Board-approved partner to the Company i.e. a partner at Atrium Coal Ltd level rather than project level.
	400,000	\$0.70	30 months from issue	Announcement to the ASX during the Term, of the award by Government of a 1mtpa (or greater) commercial mining license for any project (where the majority of that project is owned by Atrium Coal Ltd or any affiliated companies)
	400,000	\$1.00	36 months from issue	The sale of an aggregate of 500,000 tonnes of coal produced by Atrium Coal Ltd or any Affiliated Companies during the Term.
<b>Persons to whom securities will be issued</b>	George Edwards, a Director of the Company, or his nominee.			
<b>Intended use of funds</b>	No funds will be raised from the issue of Options.			

#### 5.4 Voting exclusion statement

The Company will, in accordance with ASX Listing Rules 7.4 and 14.11, disregard any votes cast on Resolution 4, by or on behalf of George Edwards and nominees and any of his associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

#### 5.5 Board recommendation and Chair's vote

The Directors (with George Edwards abstaining) unanimously recommend that Shareholders vote in favour of Resolution 4. The Chair intends to vote all available proxies in favour of this Resolution 4.

### 6. RESOLUTION 5 – APPROVAL OF ISSUE OF 1,600,000 OPTIONS TO CHARLES FEAR

The Company proposes to issue 1,600,000 Options to Charles Fear and/or his nominee on the terms and conditions set out below. The issue of options to directors as a form of incentive based remuneration is common practice in listed companies and further encourages and rewards efforts by directors to improve the performance of the Company to the commercial benefit of all Shareholders.

The Board believes it is important to offer these Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market. In addition, the Options may provide the Company with additional funding (if the Options are exercised).

## 6.1 Chapter 2E of the Corporations Act

Pursuant to Chapter 2E of the Corporations Act a public company cannot give a 'financial benefit' to a 'related party' unless one of the exceptions set out in Sections 210 to 216 of the Corporations Act apply shareholders have in a general meeting approved the giving of that financial benefit to the related party. The issue of Options to Charles Fear constitutes giving a financial benefit and Charles Fear is a related party by virtue of being a Director of the Company.

The Directors (other than Charles Fear who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Options to Charles Fear because the Options form part of Charles' remuneration as an officer of the Company and the remuneration is reasonable given Charles' circumstances and the circumstances of the Company.

Accordingly, approval will not be sought under Chapter 2E for the issue of these Options to Charles Fear as the issue of the Options constitutes 'reasonable remuneration' in accordance with section 211 of the Corporations Act.

## 6.2 ASX Listing Rule 10.11

Under ASX Listing Rule 10.11, Shareholder approval is required for the issue of equity securities to a related party of a listed company. Once approval is obtained pursuant to Listing Rule 10.11, the Company is entitled to rely on Listing Rule 7.2, Exception 14 as an exception to any requirement that may otherwise apply requiring Shareholder approval under Listing Rule 7.1.

It is proposed that Options be issued to Charles Fear as part of his remuneration as an officer of the Company.

## 6.3 Information required by ASX Listing Rule 10.13

In compliance with the information requirements of ASX Listing Rule 10.13, Shareholders are advised of the following particulars on the allotment and issue:

<b>Maximum number of securities to be issued</b>	1,600,000 Options
<b>Date of issue</b>	If Shareholder approval is obtained, the issue of the Options will occur no later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
<b>Issue price per security</b>	Options will be issued for nil consideration.



<b>Terms of issue</b>	The exercise price and expiry date of the Options are set out below and the Options will otherwise be issued on the terms and conditions set out in Schedule 2. Performance and key milestone related vesting conditions determined by the Board apply to the Options.			
	Options	Exercise Price	Expiry Date	Vesting Condition
	250,000	\$0.23	12 months from issue	N/A
	250,000	\$0.40	18 months from issue	Announcement to the ASX during the term as a director of the Company (Term), of the appointment of a Board-approved partner to assist in the development of one or more projects at Groundhog.
	300,000	\$0.50	24 months from issue	Announcement to the ASX during the Term, of the appointment of a Board-approved partner to the Company i.e. a partner at Atrum Coal Ltd level rather than project level.
	400,000	\$0.70	30 months from issue	Announcement to the ASX during the Term, of the award by Government of a 1mtpa (or greater) commercial mining license for any project (where the majority of that project is owned by Atrum Coal Ltd or any affiliated companies)
	400,000	\$1.00	36 months from issue	The sale of an aggregate of 500,000 tonnes of coal produced by Atrum Coal Ltd or any Affiliated Companies during the Term.
<b>Persons to whom securities will be issued</b>	Charles Fear, a Director of the Company, or his nominee.			
<b>Intended use of funds</b>	No funds will be raised from the issue of Options.			

