



Developing the world's largest anthracite deposit

- ▲ Low cost
- ▲ Established mining jurisdiction
- ▲ Infrastructure solution
- ▲ Metallurgical product suite

October 2013



IMPORTANT INFORMATION

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Exploration Targets

This presentation 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

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.

The information in this document that relates to Exploration Results is based on information compiled by Brad Van Den Bussche B.Sc P.Geol, 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 a full time consultant to Atrum Coal NL being the Chief Technical Officer and has sufficient experience which is relevant to the style of mineralisation and type of deposit and mineralisation under consideration by him and to the activity which he is 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.



EXECUTIVE SUMMARY

"HIGH VALUE PRODUCT"

> Metallurgical coal focus

"FUNDING OPTIONALITY"

> 100% owned projects

"LOW COST"

> Production targets with scale

"CLEAR PATH TO PRODUCTION"

> Secured port allocation

GROUNDHOG ANTHRACITE PROJECT (100%)



1.57Bt

569Mt Measured & Indicated

CAPITAL STRUCTURE

Shares on issue <small>undiluted</small>	117,976,260
Share price <small>(30/10/13)</small>	\$1.61
Partly paid shares <small>19cps outstanding</small>	30,973,740
Performance rights	5,636,250
Options	5,450,000
Shares on issue <small>fully diluted</small>	160,036,250
Market capitalisation <small>fully diluted</small>	\$258 million
JORC resources	1.57Bt

MAJOR SHAREHOLDERS FULLY DILUTED

James Chisholm	23%
Russell Moran	23%
Gino D'Anna	8%
Other key management	3%
Total board & management	57%



ORGANISATIONAL STRUCTURE

DIRECTORS

AUSTRALIA

JAMES CHISHOLM
CHAIRMAN

- > Engineering & M&A Background
- > Founded a number of ASX listed coal companies
- > Chairman at Ebony Coal and Fertoz Ltd (ASX:FTZ)

RUSSELL MORAN
EXECUTIVE DIRECTOR

- > Mining, Oil & Gas M&A Background
- > Founded a number of exploration companies
- > Non Executive Director at Ebony Coal Limited and Director of Durus Copper NL

GINO D'ANNA
EXECUTIVE DIRECTOR

- > Investment banking and corporate advisory background
- > Has been a director of several junior ASX listed exploration companies

DR ERIC LILFORD
MANAGING DIRECTOR

- > Mining Engineer and Investment Banker
- > Former MD of ASX listed junior anthracite coal exploration company and former Head of Mining at Deloitte Touche Tohmatsu

KEY MANAGEMENT

CANADA

GREG BELL
PROJECT MANAGER

- > 30+ years experience with project development and coal focus
- > Chemical engineer

BRAD VAN DEN BUSSCHE
CHIEF TECHNICAL OFFICER

- > Geologist with 25+ years experience in coal industry
- > Held positions with Gulf Canada Resources (4 yrs) and Norwest Resources (6 yrs).

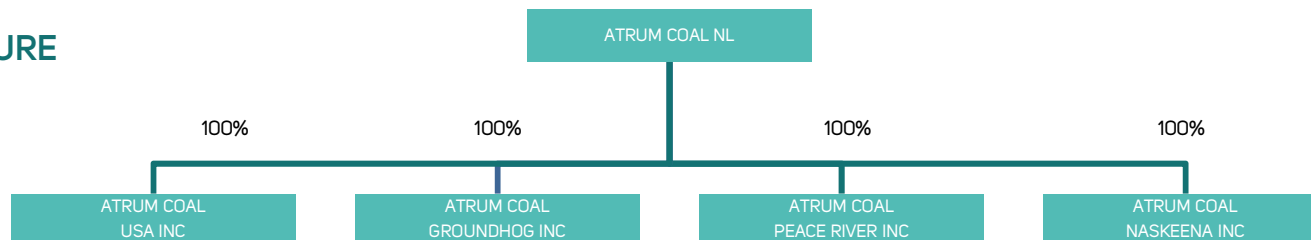
GLENN COLLICK
CHIEF RELATIONSHIP OFFICER

- > 25+ years experience in the natural resources sector
- > Responsible for managing relationships with First Nations, Environment Canada and Ministry of Energy and Mines

