

ATRUM COAL UPGRADES THE GROUNDHOG ANTHRACITE COAL RESOURCE 113% TO 338MT

HIGHLIGHTS

- JORC resources at Groundhog increased by 113% to a global open cut coal resource of 338Mt across Indicated (106.9Mt) and Inferred (230.9Mt) categories
- 85.3Mt between 0 and 50m depth with attractive indicative ROM strip-ratios
- > 80% of the coal resource between 0 and 150m depth
- Further resource upgrade expected March 2013 following additional structural interpretation and modelling
- Preliminary washed clean coal quality data from the 2012 drilling program is expected by the end of January 2013

Atrum Coal NL ("**Atrum**" or the "**Company**") (**ASX: ATU**) is pleased to announce an upgrade to the JORC coal resources at the Company's flagship Groundhog Anthracite Project ("**Groundhog**"), located in British Columbia, Canada.

CEO, Mr Lyle Hobbs commented on the resource upgrade at Groundhog stating:

"With a major resource upgrade still to come over the next few months, the coal endowment at Groundhog is shaping up to be significantly larger than first thought, potentially the largest of its kind."



ASX:ATU - Share Information
Issued Shares: 102.5m

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Executive Director	R. Moran
Executive Director	G. D'Anna
Non Executive Director	E. Lilford
Company Secretary	G. D'Anna

Key Projects

Groundhog	Ownership: 100%
Peace River	Ownership: 100%
Naskeena	Ownership: 100%
Bowron River	Ownership: 100%

RESOURCE UPGRADE

The JORC resources at Groundhog have increased 113% from 159Mt to 338Mt, as summarised in the table below.

JORC Category	Previous Resource (Mt)	Upgraded Resource (Mt)
Indicated	57.1	106.9
Inferred	101.9	230.9
Total	159Mt	338Mt

JORC Resources at Groundhog

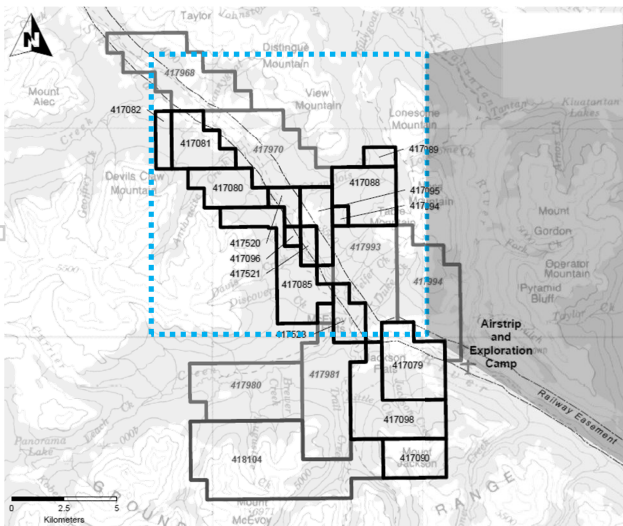
Groundhog is amenable to open cut mining with 85.3Mt occurring between 0 and 50m depth and 96% of the total 338Mt resource occurring between 0 and 200m depth.

The table below illustrates the depth cut-off of the JORC resource at Groundhog:

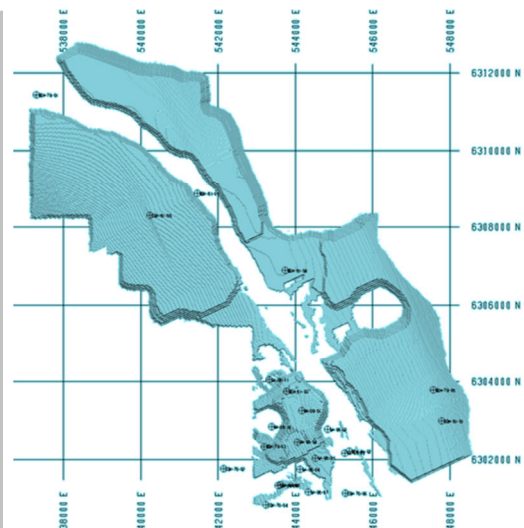
JORC Resource Breakdown By Depth			
0 – 50m	0 – 100m	0 – 150m	0 – 200m
25.3%	57.6%	83.5%	96.3%
85.3Mt	194.6Mt	282Mt	325.2Mt

JORC Resources at Groundhog by depth

The resource upgrade includes the newly acquired coal lease applications contiguous with Groundhog (see ASX Announcement 31/12/12). This resource estimate is based on historical drilling data only and does not include the Company's recent 15 diamond cored drill hole program completed in late 2012.