#### 6.4 Voting exclusion statement

The Company will, in accordance with ASX Listing Rules 7.4 and 14.11, disregard any votes cast on Resolution 5, by or on behalf of Charles Fear and nominees and any of his associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

#### 6.5 Board recommendation and Chair's vote

The Directors (with Charles Fear abstaining) unanimously recommend that Shareholders vote in favour of Resolution 5. The Chair intends to vote all available proxies in favour of this Resolution 5.

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## 7. RESOLUTION 6 – ELECTION OF MAX WANG AS DIRECTOR

### 7.1 Background

Max Wang has been nominated to be a Director as per the Company's ASX announcement dated 17 August 2017 and in accordance with clause 13.3 of the Constitution.

## **7.2 Candidate profile**

Mr Wang is a Registered Professional Engineer in Alberta Canada. He holds a Bachelor degree in Railway Engineering from Southwest Jiatong University in China and a PhD in Civil Engineering from the University of Calgary.

From 1990 to 1997, Mr Wang was an independent consultant on various engineering projects across Canada. In 1998, he joined Bantrel Corp with progressive responsibilities from Lead Civil/Structural Engineer to Project Engineering Manager and Civil/Structural/Architectural Department Manager and Chief Engineer overseeing mining, in-situ and downstream oil sands and other projects.

In 2006, he joined Petro-Canada Inc as Engineering Manager for Oil Sands, and with the merger of Petro-Canada with Suncor in 2009, he took on the role of Director of Engineering, Major Projects.

In 2012, Marubeni and Winsway purchased Alberta based, Grande Cache Coal, and Mr Wang led the business as President and Chief Executive from 2013 until joining Atrum as Chief Executive Officer.

## **7.3 Board recommendation and Chair's vote**

The Directors, with Mr Wang abstaining, recommend that Shareholders vote in favour of Resolution 6.

The Chair intends to vote all available proxies in favour of this Resolution 6.

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## **8. RESOLUTION 7 – ELECTION OF CHARLES BLIXT AS DIRECTOR**

### **8.1 Background**

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 13.4 of the Constitution, any Director so appointed holds office only until the end of next following general meeting and is then eligible for election by Shareholders (but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting).

Mr Blixt was appointed by the Board as to fill a casual vacancy on 29 May 2017. Under clause 13.4 of the Constitution Mr Blixt is required to retire from office as a Director at the Meeting and he offers himself for election by the Shareholders.

### **8.2 Candidate profile**

Mr Blixt began his 40-year career in private legal practice before taking on legal counsel roles, initially at Fiat-Allis and then at Caterpillar. In 1985, he joined R. J. Reynolds Tobacco as an assistant Counsel Litigation, He spent 20 years at R. J. Reynolds in various legal roles including as Executive Vice President, General Counsel and Assistant Secretary for Reynolds American Inc from 1999 to 2006. He has served as Non-Executive Director of Krispy Kreme Doughnuts Inc (NYSE: KKD) from 2009 to 2016. Mr Blixt currently serves as Non-Executive Director at Lamb Weston Holdings Inc (NYSE:LW), the largest North American frozen potato producer (and second largest worldwide) with a market capitalisation over US \$6.5b. He has served as Non-Executive Director of the \$6.5b market cap Swedish Match AB (Stockholm: SWMA), one of the world's largest tobacco product manufacturers. He has served as Non-Executive Director of Targecept Inc prior to its merger with Catalyst Biosciences Inc in 2015.

Mr Blixt also serves as a director of several privately held small companies. He is currently a principal in C&D Ventures, which invests in entrepreneurial start-ups and other businesses which require capital and/or business and legal expertise.

### **8.3 Board recommendation and Chair's vote**

The Directors, with Mr Blixt abstaining, recommend that Shareholders vote in favour of Resolution 7.

The Chair intends to vote all available proxies in favour of this Resolution 7.

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## **9. RESOLUTION 8 – ELECTION OF GEORGE EDWARDS AS DIRECTOR**

### **9.1 Background**

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 13.4 of the Constitution any Director so appointed holds office only until the end of next following general meeting and is then eligible for election by Shareholders (but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting).

Mr Edwards was appointed by the Board as to fill a casual vacancy on 17 August 2017. Under clause 13.4 of the Constitution Mr Edwards is required to retire from office as a Director at the Meeting and he offers himself for election by the Shareholders.

### **9.2 Candidate profile**

Mr Edwards is a metallurgy graduate from the University of New South Wales, and has spent his life in the Coal sector, initially in metallurgy, then establishing, operating and selling his own export coal mines. He has worked for BHP, Coal and Allied, the Joint Coal Board and latterly Chief Executive Officer in Australia for Consolidated Coal Company of the USA (now Consol Energy). Since establishing his own companies 32 years ago he has been responsible for export sales of up to 5 million tonnes of coal a year from his own and other mines in Australia, and some from other countries. He has close links with Asian and Indian coal buyers and has been mandated by several Chinese companies to secure coal and coal projects. He was Chairman of SAI Global Limited (ASX listed) from listing in 2003 until 2008; the Energy Council of Australia (from 1993 to 2006) and Standards Australia (from 2000 to 2004); in 1995, he was President of The AusIMM. He has authored more than 50 talks, articles and presentations in Australia and in 14 countries overseas, mainly on mining and coal-related matters.