SHANE UREN
CHIEF ENVIRONMENTAL OFFICER

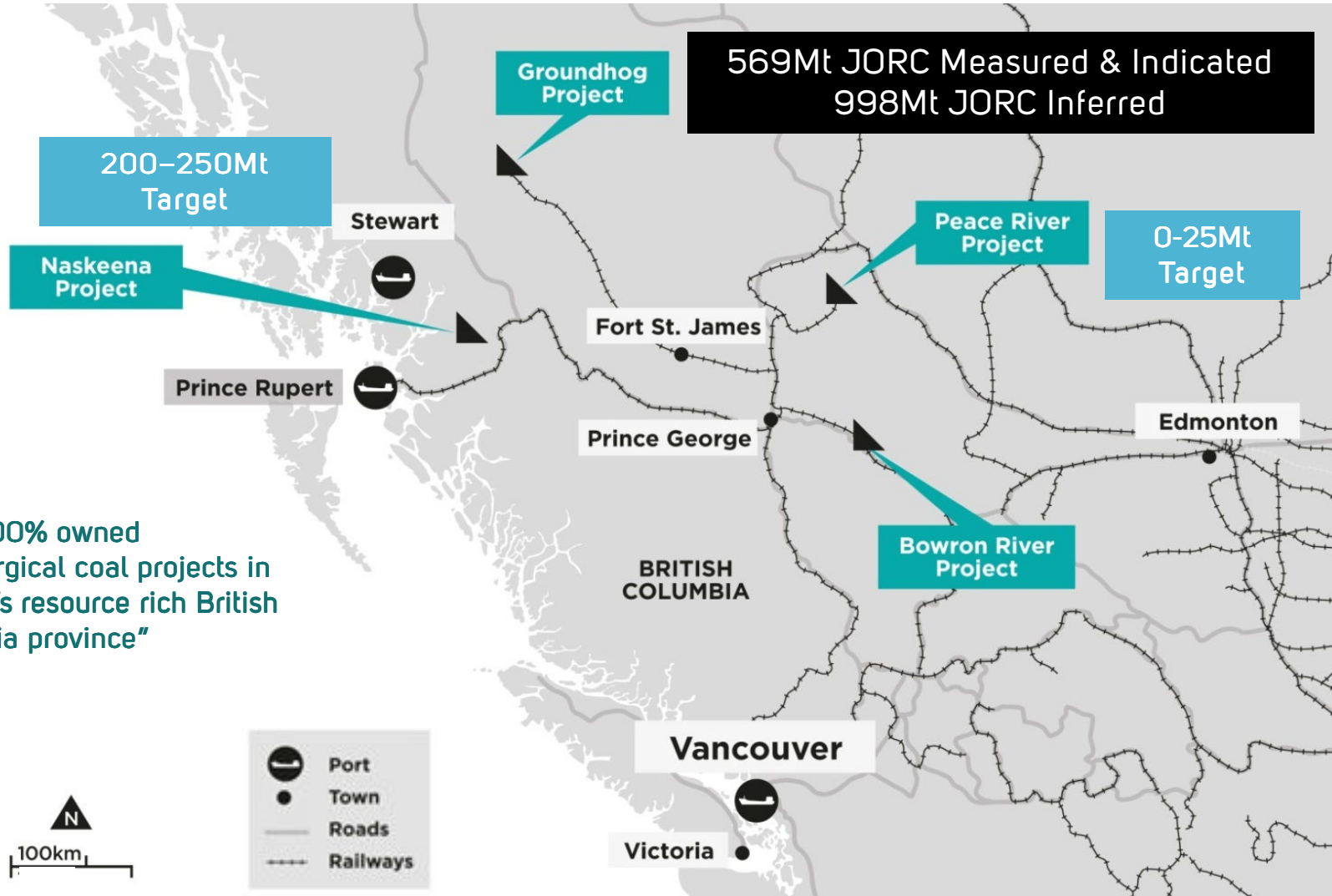
- > Biologist and Civil Engineer with 15+ years experience in permitting and environmental assessment
- > Previous track record in driving mine EA's, hydroelectric EA's and Port EA's including Stewart Bulk Terminal

STRUCTURE





PROJECT LOCATIONS



"Four 100% owned metallurgical coal projects in Canada's resource rich British Columbia province"

Locations of Atrum's British Columbia coal projects
Note: Target refers to Exploration Target under clause 18 of the JORC Code and is conceptual in nature and there has been insufficient exploration to define a Mineral Resource



