

ATRUM COAL SCOPING STUDY RESULTS AT ITS FLAGSHIP GROUNDHOG ANTHRACITE PROJECT

HIGHLIGHTS

- Low CAPEX entry to production estimated at US\$62 million on contract mining basis for a 1.8Mtpa ROM operation
- Five year initial mining, processing and transport costs approximately US\$85 / product tonne (FOB) on a contractor basis with an aspirational LOM target of less than US\$70 / product tonne (FOB) as an owner operator
- Before-tax Free Cashflow on 1.8Mtpa ROM estimated at US\$107 million per year (A\$119 million) and US\$293 million per year (A\$326 million) for Atrum's aspirations to deliver 3Mtpa saleable production of anthracite
- Initial adit mining of seam #70 with indicative ROM yield of 61% for premium anthracite with plans to expand production with open cut mining and/or additional portals
- Conservative forecast sales prices of US\$190 to US\$208/tonne for anthracite lumps and US\$137 to US\$150/tonne for anthracite fines
- Initial trucking strategy to deep sea port of Stewart with firm 1.5Mtpa capacity secured at Stewart Bulk Terminals and additional capacity at Stewart World Port to reach 3Mtpa plus
- First anthracite coal shipments to customers targeted for Q4 2014
- Company nearing completion of its PFS / Reserve definition drilling program with 36 diamond cored holes completed to date in 2013

Note: The Scoping Study was completed by Xstract Mining Consultants Pty Ltd. It is based on the current 1.57Bt JORC Measured, Indicated and Inferred Resource at the Groundhog Anthracite Project. It is a conceptual level technical and economic assessment and there is insufficient data to support the estimation of Ore Reserves. Investors should consider the results indicative only and understand there is no assurance that the project will be economic or that the conclusions of the Scoping Study will be realised.



ASX:ATU - Share Information
Issued Shares: 110.6m

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Board of Directors

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Executive Director
Executive Director
Managing Director
Company Secretary

J. Chisholm
R. Moran
G. D'Anna
E. Lilford
G. D'Anna

Key Projects

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

Atrum Coal NL (“Atrum” or the “Company”) (ASX: ATU) is pleased to announce economic results from the Scoping Study at the Company’s flagship Groundhog Anthracite Project (“Groundhog”), located in British Columbia, Canada.

Commenting on the results, Managing Director Dr Eric Lilford stated:

“Groundhog is a low capex mining opportunity with robust indicative economics and substantial upside. We look forward to unlocking the true potential of this enormous coal endowment.”

GROUNDHOG ECONOMIC HIGHLIGHTS

The Scoping Study is focused on the North-West zone of Groundhog. A conceptual mine plan for a 1.8Mtpa ROM operation has been modelled with initial anthracite mining and extraction from the key seam #70 which ranges in thickness from 1.3m to 5.5m and is known to sub-crop close to surface along at least a 6km strike length with no significant oxidisation of the coal seam.

Atrum has a clear strategy to take its 1.57 billion tonne JORC Resource (Measured and Indicated (569Mt) and Inferred (998Mt)) and ultimately deliver 3Mtpa saleable production and beyond.

Note: 3Mtpa is an aspirational target and significant work is required to achieve this, with no certainty of success.

The Scoping Study prepared by Xstract Mining Consultants incorporates a geological model based on historical drilling and trenching and the Company’s 2012 drill program.

Due to timing of drilling and the early commencement of the Scoping Study, the planned 43 drill holes to be completed in 2013 have not been included in the Scoping Study, but will be included in the Groundhog Pre-Feasibility Study (“PFS”).

These include the following significant shallow coal intersections:

- 5.49m at 18.75m depth in DHGH13-15
- 6.8m at 30.4m depth in DHGH13-03

The remaining holes completed to date, are broadly consistent with predictions made from the current geological model that incorporates the 2012 drilling.

SCOPING STUDY METRICS	RESULTS FIRST 5 YEARS
Product Mix: Anthracite Lumps	70%
Product Mix: Anthracite Fines	30%
CAPEX (US\$)	\$62 million
Average Yield	61%
Anthracite Lumps Price Range (US\$/t)	\$190 – \$208
Anthracite Fines Price Range (US\$/t)	\$137 - \$150
OPEX (US\$/t FOB)	\$85
Annual Before-tax Free Cashflow at 1.8Mtpa ROM (US\$/year)	\$107 million
Annual Before-tax Free Cashflow at 3Mtpa Saleable (US\$/year) [#]	\$293 million

***Extrapolated estimate based result based on Atrum’s aspirational target to deliver 3Mtpa saleable production under comparable mining cost structure**

