

Sydney, Australia (ABN Newswire) - [Atrium Coal NL](#) (ASX:ATU) (OTCMKTS:ATRCF) is focused on exploring and developing anthracite in the Bowser Basin in North West British Columbia, Canada.

The Company has other metallurgical coal exploration properties as well at Bowron River and a joint venture with Altitude Resources (CVE:ALI) on the Elan Coking Coal Project in South Western Alberta. After significant desk-top research, the Company recently relinquished the Peace River project, which only had a 0 - 25mt exploration target.

During the financial year, the Company progressed its flagship anthracite project called Groundhog, an 800sqkm tenement package that boasts multiple outcrops of high quality anthracite. Regional drilling and further definition drilling in the Groundhog North area identified multiple areas suitable for underground mining. Historical work around Groundhog Central identified other potential mining areas, and two more bore holes in the southern area confirmed earlier drilling of anthracite seams of notable thickness from a mining perspective.

The focus of the year's work was directed toward proving up further anthracite resources, identifying additional mining domains and advancing Feasibility plans for the Groundhog North Mining Complex. A key focus of activity has been to secure a Bulk Sample Permit to allow the Company to extract trial cargoes of anthracite for potential customers. Although a number of other potential mine sites have been identified, the Company is finalising the Bulk Sample application review process with the Government, which is expected to be granted in the near future.

Value engineering has also been undertaken on the Company's plans for Groundhog North underground mine, which has identified a lower capex solution to start mining - essentially a small scale underground mine that will allow the Company to generate revenue whilst ramping-up to a larger underground mine. The movement in the exchange rate has also positively impacted the economics of the small scale mine. With the current A\$/US\$/CAD\$ exchange rate, the drop in mining activity and consequent lower prices for mining related construction coupled with the increased competition amongst contractors, the estimated capex for the small scale underground mine has fallen to just under US\$50m. Of this, US\$24m would be supplied by the Company's equipment partner, CCTEG under the recently-signed equipment finance package.

The Company is updating the Pre-Feasibility study toward a Feasibility study at present to include the results of the value engineering exercise, and the expanded plans are forming the foundation for the development plan for the Groundhog North Mining Complex. A data-room is being finalised to facilitate the flow of information on the Groundhog North Mining Complex to interested funding parties - steel mills and traders, public and private equity groups and other mining companies looking for exposure to a high value resource in a low sovereign-risk country. The process of funding the development of the Groundhog Mining Complex continues, and the Company will provide updates once the Bulk Sample Permit for trial mining at Groundhog is secured.

Anthracite prices continue to remain robust despite falling coal (coking and thermal) prices around the world, with high-grade anthracite selling for between \$150/t-\$175/t in Japan and Europe, and demand for anthracite remains strong. The Company is still being approached by and/or researching, potential customers in specialty markets such as specialty metals, fertilisers, chemicals and plastics manufacture, briquetting and conversion of anthracite for use in synthetic graphite markets.

Strong anthracite prices enable the project to weather initial start-up operating costs which are driven by high costs of transportation to Ridley Terminal, a journey of some 1250km by road and rail. Within the first few years of production, a dedicated haulage road to the highway leading to the deep water port of Stewart will be completed, reducing transport to just 230km, increasing resilience of our transport options, reducing transport costs, and providing options and hence security to our operations. Once this western access road is constructed, quotes from trucking operators suggests FOB cash costs (including royalties) below US\$80/t should be possible for the life-of-mine to export anthracite via Stewart Port.

Regional exploration, including drilling and field mapping has identified significant anthracite resources to the south of the Groundhog North Mining Complex. Further fieldwork and desk-top analysis of historical data on the western area of Groundhog (called Panorama projects) is also very encouraging. In order to continue development, though, partners will be required.

Subsequent to year-end, the Company has opened joint venture discussions on areas within Panorama (Panorama North and Panorama South) with large Asian conglomerates.

Subsequent to 30 June, the Company undertook a rights issue and placement to raise additional funds for working capital, to progress the Bulk Sample Permit, to complete the value engineering of the PFS as we work toward a Feasibility study, continue discussions with potential off-take and funding partners, pay down some of the Anglo Pacific promissory note, pursue negotiations on the exploration of Panorama North and Panorama South, negotiate a modified contract with Altitude in relation to the Elan Coking Coal project and continue developing the relationship with CCTEG. Going forward, the Company is focussed on first securing the Bulk Sample Permit, then arranging meetings with our First Nations partners to chart possible future works across Groundhog, and completing the minority stake sell-down of the Groundhog North Mining Complex. The sell-down process is expected to take some time but the Company will keep shareholders informed of progress as various milestones are achieved.

I'd like to take this opportunity to thank all of our shareholders for supporting us during a very difficult period in the Company's history. It is not often a company has had to endure what we've been through, but we have overcome those difficulties now, and remain focussed on building shareholder value through the sell-down of the Groundhog North Mining Complex and exploration of other parts of the property.

James Chisholm
Executive Chairman

To view the report, please visit:
<http://media.abnnewswire.net/media/en/docs/ASX-ATU-735859.pdf>

About Atrum Coal NL:

[Atrum Coal NL](#) (ASX:ATU) is an emerging metallurgical coal explorer and developer.

The Company has a substantial coal position in British Columbia which, as a region boasts:

- Abundance of high quality PCI, coking and anthracite coals
- Well developed rail and port infrastructure with excess capacity
- Access to deep sea ports
- Competitive shipping distance to Asia
- Positive government stance on mining

The Company is building a quality portfolio of metallurgical coal assets suited to the Asian export market and the Board of Directors have a strong track record in identifying and developing world class coal assets in Australia and abroad.

Source:

[Atrum Coal NL](#)

Contact:

[Atrum Coal NL](#) T: +61-2-8249-1884 F: +61-2-8249-1800 WWW: www.atrumcoal.com