

23 March 2018

Dear Shareholder

Atrum Coal Limited – Pro-rata non-renounceable entitlement offer

As announced on 21 March 2018, Atrum Coal Limited ACN 153 876 861 (**Company**) is proposing to undertake a pro rata non-renounceable entitlement issue (**Offer**) to eligible shareholders of up to 46,422,529 fully paid ordinary shares (**Shares**) in the Company at an issue price of \$0.10 per Share (**Issue Price**), together with 1 free attaching listed option to subscribe for a Share for every 1 Share issued. Shares issued will rank equally with all Shares already on issue.

The Offer is being made to all shareholders named on the Company's register of members at **5:00pm AWST on 27 March 2018 (Record Date)**, whose registered address is in Australia, New Zealand, Hong Kong, Switzerland and Singapore (**Eligible Shareholders**).

The Offer will be made on the basis of 1 Share for every 5 Shares held by shareholders at the Record Date, to raise up to approximately \$4,642,252 (before expenses) (subject to the application of a Debt Conversion Facility).

The Company lodged a prospectus for the Offer (**Prospectus**) with the Australian Securities and Investments Commission and the Australian Securities Exchange on 21 March 2018. A copy of the Prospectus is available on ASX's and the Company's website.

Following completion of the Offer (and assuming it is fully subscribed), the Company will have issued approximately 46,422,529 Shares resulting in a total of approximately 278,535,178 Shares on issue assuming no existing options on issue are exercised or cancelled and no existing performance rights on issue vest resulting in the issue of additional Shares before the Record Date.

Funds raised under the Offer will, after paying the expenses of the Offer, be allocated towards exploration and development and working capital.

Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 3 April 2018. Their entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholder's entitlement, fractions of entitlements will be rounded down to the nearest whole number of Shares.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your entitlement to subscribe for Shares pursuant to the Prospectus (**Entitlement**). To take up your Entitlement you will need to ensure that either:
 - you complete and return your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form so that they are received by Security Transfer Australia (**Share Registry**) by no later than 5:00pm (AWST) on 24 April 2018, or
 - you make a payment by BPAY® or electronic funds transfer in accordance with the instructions on your Entitlement and Acceptance Form so that the payment is received by the Share Registry by no later than 5:00pm (AWST) on 24 April 2018.
- You may wish to accept part of your Entitlement. To take up part of your Entitlement, you will need to ensure that either:
 - you complete your Entitlement and Acceptance Form by filling in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form and return it, together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the application monies (at \$0.10 per Share) so that they are received by the Share Registry by no later than 5:00pm (AWST) on 24 April 2018, or
 - you make a payment by BPAY® or electronic funds transfer in respect of the number of Shares you wish to accept (at \$0.10 per Share) in accordance with the instructions on your Entitlement and Acceptance Form so that the payment is received by the Share Registry by no later than 5:00pm (AWST) on 24 April 2018.
- You may do nothing. If you choose to do nothing with your Entitlement, while you will continue to hold the same number of Shares, your interest in the Company will be diluted when the Shares are issued and you will receive no value for your Entitlement.

Key dates for the Offer

Event	Proposed Date
Announce Offer and lodge Appendix 3B with ASX	21 March 2018
Lodge Prospectus with ASIC and ASX	21 March 2018
Notice sent to securityholders	23 March 2018
“Ex” date	26 March 2018
Record Date for determining Entitlements	5:00pm AWST on 27 March 2018
Prospectus and personalised Entitlement and Acceptance Forms dispatched to Eligible Shareholders	29 March 2018
Last day to extend Closing Date*	19 April 2018
Closing Date*	5:00pm AWST 24 April 2018
Shares quoted on a deferred settlement basis*	26 April 2018
ASX notified of under subscriptions*	30 April 2018
Issue date and dispatch of holding statements*	2 May 2018

***Note:** The Company may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. The date of commencement of deferred settlement trading, issue and quotation of Shares issued under the Offer may therefore vary accordingly.

If you have any queries concerning the Offer, or the action you are required to take to apply for Shares, please contact your financial adviser or Justyn Stedwell, Company Secretary, on +61 3 9191 0135.

Yours sincerely



Max Wang
Managing Director & Chief Executive Officer
For and on behalf of
Atrum Coal Limited

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