

Dale Allen
ASX Compliance
Level 40, Central Park,
152-158 St Georges Terrace,
Perth WA 6000

Dear Dale

RESPONSE TO ASX PRICE & VOLUME QUERY

Atrum Coal Limited ('Atrum' or 'Company') refers to your letter dated 28 February 2019.

Using the numbering in your letter, we respond to your questions as follows:

1. The Company is not aware of any information specifically concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities.
2. Not applicable given response to question 1.
3. Atrum notes the all-cash bid announced yesterday by Hancock Prospecting Pty Ltd ('Hancock') for private coking coal development company, Riversdale Resources Ltd ('Riversdale'). Riversdale's flagship Grassy Mountain Hard Coking Coal Project lies immediately to the south of Atrum's flagship Elan Hard Coking Coal Project. Atrum's key initial development area within the Elan Project, Elan South, directly abuts the Grassy Mountain project area.

The Hancock bid values Riversdale at up to A\$2.50 per share, which is equivalent to an aggregate equity value of approximately A\$740 million. This compares with Atrum's prevailing market capitalisation of approximately A\$52 million at the close of trade on 26 February 2019 (last Atrum closing price of 14.5c prior to Hancock bid announcement).

Grassy Mountain has a Measured and Indicated Resource estimate of 195 Mt. This compares with Atrum's recently updated Elan South Resource estimate of 97 Mt (Indicated and Inferred) and total Elan Project Resource estimate of 298 Mt (Indicated and Inferred) (as detailed in Atrum ASX releases dated 8 and 22 January



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Board of Directors
Non-Executive Chair
MD/CEO
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Company Secretary

C. Blixt
M. Wang
J. Chisholm
C. Fear
G. Edwards
R. Barker
J. Stedwell

Key Projects
Elan Coal
Groundhog
Bowron River

Ownership: 100%
Ownership: 100%
Ownership: 100%

2019). The coal seams at Elan are directly correlatable with those at Grassy Mountain, having very similar physical and geophysical attributes.

Elan Hard Coking Coal Project JORC Resources¹

Project Area	Indicated	Inferred	Total
Elan South	31 Mt	66 Mt	97 Mt
Elan North	39 Mt	162 Mt	201 Mt
Total	70 Mt	228 Mt	298 Mt

1. For full Elan Project JORC Resource details see Atrum ASX releases dated 8 January 2019 (Elan South Hard Coking Coal Resource increased by 170% to 97Mt) and 22 January 2019 (Additional 201Mt JORC Resources defined for Elan Project)

Atrum also recently announced initial detailed clean coal quality and coking property testwork on Elan South coal (see Atrum ASX release dated 4 February 2019, *Initial Coal Quality Results Confirm Premium Hard Coking Coal at Elan South*). These results have demonstrated that Elan South coal possesses Tier 1 hard coking coal properties that are readily comparable to those from Teck's nearby Elk Valley complex (approx. 25 Mtpa HCC) and the product planned to be produced at Riversdale's Grassy Mountain development (approx. 4.5 Mtpa HCC).

Finally, and as noted previously (see Atrum ASX release dated 7 February 2019), the total areal footprint of the Elan Project, combined with its thick, shallow and high-quality coal seam depositions, evidences clear long term potential for it to host multiple, large Tier 1 hard coking coal developments.

4. The Company confirms that it is in compliance with Listing Rule 3.1. and that there is no information that should be given to ASX about its financial condition in accordance with that rule.
5. The Company confirms that the responses to the questions above have been authorised and approved accordingly.

Yours sincerely

Justyn Stedwell
Company Secretary
On behalf of the Board of Directors
Atrum Coal Limited



28 February 2019

Mr Justyn Stedwell
Company Secretary
Atrium Coal Limited
Unit 1B, 205 – 207 Johnston Street
Fitzroy VIC 3065

By email: justyn@stewardwell.com.au

Dear Mr Stedwell

Atrium Coal Limited ('ATU'): Price & Volume Query

We note the change in the price of ATU's securities from a closing price of \$0.145 on 26 February 2019 to a high at the time of writing of \$0.22 today, 28 February 2019.

We also note the significant increase in the volume of ATU's securities traded today.

Request for Information

In light of this, ASX asks ATU to respond separately to each of the following questions and requests for information:

1. Is ATU aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is ATU relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in ATU's securities would suggest to ASX that such information may have ceased to be confidential and therefore ATU may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that ATU may have for the recent trading in its securities?
4. Please confirm that ATU is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that ATU's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of ATU with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **09:30 AM AWST today Thursday, 28 February 2019**. If we do not have your response by then, ASX will likely suspend trading in ATU's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1

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and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ATU's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to ATU's obligations under Listing Rules 3.1 and 3.1A and also to Guidance *Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that ATU's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in ATU's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in ATU's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Dale Allen
Senior Adviser, Listings Compliance (Perth)