### **9.3 Board recommendation and Chair's vote**

The Directors, with Mr Edwards abstaining, recommend that Shareholders vote in favour of Resolution 8.

The Chair intends to vote all available proxies in favour of this Resolution 8.

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## **10. RESOLUTION 9 – ELECTION OF CHARLES FEAR AS DIRECTOR**

### **10.1 Background**

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing

Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 13.4 of the Constitution any Director so appointed holds office only until the end of next following general meeting and is then eligible for election by Shareholders (but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting).

Mr Fear was appointed by the Board as to fill a casual vacancy on 17 August 2017. Under clause 13.4 of the Constitution Mr Fear is required to retire from office as a Director at the Meeting and he offers himself for election by the Shareholders.

## **10.2 Candidate profile**

Mr Fear co-founded Argonaut Limited in 2002 to provide M&A advice, undertake primary and secondary capital raisings, and provide stock-broking services to natural resources companies and companies that operate in the resources sector. Over the last ten year, Argonaut has advised on over \$4B worth of M&A deals, raised more than \$3B in equity and more than \$1B in debt for resource companies and projects. Argonaut works across the globe and has conducted business in Australia, North and South America, throughout the Asia-Pacific region and in Africa. Notable deals in which Charles has been involved include \$750m of capital raises for Ausdrill, GR Engineering and Austin Engineering; M&A advisory in relation to Regent Pacific's \$345m offer for BC Iron, the \$287m merger of Ausdrill and Brandrill, Territory Resources \$966m bid for Consolidated Minerals and Gem Diamonds \$300m takeover of Kimberly Diamonds.

## **10.3 Board recommendation and Chair's vote**

The Directors, with Mr Fear abstaining, recommend that Shareholders vote in favour of Resolution 9.

The Chair intends to vote all available proxies in favour of this Resolution 9.

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## **11. RESOLUTION 10 – RE-ELECTION OF JAMES CHISHOLM AS DIRECTOR**

### **11.1 Background**

A director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer.

Clause 13.2 of the Constitution provides, subject to clause 17.4, that one third of the Directors for the time being, or if their number is not a multiple of 3, then the number nearest one third, and any other Director not in such one third who has held office for 3 years or more (except the Managing Director), must retire from office at the annual general meeting every year. Clause 13.2 provides that a retiring Director is eligible for re-election.

The Director(s) to retire at any annual general meeting must be those who have been longest in office since their last election.

The Company has a total of four Directors, three of whom were appointed since the last general meeting. As such the Company has one director remaining who would be eligible for re-election pursuant to the applicable rotation clause of the Constitution.

### **11.2 Candidate profile**

Mr Chisholm is a qualified engineer, holding a degree in electrical engineering, who has worked in the engineering and mining sectors for the past 28 years, initially in

engineering, then management, then M&A roles. James co-founded The Chairmen 1 Pty Ltd (which was the largest shareholder of Guildford Coal Limited), Ebony Iron Pty Ltd (now part of Strategic Minerals PLC, AIM: SML), Fertoz Limited (ASX: FTZ) and Ebony Energy Limited.

Mr Chisholm is currently a director of ASX listed Fertoz Limited (ASX: FTZ) and is currently a director of unlisted Ebony Energy Limited.

Further details of Mr Chisholm's background and experience are set out in the Annual Report.

### 11.3 Board recommendation and Chair's vote

The Directors, with Mr Chisholm abstaining, recommend that Shareholders vote in favour of Resolution 10. The Chair intends to vote all available proxies in favour of this Resolution 10.

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## 12. RESOLUTION 11 - RATIFICATION OF PRIOR ISSUE OF 27,000,000 SHARES

### 12.1 General

On 28 December 2017, the Company raised \$13,500,000 from the issue of 27,000,000 Shares at \$0.50 per Share. The Shares were issued without the prior approval of Shareholders and in accordance with ASX Listing Rules 7.1.

Resolution 11 seeks Shareholder approval for the previous issues of 27,000,000 Shares for the purposes of ASX Listing Rule 7.4 and all other purposes.

### 12.2 ASX Listing Rules 7.1, 7.4 & 7.5

ASX Listing Rule 7.1 provides that a listed company must not, subject to certain exceptions, issue or agree to issue more than 15% of its capital within a 12-month period without the approval of shareholders.

ASX Listing Rule 7.4 provides that an issue of shares made without approval under Listing Rule 7.1 is treated as been made with approval if each of the following applies:

- the issue did not breach Listing Rule 7.1 (or 7.1A), and
- the shareholders of ordinary securities subsequently approve the issue.