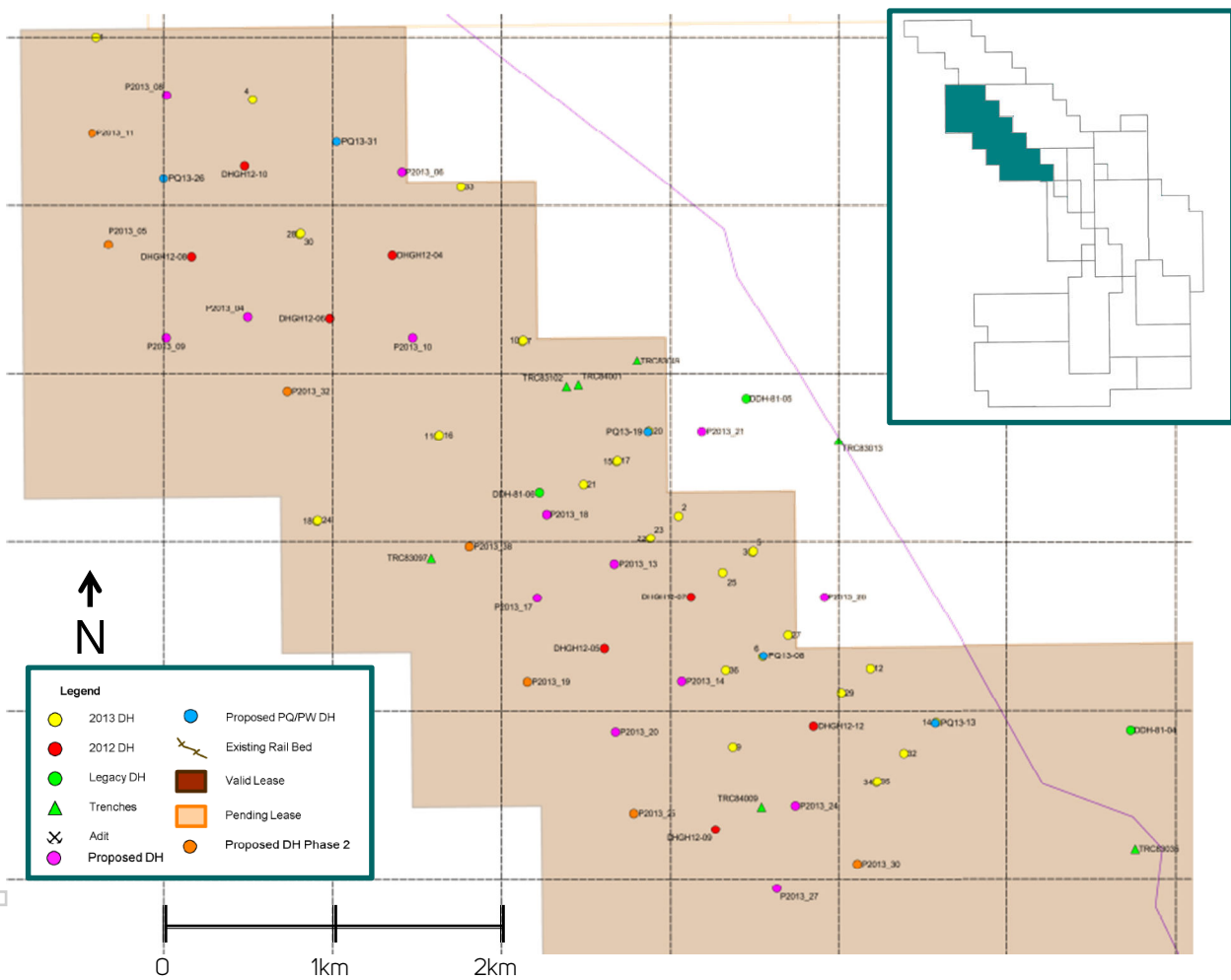
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Dr Lilford commented further:

"With such encouraging drilling results, the Company is confident of reporting upside in the PFS compared to the Scoping Study. It is important to note that the Scoping Study considers only one seam of 16 potential economic and mineable coal seams, from approximately 5% of the Company's 22,815 hectare contiguous land holding, leaving potential upside in future economic analyses."

The diagram below highlights the North-West zone of Groundhog where the Scoping Study is focused. The diagram also illustrates the density of the drilling pattern for the 2013 PFS / Reserve definition program.