ANTHRACITE COALS

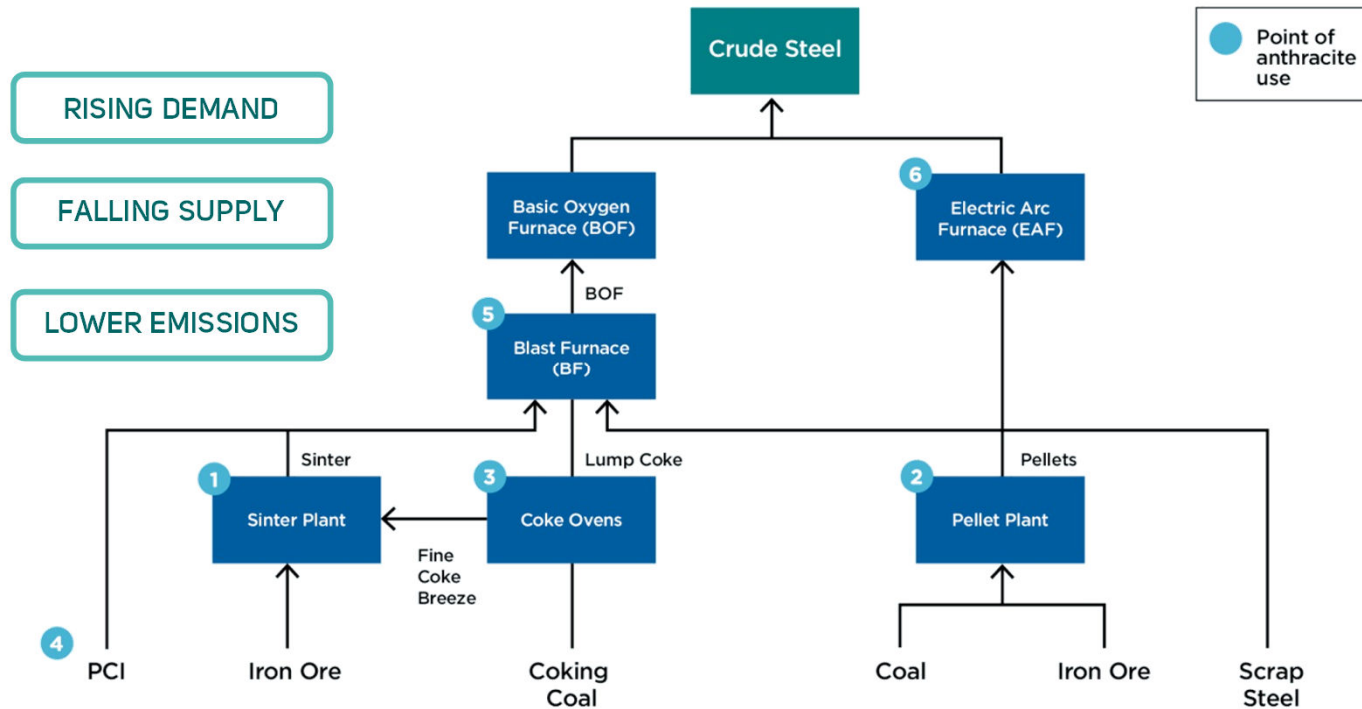
METALLURGICAL APPLICATIONS

METALLURGICAL APPLICATIONS

- > Metallurgical reductants / charge carbon (US\$250-300/t)
- > Ultra low volatile PCI (10-15% discount to HCC prices)
- > Sinter
- > Other high value products:
 - > Filter media (US\$1000/t)
 - > Blend coal with coking coal for making metallurgical coke
 - > Direct coke replacement

ULTRA LOW VOLATILE COAL

- > Most favoured PCI due to:
 - > low ash, low sulphur, high calorific values, high carbon content and low volatile matter.
- > ULV provides superior performance in the blast furnace due to higher carbon and energy content.
- > The worldwide shortage of coke and its relatively high price further strengthens future demand for high grade, low volatile anthracite.



Metallurgical applications for anthracite

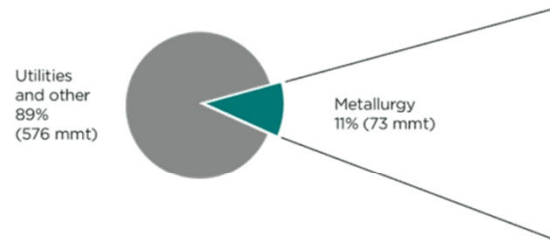


GLOBAL SHORTAGE INCREASING DEMAND

DEMAND/SUPPLY MISMATCH

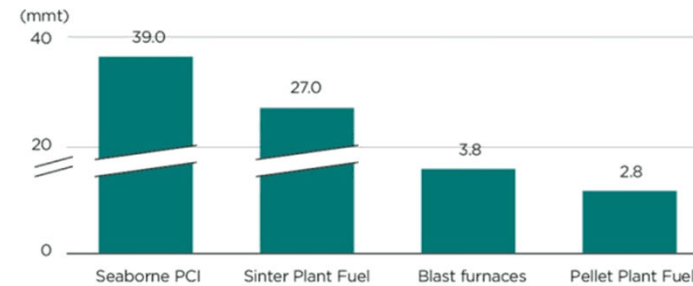
Anthracite Market Structure by Industry

Total 2011 Production: 649 mmt



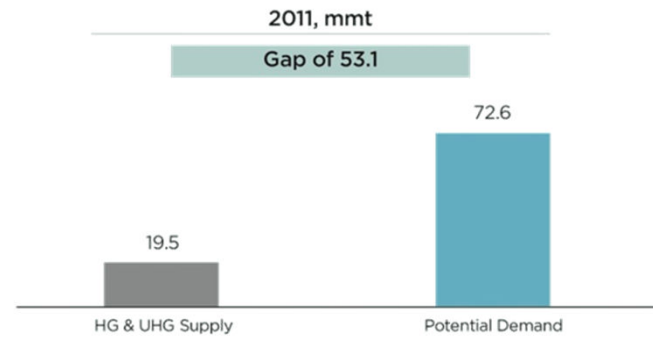
Source: Wood Mackenzie

Anthracite Demand in Metallurgy in 2011⁽²⁾

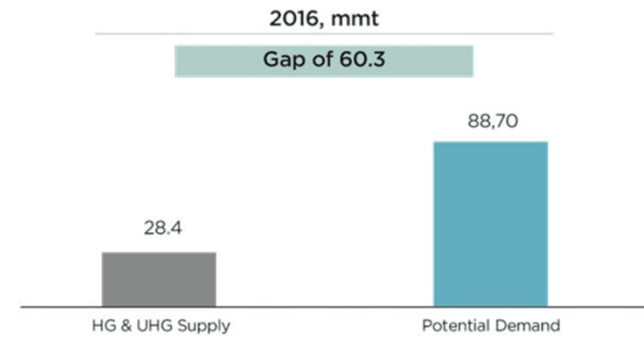


Source: Wood Mackenzie

Global Supply Structure for High Quality⁽¹⁾ Anthracite



Source: Wood Mackenzie



Source: Wood Mackenzie

Notes
 1. High Quality anthracite includes HG and UHG anthracites
 2. Demand is based upon potential substitution rates



ANTHRACITE PRICING

HIGH VALUE PRODUCT

HIGH VALUE APPLICATION

	High Grade	Ultra High Grade	Chinese BF Coke
Moisture (ar)	15% max	13% max	12% max
Volatile Matter (ad)	10% max	5% max	2% max
Fixed Carbon (ad)	75% min	80% min	86% min
Ash (ad)	15% max	12% max	12% max
Sulphur (ad)	1% max	0.6% max	0.6% max
Classification	Metallurgical coal	Metallurgical coal	
Industry	Primarily used for metallurgical purposes such as in sintering of iron ore fines.	Highest grade of anthracite used in steelmaking, non-ferrous metallurgy and other industrial applications.	Used in blast furnaces for production of iron.