The issue of 27,000,000 Shares did not breach ASX Listing Rule 7.1 (or 7.1A) and the Company seeks subsequent Shareholder approval for these issues of Shares for the purposes of ASX Listing Rule 7.4 and all other purposes.

The following information is provided to Shareholders in accordance with ASX Listing Rule 7.5:

<b>The number of securities issued</b>	27,000,000 Shares
<b>Issue price per security</b>	\$0.50 per Share raising \$13,500,000
<b>Terms of security</b>	Ordinary Shares ranking equally with all existing shares

<b>Persons whom securities were issued or basis of issue</b>	The Shares were issued to institutional and sophisticated investors.
<b>Use of funds raised</b>	Funds have been/will be used for working capital and project exploration purposes.

### 12.3 Voting exclusion statement

The Company will, in accordance with ASX Listing Rules 7.4 and 14.11, disregard any votes cast on Resolution 11, by or on behalf of any person named in respect of this resolution in the Explanatory Statement and any of their associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

### 12.4 Board recommendation and Chair's vote

The Directors unanimously recommend that Shareholders vote in favour of Resolution 11. The Chair intends to vote all available proxies in favour of this Resolution 11.

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## 13. RESOLUTION 12 - RATIFICATION OF PRIOR ISSUE OF 300,000 SHARES

### 13.1 General

On 28 December 2017, the Company issued 300,000 Shares as consideration for fees payable for professional services rendered to the Company. The Shares were issued without the prior approval of Shareholders and in accordance with ASX Listing Rules 7.1.

Resolution 12 seeks Shareholder approval for the previous issues of 300,000 Shares for the purposes of ASX Listing Rule 7.4 and all other purposes.

### 13.2 ASX Listing Rules 7.1, 7.4 & 7.5

ASX Listing Rule 7.1 provides that a listed company must not, subject to certain exceptions, issue or agree to issue more than 15% of its capital within a 12-month period without the approval of shareholders.

ASX Listing Rule 7.4 provides that an issue of shares made without approval under Listing Rule 7.1 is treated as been made with approval if each of the following applies:

- the issue did not breach Listing Rule 7.1 (or 7.1A), and
- the shareholders of ordinary securities subsequently approve the issue.

The issue of 300,000 Shares did not breach ASX Listing Rule 7.1 (or 7.1A) and the Company seeks subsequent Shareholder approval for these issues of Shares for the purposes of ASX Listing Rule 7.4 and all other purposes.

The following information is provided to Shareholders in accordance with ASX Listing Rule 7.5:

<b>The number of securities issued</b>	300,000 Shares
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<b>Issue price per security</b>	\$0.564 per Share.
<b>Terms of security</b>	Ordinary Shares ranking equally with all existing shares
<b>Persons whom securities were issued or basis of issue</b>	The Shares were issued Equipment resource group Pty Ltd.
<b>Use of funds raised</b>	No funds were raised from the issue as Shares were issued as consideration for fees payable by the Company for professional services rendered.

### 13.3 Voting exclusion statement

The Company will, in accordance with ASX Listing Rules 7.4 and 14.11, disregard any votes cast on Resolution 12, by or on behalf of any person named in respect of this resolution in the Explanatory Statement and any of their associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

### 13.4 Board recommendation and Chair's vote

The Directors unanimously recommend that Shareholders vote in favour of Resolution 12. The Chair intends to vote all available proxies in favour of this Resolution 12.

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## 14. RESOLUTION 13 - RATIFICATION OF PRIOR ISSUE OF 1,063,636 OPTIONS

### 14.1 General

In July 2017, the Company issued 1,063,636 Options subject to the terms of conversion of previously issued convertible notes. The Options were issued without the prior approval of Shareholders and in accordance with ASX Listing Rules 7.1.

Resolution 13 seeks Shareholder approval for the previous issues of 1,063,636 Options for the purposes of ASX Listing Rule 7.4 and all other purposes.

### 14.2 ASX Listing Rules 7.1, 7.4 & 7.5

ASX Listing Rule 7.1 provides that a listed company must not, subject to certain exceptions, issue or agree to issue more than 15% of its capital within a 12-month period without the approval of shareholders.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 is treated as been made with approval if each of the following applies:

- the issue did not breach Listing Rule 7.1 (or 7.1A), and
- the shareholders of ordinary securities subsequently approve the issue.

The issue of 1,063,636 Options did not breach ASX Listing Rule 7.1 (or 7.1A) and the Company seeks subsequent Shareholder approval for these issues of Options for the purposes of ASX Listing Rule 7.4 and all other purposes.