North-west zone of Groundhog

Atrum's strategy is to ramp up production under Canada's 'development mining' regime with the first 70,000t planned to commence Q4 2014. Despite an enormous endowment of 1.57 billion tonnes, the Company maintains a 'lean and mean' approach towards development expenditure with a focus on delineating only sufficient future Reserves for commencement of initial low CAPEX production. Future Free Cashflow generated during production has been earmarked for broader future Reserve delineation and expansion drilling to enable the Company to achieve its target of 3Mtpa saleable and beyond.

Upfront CAPEX is estimated at US\$62 million and includes the construction of access roads to and around the proposed mine site, surface infrastructure and portal development to access the key seam #70.

In addition to applying Free Cashflow generated during production to additional development and future Reserve delineation, the Company plans to utilise surplus cash to acquire plant and equipment, enabling Atrum to become an owner-operator and reduce unit operating costs. Atrum intends to utilise Build-Own-Operate-Transfer (BOOT) options with key equipment and services suppliers to minimise initial CAPEX.

Through increased production, the Company plans to further diversify the product offering at Groundhog beyond ultra-high grade anthracite lumps and high grade anthracite fines, to higher specification products with targeted applications such as filtration media, charge carbon / reductant and electrode pastes to maximise value and returns.

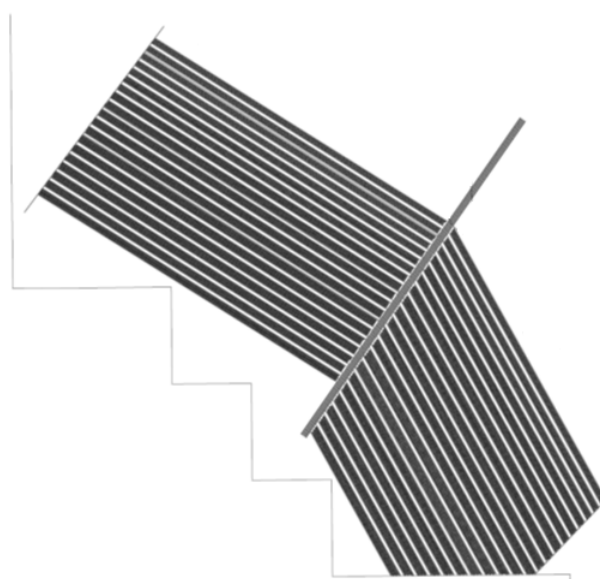
Bulk sampling will assist the Company secure sales contracts with high grade and ultra-high grade anthracite customers. Sales contracts for potential ULV PCI product at Groundhog are not expected to require bulk sampling. The Company is in discussions with respect to offtake contracts.

The Company is anticipating working under Canada's 'development mining' regime which would allow the Company an opportunity to market and refine its met product offering as well as generate early cashflow from coal shipments commencing in Q4 2014.

To deliver on the Company's low CAPEX model, development at Groundhog will initially target underground mining of the high ranking seam #70 by 'bord and pillar' method. Based on an initial five year production profile (including ramp up), indicative ROM yields range from 57% to 63% (61% weighted average) for premium anthracite lumps and fines. Under the Scoping Study, and as a secondary offering, ULV PCI can be produced with ROM yields of 76% to 83%. To deliver on Atrum's 3Mtpa saleable production target expansion by open pit mining and/or additional portals will likely be required.

Note: At this stage, the Company has not delineated Ore Reserves at Groundhog and the Scoping Study assumes the definition of a minimum coal tonnage to support the anticipated mining operation.

Under the conceptual mine plan (right), panels have been laid out running parallel to the sub-crop, which allows the panels to run at approximately consistent elevation for their entire length. This optimises the extraction percentage.



Approximate panel layout for Northern area

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Based on an initial five year production profile (including ramp up), for a base case 1.8Mtpa ROM mine plan producing a two stage product mix of 70% anthracite lumps and 30% anthracite fines, the Scoping Study forecasts all-in mining, processing and transportation charges to be less than US\$85 / product tonne (FOB) on a contractor basis. Atrum has an aspirational LOM target of less than US\$70 / product tonne (FOB) on an owner-operator basis when the mine achieves a saleable target of 3Mtpa.

The Scoping Study assumes conservative forecast sales prices of US\$190 to US\$208/tonne (nominal) for anthracite lumps and US\$137 to US\$150/tonne (nominal) for anthracite fines over the initial five year production profile (including ramp up).

The upcoming PFS will potentially model thicker near surface coal intersections from the 2013 Reserve definition drilling program and is expected to deliver economic upside beyond the Scoping Study model.