Anthracite as Input / Replacement	Carbon Substituted	Potential Substitution (%)
Sinter plant fuel	Coke breeze	70 (typically <50)
Pellet plant fuel	Coke breeze, thermal coal	100
Coking Coal	Suitable bituminous coals	5
PCI	Other HV and LV coals	100
Direct Blast Furnace charge	Coke	10
Electric Arc Furnace carbon additive	Coke / Petroleum Coke	100

- > Suppliers target 60-70% of the blast furnace coke price for benchmark lumps
- > Strong anthracite pricing is a function of its ability to substitute for more expensive coke
- > UHG can be batch sized/washed to achieve multiples of the benchmark lump price

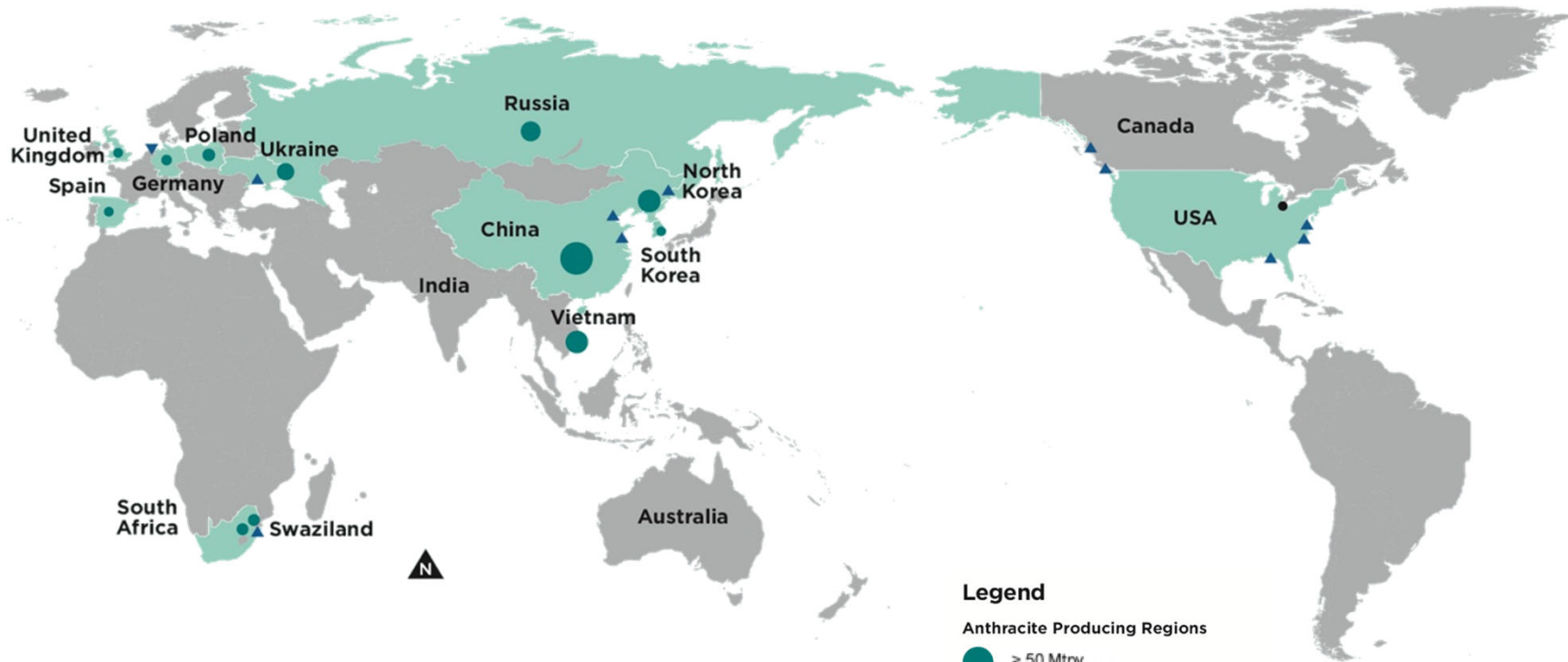
		2013	2014	2015	2016	2017	2018	2019	2020
LUMPS (\$US/t)									
Export Coke	FOB China	426	443	457	464	477	484	492	502
UHG Anthracite	FOB Far East	191	199	205	208	215	218	222	226
FINES (\$US/t)									
UHG Anthracite	CFR N. Asia	132	146	150	163	173	182	195	211