The following information is provided to Shareholders in accordance with ASX Listing Rule 7.5:

<b>The number of securities issued</b>	1,063,636 Options
<b>Issue price per security</b>	Nil
<b>Terms of security</b>	Unlisted Options with an exercise price of \$0.60 per Option and an expiry date of 31 October 2018 and on the terms set out in Schedule 2.
<b>Persons whom securities were issued or basis of issue</b>	The Options were issued to Ben Roth.
<b>Use of funds raised</b>	No funds were raised directly from the issue of Options as Options were issued as attaching Options to 1,063,636 Shares previously issued under the terms of conversion of previously issued convertible notes.

#### **14.3 Voting exclusion statement**

The Company will, in accordance with ASX Listing Rules 7.4 and 14.11, disregard any votes cast on Resolution 13, by or on behalf of any person named in respect of this resolution in the Explanatory Statement and any of their associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

#### **14.4 Board recommendation and Chair's vote**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 13. The Chair intends to vote all available proxies in favour of this Resolution.

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### **15. RESOLUTION 14 - RATIFICATION OF PRIOR ISSUE OF 198,007 SHARES**

#### **15.1 General**

On 17 February 2017, the Company issued 198,007 Shares as consideration for fees payable for professional services rendered to the Company. The Shares were issued without the prior approval of Shareholders and in accordance with ASX Listing Rules 7.1.

Resolution 14 seeks Shareholder approval for the previous issues of 198,007 Shares for the purposes of ASX Listing Rule 7.4 and all other purposes.



## 15.2 ASX Listing Rules 7.1, 7.4 & 7.5

ASX Listing Rule 7.1 provides that a listed company must not, subject to certain exceptions, issue or agree to issue more than 15% of its capital within a 12-month period without the approval of shareholders.

ASX Listing Rule 7.4 provides that an issue of shares made without approval under Listing Rule 7.1 is treated as been made with approval if each of the following applies:

- the issue did not breach Listing Rule 7.1 (or 7.1A), and
- the shareholders of ordinary securities subsequently approve the issue.

The issue of 198,007 Shares did not breach ASX Listing Rule 7.1 (or 7.1A) and the Company seeks subsequent Shareholder approval for these issues of Shares for the purposes of ASX Listing Rule 7.4 and all other purposes.

The following information is provided to Shareholders in accordance with ASX Listing Rule 7.5:

<b>The number of securities issued</b>	198,007 Shares
<b>Issue price per security</b>	\$0.4615 per Share.
<b>Terms of security</b>	Ordinary Shares ranking equally with all existing shares
<b>Persons whom securities were issued or basis of issue</b>	The Shares were issued to Greg Bell
<b>Use of funds raised</b>	No funds were raised from the issue as Shares were issued as consideration for fees payable by the Company for professional services rendered.

## 15.3 Voting exclusion statement

The Company will, in accordance with ASX Listing Rules 7.4 and 14.11, disregard any votes cast on Resolution 14, by or on behalf of any person named in respect of this resolution in the Explanatory Statement and any of their associates, unless it is cast:

- by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

## 15.4 Board recommendation and Chair's vote

The Directors unanimously recommend that Shareholders vote in favour of Resolution 14. The Chair intends to vote all available proxies in favour of this Resolution 14.

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**16. RESOLUTION 15 - RATIFICATION OF PRIOR ISSUE OF 3,000,000 OPTIONS****16.1 General**

In February 2017, the Company issued 3,000,000 Options in accordance with the terms of private placement mandate agreement entered into in relation to a previous capital raising conducted by the Company. The Options were issued without the prior approval of Shareholders and in accordance with ASX Listing Rules 7.1.

Resolution 15 seeks Shareholder approval for the previous issues of 3,000,000 Options for the purposes of ASX Listing Rule 7.4 and all other purposes.

**16.2 ASX Listing Rules 7.1, 7.4 & 7.5**

ASX Listing Rule 7.1 provides that a listed company must not, subject to certain exceptions, issue or agree to issue more than 15% of its capital within a 12-month period without the approval of shareholders.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 is treated as been made with approval if each of the following applies:

- the issue did not breach Listing Rule 7.1 (or 7.1A), and
- the shareholders of ordinary securities subsequently approve the issue.

The issue of 3,000,000 Options did not breach ASX Listing Rule 7.1 (or 7.1A) and the Company seeks subsequent Shareholder approval for these issues of Options for the purposes of ASX Listing Rule 7.4 and all other purposes.

