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Atrum Coal
COAL FOR STEEL

ASX Release

19 March 2019

COMPLETION OF TRANCHE ONE OF PLACEMENT & APPENDIX 3B

On 8 March 2019 Atrum Coal Limited ("the Company") announced a two-tranche private placement to raise $20 million before costs. The Company confirms completion of tranche one of the placement and the issue of 83,170,813 ordinary shares in the Company (Shares) at $0.175 per Share.

Of the 83,170,813 Shares issued, 47,246,735 were issued pursuant to ASX Listing Rule 7.1 and 35,924,078 were issued pursuant to ASX Listing Rule 7.1A.

An Appendix 3B in respect of the issued Shares accompanies this announcement.

Information provided pursuant to Listing Rule 3.10.5A

The Company issued 35,924,078 shares under its 10% capacity under Listing Rule 7.1A ("Capacity Shares"), representing a portion of the total Shares issued under the placement.

As required under ASX Listing Rule 3.10.5A, the Company provides the following information:

a. the dilutive effect on existing shareholders of the Capacity Shares is as follows:

Number of Shares on issue prior to placement	361,082,778
Shares issued under ASX Listing Rule 7.1	47,246,735
Shares including those issued under Listing Rule 7.1 of placement	408,329,513
Shares issued under ASX Listing Rule 7.1A (Capacity Shares)	35,924,078
Dilution as a result of issue under Listing Rule 7.1A	8.8%
Total number of Shares on issue	444,253,591

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Board of Directors
Non-Exec Chairman C. Blixt
Managing Director M. Wang
Non-Executive Director C. Fear
Non-Executive Director G. Edwards
Non-Executive Director J. Chisholm
Non-Executive Director R. Barker
Company Secretary J. Stedwell

Key Projects
Elan Coal Ownership: 100%
Groundhog Ownership: 100%
Bowron River Ownership: 100%

b. The placement was undertaken by the Company following identification of demand for Shares by institutional investors. The placement was considered the most efficient and effective method of meeting this identified demand.
c. There was no underwriting agreement in relation to the placement; and
d. A broker commission fee of 5% on funds raised applies to 50% ($10 million) of the funds raised under the two-tranche placement, no broker fee applies to the $10 million balance.

Justyn Stedwell
Company Secretary

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Appendix 3B

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

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

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

Name of entity

Atrum Coal Limited

ABN

27 153 876 861

We (the entity) give ASX the following information.

Part 1 - All issues

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

1	+Class of +securities issued or to be issued	Ordinary fully paid shares (Shares)
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	83,172,813 Shares
3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Ordinary fully paid shares

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4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes, however, 41,585,407 Shares issued to Regal Funds Management under the placement will be held in voluntary escrow until 1 February 2020.
5	Issue price or consideration	83,170,813 Shares: $0.175 per Share 2,000 Shares: $0.20 per Share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	83,170,813 Shares: Tranche 1 of private placement announced to ASX on 8 March 2019. 2,000 Shares: Issued upon exercise of $0.20 Options (ATUO)
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B*, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	31/05/2018
6c	Number of +securities issued without security holder approval under rule 7.1	47,246,735 Shares

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6d	Number of +securities issued with security holder approval under rule 7.1A	35,924,078 Shares
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	2,000 Shares
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes VWAP: $0.2137 75% of VWAP: $0.1603 Issue price: $0.175 Issue date: 19 March 2019 VWAP source: IRESS
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer Annexure 1
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	19 March 2019

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the +securities in section 2 if applicable)	444,253,591	Fully paid ordinary shares (ATU)
		104,735,021	Listed Options exercisable at $0.20 each expiring 31/03/2021 (ATUO)

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		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the +securities in section 2 if applicable)	1,900,000	Options exercisable at $0.396 each expiring 1/06/2019
		3,000,000	Options exercisable at $0.496 each expiring 1/12/2019
		4,400,000	Options exercisable at $0.696 each expiring 1/06/2020
		4,400,000	Options exercisable at $0.996 each expiring 1/12/2020
		1,030,000	Options exercisable at $0.10 each expiring 5/08/2021
		100,000	Options exercisable at $0.10 each expiring 20/02/2022
		750,000	Performance Rights

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Company does not have a dividend policy

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A

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17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

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20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements *in full* through a broker?	N/A
31	How do security holders sell *part* of their entitlements through a broker and accept for the balance?	N/A

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32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	N/A

Part 3 - Quotation of securities

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

34 Type of +securities
(*tick one*)

(a) ☒ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

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Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	N/A
39	+Class of +securities for which quotation is sought	N/A
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)	N/A

		Number	+Class
42	Number and +class of all +securities quoted on ASX (*including* the +securities in clause 38)	N/A	

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Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign: Date: 19 March 2019

Print name: Justyn Stedwell
Company Secretary

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	232,112,649
Add the following: • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period *Note:* • *Include only ordinary securities here – other classes of equity securities cannot be added* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	127,130,129
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	0
"A"	359,242,778

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Step 2: Calculate 15% of "A"	
"B"	0.15 *[Note: this value cannot be changed]*
Multiply "A" by 0.15	53,886,416
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period *not counting* those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 *Note:* • *This applies to equity securities, unless specifically excluded – not just ordinary securities* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	53,886,117
"C"	53,886,117
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 *Note: number must be same as shown in Step 2*	53,886,416
Subtract "C" *Note: number must be same as shown in Step 3*	53,886,117
Total ["A" x 0.15] – "C"	299 *[Note: this is the remaining placement capacity under rule 7.1]*

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Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" *Note: number must be same as shown in Step 1 of Part 1*	359,242,778
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	35,924,277
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A *Notes:* • *This applies to equity securities – not just ordinary securities* • *Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed* • *Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained* • *It may be useful to set out issues of securities on different dates as separate line items*	35,924,078
"E"	35,924,078

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Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 *Note: number must be same as shown in Step 2*	35,924,277
Subtract "E" *Note: number must be same as shown in Step 3*	35,924,078
Total ["A" x 0.10] – "E"	199 *Note: this is the remaining placement capacity under rule 7.1A*

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