Groundhog project tenure and current coal resource envelope

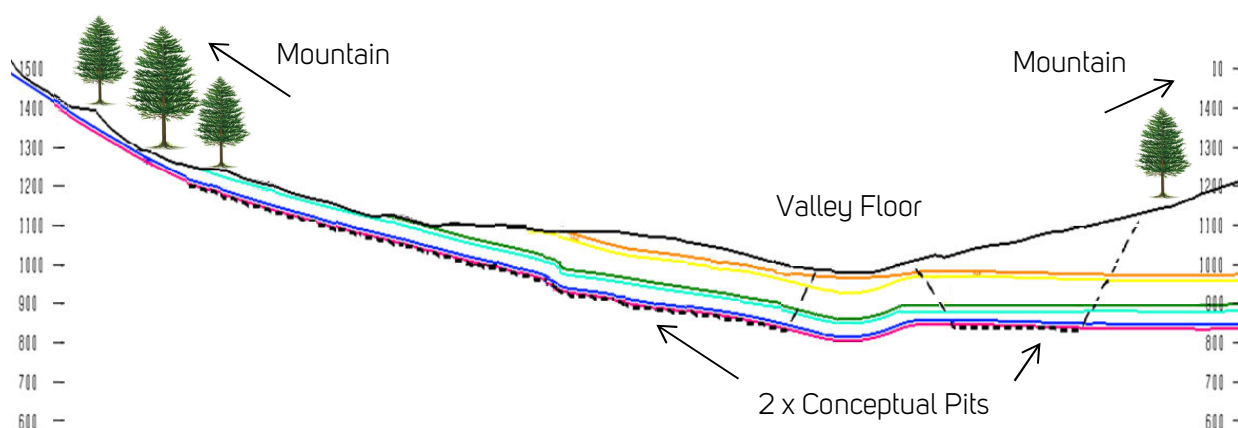


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The Company is currently updating the resource model at Groundhog to include the 2012 drilling program. This has also been expanded to include the newly acquired coal lease applications and a revision to global coal resources is expected by March 2013.

COAL SEAM STRUCTURE

A typical cross section of the coal occurrences at Groundhog is illustrated below. Coal seams occur near surface and have a tendency to dip down gently before re-approaching the surface, reflecting the synclinal nature of the valley floor. Topography (solid black line), two conceptual resource pit outlines (dotted black line) and coal seams (coloured lines) are shown in the figure below:



Typical cross-section of resource pit at Groundhog

The resource model includes eight coal seams between 0 and 200m depth.

COAL QUALITY UPDATE

The Company is expecting preliminary washed clean coal data by the end of January 2013, which will include ash chemistry, sulphur, calorific value, volatile matter and fixed carbon.

Coal quality testing by previous exploration companies from a drill hole proximate to the central core area at Groundhog, demonstrated potential to wash the coal and achieve a 65% yield (average at 1.65SG) with low impurities (sulphur and phosphorous), less than 10% ash, low volatile matter, a fixed carbon content in excess of 85% and calorific value ranging from 7,500Kcal to 8,000Kcal. Testing was based on four core samples taken at 29.3m, 72.3m, 79.1m and 136.6m depth.

Coal resources at Groundhog are of anthracite to semi-anthracite rank and the Company believes it will yield a range of metallurgical products for application to the steel and ferro-alloy industries.

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Exploration Targets

This announcement refers to Exploration Targets as defined under Section 18 of the JORC Code. The Exploration Target quantity and quality is conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the Exploration Target being delineated as a mineral resource.