Atrium pricing compilation of various marketing research papers

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WORLD ANTHRACITE PRODUCTION CHINA / VIETNAM / KOREA



Legend

Anthracite Producing Regions

- > 50 Mtpy
- 20-50 Mtpy
- 8-20 Mtpy
- < 4 Mtpy

■ Anthracite Producing Countries
> 1 Mtpy

▲ Major Coal Loading Port

▼ Major Coal Receiving Port

**"Growing Asian demand and constrained
seaborne supply"**



GROUNDHOG COAL RESOURCE

HIGHLIGHTS

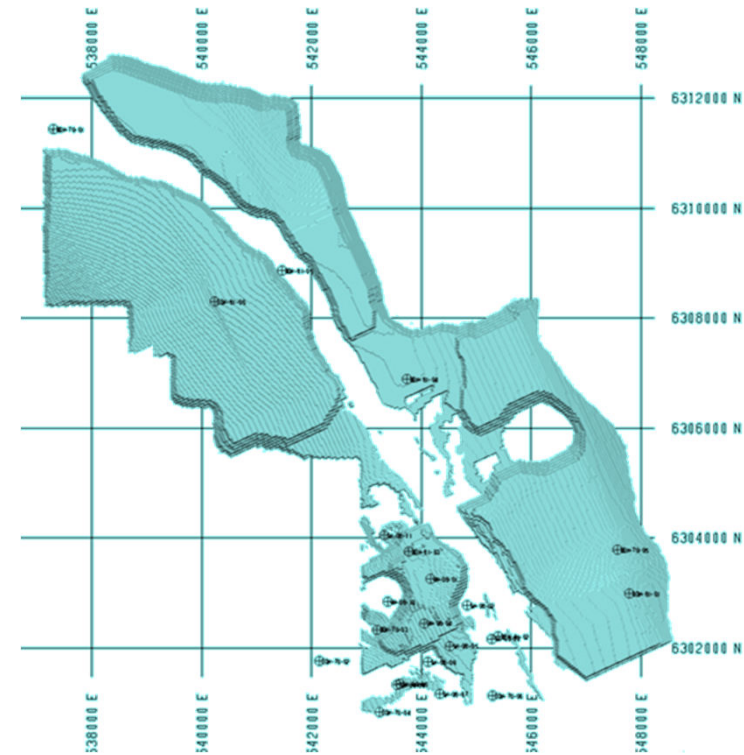
- > 22,815 hectares (100% owned)
- > 18 granted Coal Licences and 8 Coal Licence Applications
- > JORC Resource of 1.57Bt:

JORC CATEGORY	RESOURCE
Measured & Indicated	569Mt
Inferred	998Mt
Total	1,567Mt

- > Current JORC Resource broken down by depth:

JORC Resource Breakdown By Depth (Mt)	
< 50m	154
< 100m	415
< 200m	993
< 300m	1,420
Unrestricted	1,567

- > 2013 drilling program completed, analysis due in October



Indicative resource envelope for Groundhog resource

“World’s largest undeveloped anthracite deposit.... and it’s shallow!!!”

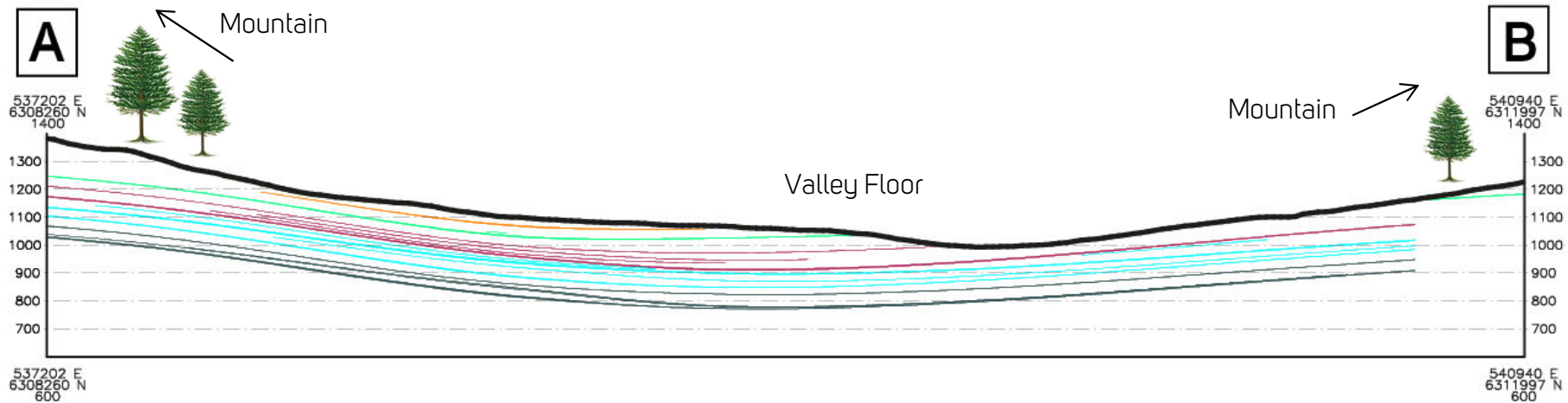


GROUNDHOG SHALLOW RESOURCE

HIGHLIGHTS

- > 1.57Bt JORC Resources
- > Multi seam deposit (>16 major seams identified)
- > Shallow deposit ~ 154Mt occurring between 0 and 50m depth
- > 102 Diamond Cored Drill Holes; 23 x Historical | 15 x 2012 | 64 x 2013
- > Currently at Reserve definition drilling and PFS stage (expected Q1 2014)
- > Large diameter drilling completed in 2013 for detailed coal quality

“Currently Reserve definition and conducting PFS”



Example cross-section of coal seams taken from 1.57Bt JORC Resource model



GROUNDHOG COAL QUALITY

HIGHLIGHTS

- > Continues to receive coal quality results for 2013 exploration samples
- > Optimisation tests underway at a variety of fraction sizes and floatation gravities
- > Yields continue to improve
- > Coal quality testing and product simulation designed to produce a sub 10% ash product
- > Targeting metallurgical export markets of Japan, Korea, China and the Americas
- > Vitrinite content and petrographic analysis confirms consistently high ranking coal laterally and downhole
- > Romax of coal samples range from 3.9 to 5 indicating high ranking anthracite

INDICATIVE SPECS

INHERENT MOISTURE	ASH	FIXED CARBON	VOLATILE MATTER	SULPHUR	HGI	CALORIFIC VALUE
%	%	%	%	%		kcal/kg
< 1	2 - 15	85 - 96	2-7	0.4 - 0.7	45	7,200 - 8,000

Indicative coal product specification range



Large diameter drill core from 2013 Groundhog program

“Exceptionally high ranking coal with very attractive indicative wash yields”