Before-tax Free Cashflow for the 1.8Mtpa ROM base case model averages US\$107 million per year (A\$119 million) (over the initial five year production profile). Subject to further drilling and the maintenance of indicative yields, this compares to US\$293 million per year (A\$326 million) in Before-tax Free Cashflow under Atrum's ultimate 3Mtpa saleable production target. It is important to note that the upcoming PFS could include thicker near surface coal intersections from the 2013 Reserve definition drilling program and this could lead to further improvements in economics.

PORT CAPACITY SECURED

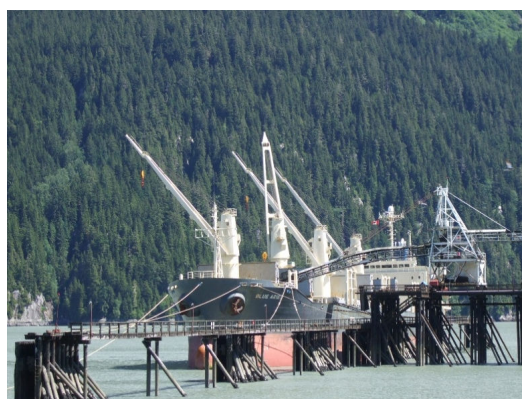
The Company recently outlined its strategy to deliver high value anthracite to key export customers, with the execution of a Terminal Services and Land Reservation Agreement with Stewart Bulk Terminals and a Memorandum of Understanding ("MOU") with Stewart World Port.

The Port of Stewart provides Atrum with a clear path to export. It is a deep sea port that does not ice over, operating 365 days a year with the ability to handle large vessels including Handymax, Panamax and Capesize vessels.

The Company has secured a firm 1.5Mtpa port allocation at Stewart Bulk Terminals, with the potential to expand, and a further 5Mtpa potential capacity under a MOU at Stewart World Port. The Port of Stewart can support Atrum in delivering a 'tier 1' export operation.



Port of Stewart aerial view



Stewart Bulk Terminal existing loading berth

PFS DRILLING

The Company is more than half-way through its 2013 PFS drilling and exploration activities with 36 diamond cored holes completed this year. Plans have been finalised to commence the large diameter core drilling program designed to extract up to 500kg of anthracite from the key seam #70 for detailed run-of-mine washability testing and product simulation. To extract these samples, one of the two drill rigs on site has been fitted with large diameter drill string. The first large diameter core was successfully extracted on 21 August 2013 (right). The other drill rig on site will continue with some additional HQ (standard core) drilling as part of the PFS.

Environmental studies are continuing with the second phase of hydrology, gas desorption, water quality and meteorology monitoring due to commence in the next two weeks.

The Company remains focused on delivering a world class producing asset to shareholders.



Core from the 2013 PFS drilling program



Large diameter drill core

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Exchange Rates

The exchange rate used in this document for conversion of Canadian dollar to United States dollar (CAD:USD) is 0.95.

The exchange rate used in this document for conversion of Australian dollar to United States dollar (AUD:USD) is 0.90.

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.

Scoping Study Economic Forecasts

Xstract Mining Consultants completed the Scoping Study referred to in this report. It is based on the current 1.57Bt JORC Measured, Indicated and Inferred Resource at the Groundhog Anthracite Project. It is a conceptual level technical and economic assessment and there is insufficient data to support the estimation of Ore Reserves. Investors should consider the results indicative only and understand there is no assurance that the project will be economic or that the conclusions of the Scoping Study will be realised.

Competent Person Statement

The information in this document that relates to Exploration Results is based on information compiled by Brad Van Den Bussche B.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 Van Den Bussche is Chief Technical Officer of Atrum Coal NL 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 Van Den Bussche consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

In accordance with the Australian Securities Exchange requirements, the technical information contained in this announcement in relation to the JORC Compliant Coal Resource for the Groundhog Anthracite Project in Canada has been reviewed by Mr Ian de Klerk of Xstract Mining Consultants Pty Ltd.

The Coal Resources documented in this release are stated in accordance with the guidelines set out in the JORC Code, 2004.

They are based on information compiled and reviewed by Mr. Ian de Klerk who is a Member of the Australasian Institute of Mining and Metallurgy (Member #301019) and is a full time employee of Xstract Mining Consultants Pty Ltd. He has more than 20 years' experience in the evaluation of coal deposits and the estimation of coal resources. Mr. de Klerk has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify him as a Competent Person as defined in the JORC Code, 2004. Neither Mr. de Klerk nor Xstract have any material interest or entitlement, direct or indirect, in the securities of Atrum Coal NL or any companies associated with Atrum Coal NL. Fees for work undertaken are on a time and materials basis. Mr. de Klerk consents to the inclusion of the Coal Resource 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.