The following information is provided to Shareholders in accordance with ASX Listing Rule 7.5:

<b>The number of securities issued</b>	3,000,000 Options							
<b>Issue price per security</b>	\$0.0001 per Option							
<b>Terms of security</b>	Unlisted Options with an exercise price of \$0.60 per Option and an expiry date of 31 October 2018 and on the terms set out in Schedule 2.							
<b>Persons whom securities were issued or basis of issue</b>	The Options were issued to: <table border="1"><tr><td>Boston First Capital Pty Ltd</td><td>2,000,000 Options</td></tr><tr><td>Argonaut Investments Pty Limited</td><td>500,000 Options</td></tr><tr><td>Mr Rodney Malcolm Jones &amp; Mrs Carol Robin Jones</td><td>500,000 Options</td></tr></table>		Boston First Capital Pty Ltd	2,000,000 Options	Argonaut Investments Pty Limited	500,000 Options	Mr Rodney Malcolm Jones & Mrs Carol Robin Jones	500,000 Options
Boston First Capital Pty Ltd	2,000,000 Options							
Argonaut Investments Pty Limited	500,000 Options							
Mr Rodney Malcolm Jones & Mrs Carol Robin Jones	500,000 Options							
<b>Use of funds raised</b>	Funds raised have been used for working capital and project exploration purposes.							

### **16.3 Voting exclusion statement**

The Company will, in accordance with ASX Listing Rules 7.4 and 14.11, disregard any votes cast on Resolution 15, by or on behalf of any person named in respect of this resolution in the Explanatory Statement and any of their associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

### **16.4 Board recommendation and Chair's vote**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 15. The Chair intends to vote all available proxies in favour of this Resolution.

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## **17. RESOLUTION 16 – APPROVAL OF 10% PLACEMENT CAPACITY**

### **17.1 General**

ASX Listing Rule 7.1A provides that the Company may seek Shareholder approval at an annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital ("10% Placement Capacity").

If Shareholders approve Resolution 16, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 17.2 below).

The effect of Resolution 16 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and in addition to the Company's 15% annual placement capacity granted under ASX Listing Rule 7.1.

Resolution 16 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 16 for it to be passed.

### **17.2 ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A enables the Company to seek Shareholder approval at an annual general meeting to issue Equity Securities in addition to those under the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is a company that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of \$41,758,677 million at the close of trading on 19 September 2017, being the date of preparation of this Notice, being 20 September 2017.

Any Equity Securities issued under the 10% Additional Placement Capacity must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: ATU) together with three classes of unquoted options, one class of partly paid shares and one class of performance rights.

The exact number of Equity Securities that the Company may issue under an approval under ASX Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under ASX Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without Shareholder approval; and
  - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary securities under ASX Listing Rule 7.1 or 7.4.

### 17.3 Information required by ASX Listing Rule 7.3A

In accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 16:

- (a) **Minimum Price**
- Pursuant to ASX Listing Rule 7.1A.3, the minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 17.3(a)(i), the date on which the Equity Securities are issued.
- (b) **Date of Issue**
- The Equity Securities may be issued under the 10% Additional Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:
- (i) 12 months after the date of this Meeting; or

- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or ASX Listing Rule 11.2 (disposal of the Company's main undertaking) after which date an approval under ASX Listing Rule 7.1A ceases to be valid.

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Additional Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 16 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Additional Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)*	Dilution			
	Issue Price (per Share)	0.09 50% decrease in Issue Price	0.18 Issue Price	0.36 100% increase in Issue Price
231,992,649 (Current Variable A)	Shares issued - 10% voting dilution	23,199,265 Shares	23,199,265 Shares	23,199,265 Shares
	Funds raised	\$2,087,934	\$4,175,868	\$8,351,735
347,988,973 (50% increase in Variable A)	Shares issued - 10% voting dilution	34,798,897 Shares	34,798,897 Shares	34,798,897 Shares
	Funds raised	\$3,131,901	\$6,263,802	\$12,527,603
463,985,298	Shares issued - 10% voting dilution	46,398,530 Shares	46,398,530 Shares	46,398,530 Shares

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)*	Dilution			
		Issue Price (per Share)	0.09 50% decrease in Issue Price	0.18 Issue Price
(100% increase in Variable A)	Funds raised	\$4,175,868	\$8,351,735	\$16,703,471

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer), or that are issued with Shareholder approval under ASX Listing Rule 7.1.

(d) **The table above uses the following assumptions:**

- (i) There are currently 231,992,649 Shares on issue.
- (ii) The issue price set out above is the closing price of the Shares on the ASX on 19 September 2017.
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (iv) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- (v) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- (vi) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (vii) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- (viii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (ix) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

(e) **Risk of economic and voting dilution**

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and

- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(f) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets / Groundhog Project (funds would then be used for the project, feasibility studies and ongoing project administration), general working capital and administration; or
- (ii) as non-cash consideration for the acquisition of new resources, assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(g) **Allocation policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(h) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 30 November 2016 ("**Previous Approval**").

The Company has issued any 20,000,000 Equity Securities pursuant to the Previous Approval.

During the 12-month period preceding the date of the Meeting, being on and from 3 November 2016, the Company otherwise issued a total of 10,702,045 Shares and 5,048,038 Options which represents approximately 7.82% of the total diluted number of Equity Securities on issue in the Company on 3 November 2016, which was 201,290,604.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 3.

(i) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- (ii) the information required by ASX Listing Rule 3.10.5A for release to the market.