GROUNDHOG

SCOPING STUDY HIGHLIGHTS

1.8 MTPA ROM SCENARIO, SEAM #70

- > Initial underground room and pillar, accessed via adit/decline
- > US\$62 million upfront CAPEX for construction of access roads to and around the proposed mine site, surface infrastructure and portal development to access the key seam #70
- > Build-Own-Operate-Transfer (BOOT) options with key equipment and services suppliers to minimise initial CAPEX
- > Indicative ROM yields range from 57% to 63% (61% weighted average) for premium anthracite lumps and fines, and as a secondary offering, ULV PCI can be produced with ROM yields of 76% to 83%
- > All-in mining, processing and transportation charges to be less than US\$85/t (FOB) on a contractor basis with a LOM target of less than US\$70/t (FOB) on an owner-operator basis
- > A\$120million Annual Pre-tax Cashflow at 1.8MTPA ROM with target of >A\$320 million at 3Mtpa Saleable

PRE-FEASIBILITY UPSIDE

- > Designed to model and define product blends; anthracite lumps vs fines vs ULV PCI + potential specialty products
- > Optimise economics both OPEX and CAPEX
- > Model expanded production possibilities... 1Mtpa → 3Mtpa → 5Mtpa → beyond
- > Model transition from BOOT to Owner-Operator
- > Opportunity to transition from trucking operation → to rail operation

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

“Exceptionally high ranking coal with very attractive indicative economics”



GROUNDHOG INFRASTRUCTURE



ROAD & RAIL

- > Multiple routes by road to Port of Stewart (150km direct distance) provides trucking option
- > 30km of rail easement with an upgrade required to link to existing rail
- > 1,200km by direct rail link to Ridley Coal Terminal at Port of Prince Rupert or, 1,260km to Vancouver Metro



PORT

- > Signed Port Agreements with Stewart Bulk Terminal approximately 150km from Groundhog
- > Attractive port handling charges on non 'take or pay' terms for 1.5Mtpa commencing 2014
- > Further MOU with second loading option at Stewart World Port for a further 5Mtpa from 2016



POWER

- > Ability to connect to Main Lines for power requirements at the project location
- > Diesel genset preferred in initial stages of production



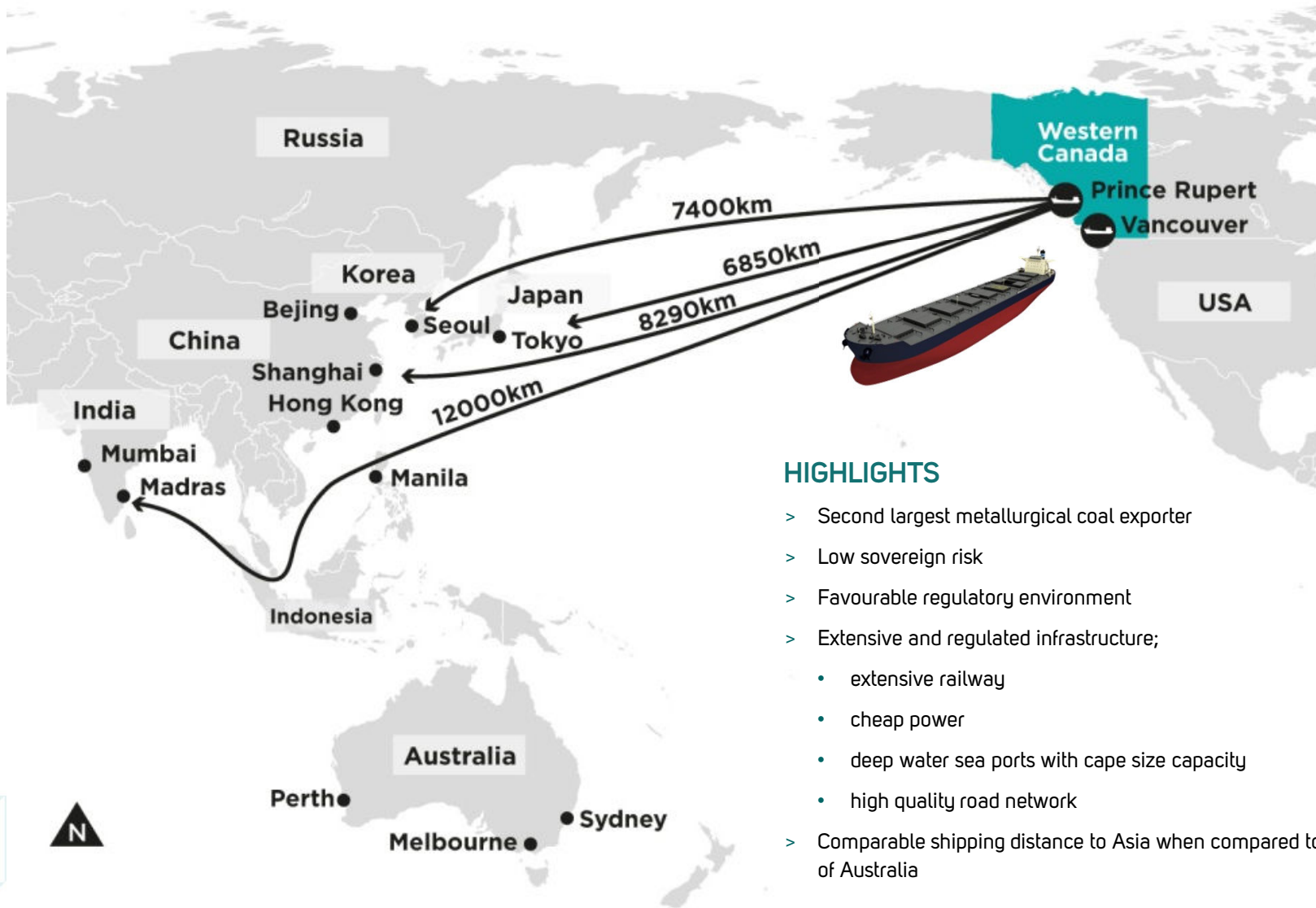
WATER

- > Local tributaries and creeks are in close proximity for year round water supply