Competent Person Statement

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Robert J Morris M.Sc P.Geo, who is a Member of a Recognised Overseas Professional Organisation (ROPO) included in a list promulgated by the ASX from time to time, being the Canadian Institute of Mining and Metallurgy. Mr Morris is a consultant of the independent consulting firm Moose Mountain Technical Services and has sufficient experience which is relevant to the style of mineralisation and type of deposit and mineralisation under consideration by them and to the activity which they are undertaking to qualify as a 'Competent Person' as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Morris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

This release includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. Forward looking statements in this release include, but are not limited to, the capital and operating cost estimates and economic analyses from the Study.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of resources or reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company's business and operations in the future. The company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company's control.

Although the company attempts to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be anticipated, estimated or intended, and many events are beyond the reasonable control of the company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

Forward looking statements in this release are given as at the date of issue only. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

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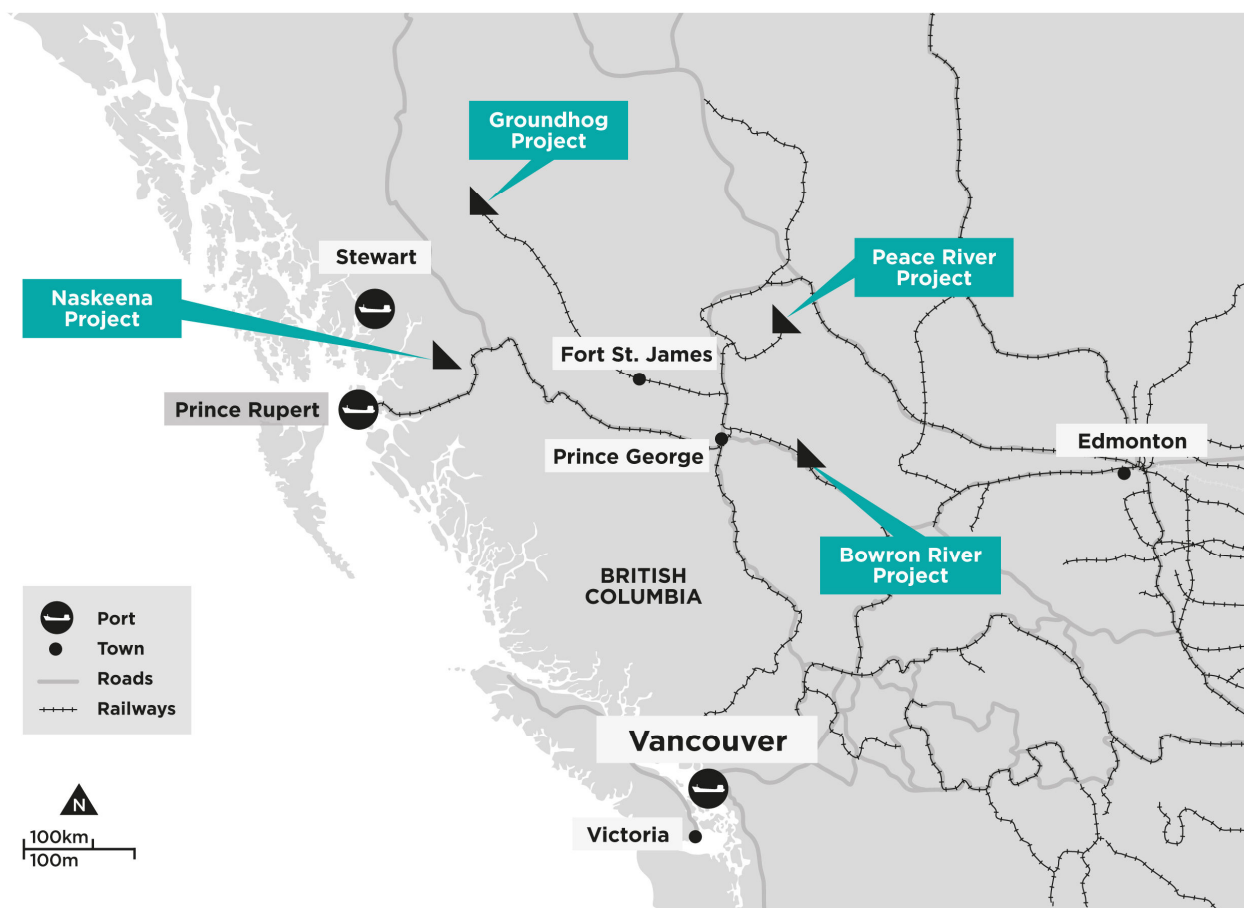
ABOUT ATRUM

Atrum is an emerging metallurgical coal explorer which owns 100% of the Groundhog, Peace River, Naskeena and Bowron River coal projects in British Columbia, Canada.