**17.4 Voting exclusion statement**

As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 16.

**17.5 Board recommendation and Chair's vote**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 16. The Chair intends to vote all available proxies in favour of this Resolution 16.

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**18. ENQUIRIES**

Shareholders are requested to contact Justyn Stedwell on +61 3 9191 0135 if they have any queries in respect of the matters set out in these documents.



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## SCHEDULE 1 - DEFINITIONS

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**\$** means Australian dollars, unless otherwise stated.

**10% Placement Capacity** has the meaning given to that term in section 17.1 of the Explanatory Statement.

**AEDT** means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**Annual Report** means the Directors' Report, Financial Report and Independent Auditor's Report in respect to the financial year ended 30 June 2017.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the listing rules of ASX.

**Atrum** means Atrum Coal Limited (ACN 153 876 861).

**Board** means the current board of Directors.

**Business Day** means any day on which the ASX is open for trading.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

**Company** means Atrum Coal Limited (ACN 153 876 861).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a current director of the Company.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying this Notice.

**Financial Report** means the annual financial report of the Company and its controlled entities prepared under Chapter 2M of the Corporations Act.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group named in the remuneration report for the year ended 30 June 2016.

**Meeting** has the meaning given to that term in the introductory paragraph of this Notice.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Proxy Form** means the proxy form accompanying this Notice.

**Remuneration Report** means the remuneration report of the Company set out in the Directors' Report section of the Company's Annual Report for the year ended 30 June 2017.

**Resolution** means a resolution set out in this Notice.

**Schedule** means a schedule to this Notice.

**Section** means a section of the Explanatory Statement of this Notice.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Variable A** means "A" as set out in the calculation in section 17.3(c) of the Explanatory Statement.

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## **SCHEDULE 2 – TERMS AND CONDITIONS OF OPTIONS**

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### **Rights Attaching to Options**

The Options entitle the holder to subscribe for one Share upon the exercise of each Option.

(a) **Exercise period**

The Options are exercisable at any time on or prior to the Expiry Date (subject to achievement of any vesting conditions).

(b) **Notice of exercise**

The Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Option being exercised. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(c) **Shares issued on exercise**

Shares issued on exercise of the Options will rank equally with the Shares of the Company.

(d) **Quotation of Shares on exercise**

Application will be made by the Company to the ASX for official quotation of the Shares issued upon the exercise of the Options.

(e) **Timing of issue of Shares**

After an Option is validly exercised, the Company must as soon as possible:

- (i) issue the Share; and
- (ii) do all such acts matters and things to obtain:
  - (A) the grant of quotation for the Share on the ASX no later than 5 days from the date of exercise of the Option; and
  - (B) receipt of cleared funds equal to the sum payable on the exercise of the Options.

(f) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(g) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(h) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

(i) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(j) **Quotation of Options**

The Options will be unlisted Options at completion of the Offer. However, the Company reserves the right to apply for quotation of the Options at such time as the Company in its absolute discretion determines. Should the Company make an application for official quotation of the Options and the ASX accepts the application for quotation of the Options then the Options will be listed options from the time that the ASX accepts such application.

## SCHEDULE 3 – ISSUES OF EQUITY SECURITIES SINCE 3 NOVEMBER 2016

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Details / Form of consideration
7-Nov-16	442,438	Shares <sup>2</sup>	MC Court Investments Pty Ltd ATF McCourt Super Fund, M&K McCourt Pty Ltd, Mason Deelman, Murrindindi Pty Ltd ATF Murrindindi Super Fund & Majol Pty Ltd.	\$0.56505 (25.48% discount)	Conversion of convertible note (Cash raised from initial issue of convertible notes)
7-Nov-16	2,761,600	Shares <sup>2</sup>	Russel Moran	\$0.199992 (discount to market price n/a)	Conversion of partly paid shares to Fully Paid Shares (Cash)
28-Dec-16	27,000,000	Shares <sup>2</sup>	Institutional and Sophisticated investors.	\$0.50 (at market price)	Private Placement (Cash)
28-Dec-16	300,000	Shares <sup>2</sup>	Equipment resource group Pty Ltd	\$0.564 (12.03% premium to market price)	Services rendered (Non-Cash) Current Value: \$169,200
28-Dec-16	442,438	Unlisted Options <sup>3</sup>	MC Court Investments Pty Ltd ATF McCourt Super Fund, M&K McCourt Pty Ltd, Mason Deelman, Murrindindi Pty Ltd ATF Murrindindi Super Fund, Majol Pty Ltd (M Olivetta)	Nil (discount to market price n/a)	Attached to convertible note (Cash raised from initial issue of convertible notes) Current Estimated Value of Options: \$0.015 per Option
28-Dec-16	541,964	Unlisted Options <sup>4</sup>	EMBR CAPITAL LLC & MR BEN ROTH	Nil (discount to market price n/a)	Attached to convertible note (Cash raised from initial issue of convertible notes) Current Estimated Value: \$0.012 per Option
17-Feb-17	198,007	Shares <sup>2</sup>	Greg Bell	\$0.4615 (7% discount to market price)	Services rendered (Non-Cash)
17-Feb-17	3,000,000	Unlisted Options <sup>5</sup>	Argonaut Investments Pty Limited, RM & CR Jones, Boston First Capital.	\$0.0001 (discount to market price n/a)	Private Placement (Cash)
12-Jul-17	1,063,636	Unlisted Options <sup>6</sup>	Ben Roth	Nil (discount to market price n/a)	Attached to convertible note (Cash raised from initial issue of convertible notes) Current Estimated Value of Options: \$0.017 per Option

### Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: ATU (terms are set out in the Constitution).
3. Unquoted Options, exercisable at \$0.65 each, on or before 14 November 2018. The full terms and conditions are disclosed in Schedule 2.
4. Unquoted Options, exercisable at \$0.75 each, on or before 15 August 2018. The full terms and conditions are disclosed in Schedule 2.
5. Unquoted Options, exercisable at \$0.75 each, on or before 16 February 2019. The full terms and conditions are disclosed in Schedule 2.
6. Unquoted Options, exercisable at \$0.60 each, on or before 31 October 2018. The full terms and conditions are disclosed in Schedule 2.

7. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
  8. In respect of quoted Equity Securities, the value is based on the closing price of the Shares (\$0.018) on the ASX on the trading day prior to the date of this Notice. In respect of unquoted Equity Securities, the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information) and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).
  9. The total number of equity securities issued since 3 November 2016 is 30,702,045 Shares and 5,048,038 Options, representing 17.76% of the total number of equity securities on issue at 3 November 2016.
  10. The total amount of cash consideration raised in the 12 months since 3 November 2016 was \$14.3 million. Of this, \$3.1 million has been spent on exploration expenses and inventory and \$6.9 million on development, administration and compliance costs. The Company intends to spend the remaining amount of cash, \$4.3 million, on its projects, development costs and administration.
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**ATRUM COAL LIMITED**

ACN: 153 876 861

**REGISTERED OFFICE:**LEVEL 19  
1 O'CONNELL STREET  
SYDNEY NSW 2000

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**SHARE REGISTRY:**

Security Transfer Australia Pty Ltd

**All Correspondence to:**PO BOX 52  
Collins Street West VIC 8007  
Suite 913, Exchange Tower  
530 Little Collins Street  
Melbourne VIC 3000  
T: 1300 992 916 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

Code:

ATU

Holder Number:

**PROXY FORM**

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE  
ONLINE**Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE»

**SECTION A: Appointment of Proxy**

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

 The meeting chairperson**OR**

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 11:00am (AEDT) on Friday 3 November 2017 at Christie Offices, 3 Springs St, Sydney NSW 2000 and at any adjournment of that meeting.

**SECTION B: Voting Directions**

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions.

In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain*	For	Against	Abstain*	
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Election of Charles Fear as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Approval of issue of 10,000,000 Options to Max Wang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Re-election of James Chisholm as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of issue of 2,400,000 Options to Charles Blixt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Ratification of prior issue of 27,000,000 shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of issue of 1,600,000 Options to George Edwards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. Ratification of prior issue of 300,000 shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of issue of 1,600,000 Options to Charles Fear	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. Ratification of prior issue of 1,063,636 options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Election of Max Wang as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. Ratification of prior issue of 198,007 shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Election of Charles Blixt as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. Ratification of prior issue of 3,000,000 options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Election of George Edwards as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16. Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**SECTION C: Signature of Security Holder(s)**

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director &amp; Sole Company Secretary

Director

Director/Company Secretary

**Proxies must be received by Security Transfer Australia Pty Ltd no later than 11:00am (AEDT) on Wednesday 1 November 2017.**

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ATUPX3031117

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My/Our contact details in case of enquiries are:

Name:

Number:

(  )

**1. NAME AND ADDRESS**

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

**2. APPOINTMENT OF A PROXY**

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

**3. DIRECTING YOUR PROXY HOW TO VOTE**

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

**4. APPOINTMENT OF A SECOND PROXY**

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

**5. SIGNING INSTRUCTIONS**

**Individual:** where the holding is in one name, the Shareholder must sign.

**Joint Holding:** where the holding is in more than one name, all of the Shareholders must sign.

**Power of Attorney:** to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

**6. LODGEMENT OF PROXY**

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

**Security Transfer Australia Pty Ltd**

**Online** [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

**Postal Address** PO BOX 52  
Collins Street West VIC 8007

**Street Address** Suite 913, Exchange Tower  
530 Little Collins Street  
Melbourne VIC 3000

**Telephone** 1300 992 916

**Facsimile** +61 8 9315 2233

**Email** [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

**PRIVACY STATEMENT**

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