"The Groundhog Project has a clear path to production with robust road, rail, port, power and water infrastructure optionality"



CANADA EXPORT ADVANTAGE



HIGHLIGHTS

- > Second largest metallurgical coal exporter
- > Low sovereign risk
- > Favourable regulatory environment
- > Extensive and regulated infrastructure;
 - extensive railway
 - cheap power
 - deep water sea ports with cape size capacity
 - high quality road network
- > Comparable shipping distance to Asia when compared to that of the east coast of Australia



STEWART BULK TERMINAL

1.5 MTPA PORT CAPACITY SECURED

HIGHLIGHTS

- > 1.5 Mtpa port allocation on non 'take or pay' terms with handymax and panamax capacity
- > Terminal Services Agreement + Land Reservation Agreement executed
- > Agreement includes SBT to construct and maintain 2,500m² storage silo
- > Loading facility is directly 150km from project site with multiple trucking routes linked by paved highway, forest service roads and coal haulage roads
- > Potential to construct direct rail line in the future to handle larger operating volumes

"Logistics path has been significantly derisked"



Stewart Bulk Terminal proposed expansion site



Stewart Bulk Terminal existing loading berth



Stewart Bulk Terminal existing storage facility



STEWART WORLD PORT 5 MTPA ADDITIONAL POTENTIAL

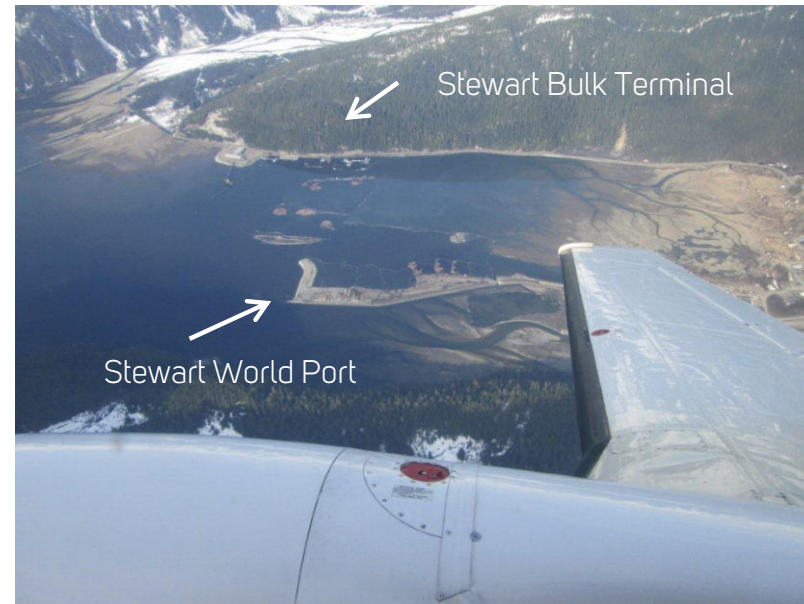
HIGHLIGHTS

- > Further port allocation potential following construction of new berth at Stewart World Port
- > MOU executed up to a further 5Mtpa
- > Causeway and berth currently under construction with potential to handle Atrum's coal from 2016
- > Provides Atrum with flexibility required during ramp up phases of production at Groundhog

"Significant expansion flexibility"



Stewart World Port dock under construction



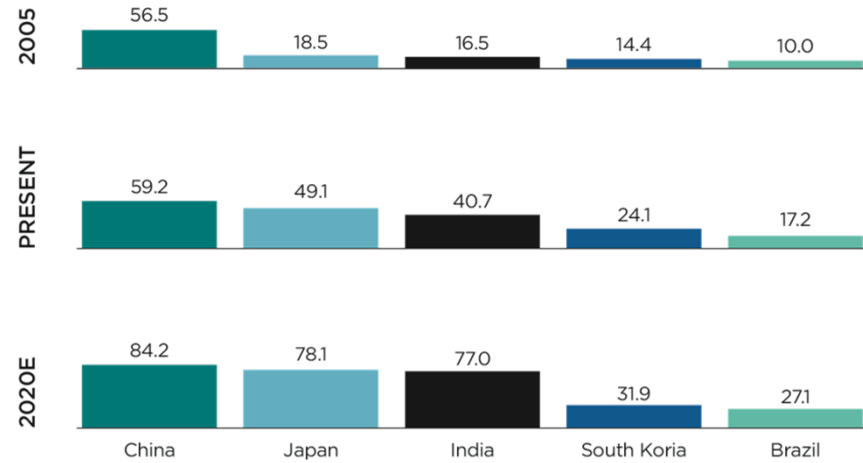
Stewart World Port aerial view

"Stewart is ready for the opportunities presented by the clean, environmentally friendly mining industry. Mining is an important part of our economy and we look forward to working with Atrum to unlock the economic potential of the region." Galina Durant, Mayor of Stewart