The Company's flagship Groundhog Project has a **JORC Indicated and Inferred Resource of 338Mt** (106.9Mt Indicated and 230.9Mt Inferred) with additional exploration upside. The Company also has three other wholly owned coal projects:

Coal Projects	Size (Ha)	JORC Resource (Mt)	JORC Exploration Target (Mt)
Peace River	5,325	-	0 - 25
Naskeena	11,400	-	200 - 250
Bowron River	3,000	-	-

JORC Resources and Exploration Targets by Project



Location of Atrum Coal Projects

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CANADA ADVANTAGE

Atrum has targeted British Columbia due to its relative:

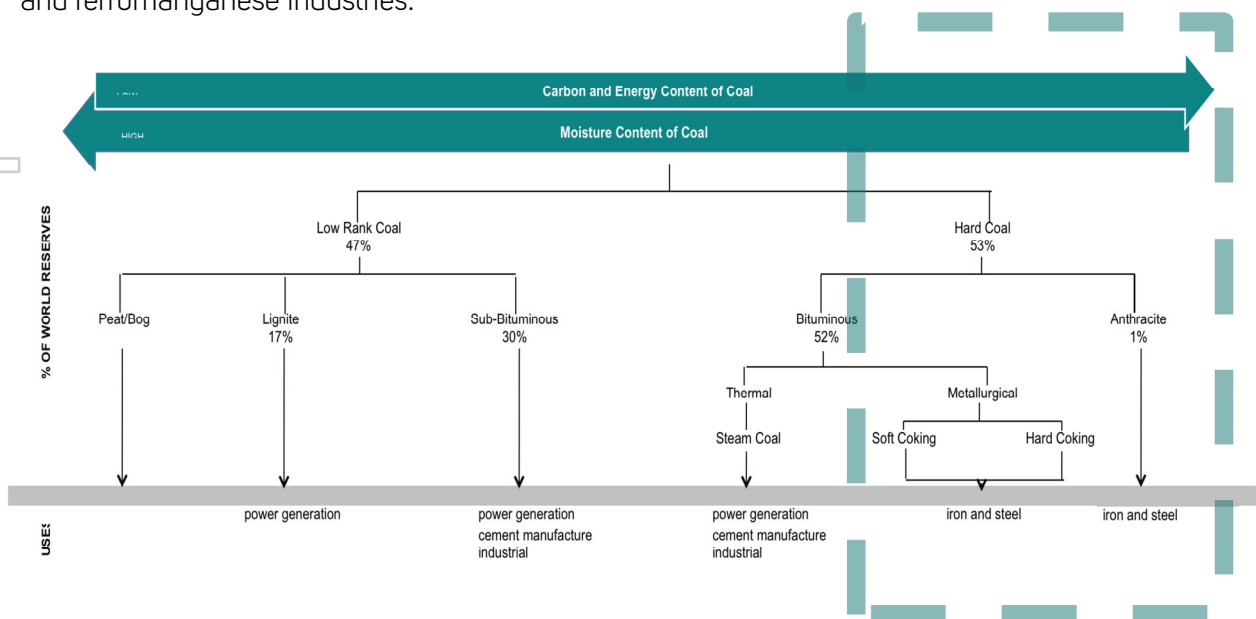
- a. abundance of high quality metallurgical coals;
- b. well developed rail and port infrastructure with excess capacity;
- c. access to deep sea ports;
- d. competitive shipping distance to Asia; and
- e. positive government stance on mining

Canada is one of the world's leading coking coal suppliers to the seaborne market.



Shipping distances from British Columbia to Asian markets

The Company's projects are targeting PCI, coking and anthracite coals suitable for use in the steel and ferromanganese industries.



Groundhog Anthracite Coals