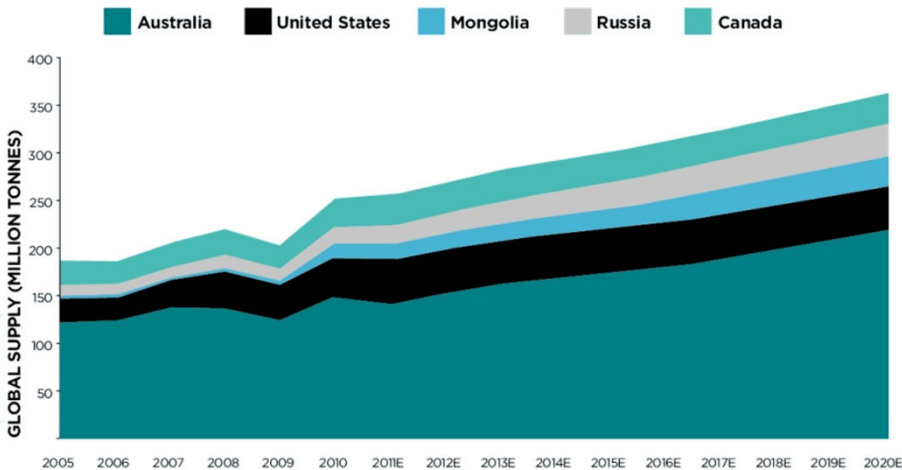


BRITISH COLUMBIA M&A ACTIVITY

Top 5 Countries by Met Coal Demand (MM t)



Top 5 Countries by Met Coal Supply (MM t)



RECENT METCOAL TRANSACTIONS

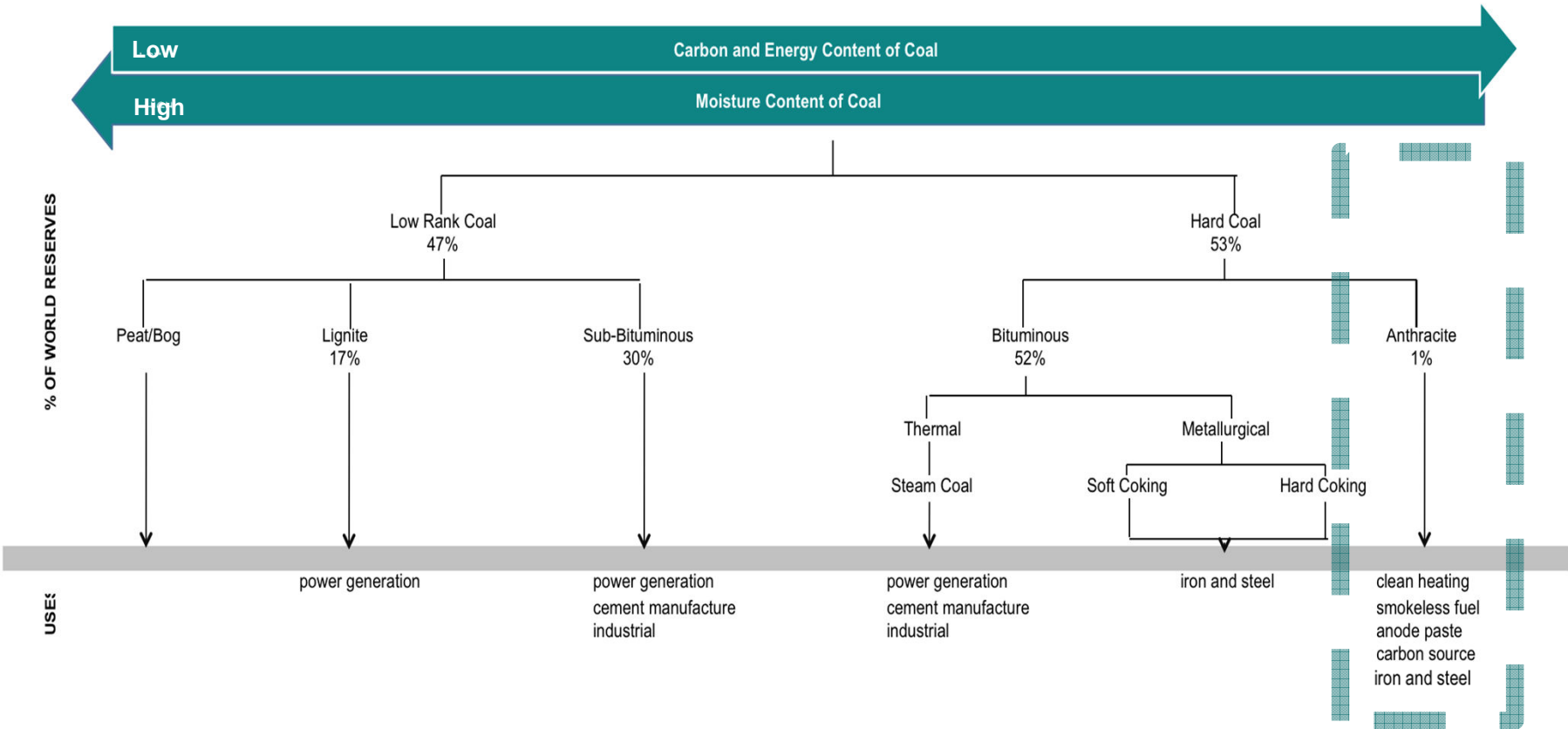
Western Canada has seen significant M & A activity:

- > Walter Energy acquires Western Coal - \$3.3 billion
- > Anglo American acquires 25% of Peace River Coal held by NEMI and Hillsborough - \$166 million
- > Xstrata acquires First Coal and Lossan - \$193 million
- > Winsway and Marubeni jointly acquire Grand Cache Coal - \$1 billion
- > Xstrata acquires Sukunka asset from Talisman Energy - \$500 million
- > JX Nippon acquires 25% in Xstrata Coal BC JV - \$435 million





GROUNDHOG COAL TYPE



"Groundhog is host to ultra high ranking anthracite coals"

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