



**HD** Atrum **Coal** NL (ASX:ATU) 100% Increased JORC Resources at Groundhog North

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Perth, Australia, Oct 14, 2014 - (ABN Newswire) - Atrum **Coal** NL ("Atrum" or the "**Company**") (ASX:ATU) (OTCMKTS:ATRCF) is pleased to announce an upgrade to the JORC anthracite resources at the **Company**'s flagship Groundhog Anthracite Project ("Groundhog"), located in British Columbia, Canada.

Executive Chairman, Mr James Chisholm commented:

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"Our development strategy is simple - we plan to sell down a minority **equity stake** in Groundhog North in return for complete funding of the first 3Mtpa mine. Subsequent mines can be financed separately through cash flow or traditional debt, positioning the **Company** for significant growth."

"Groundhog North now has a massive resource base of more than 600Mt of high and ultra-high grade anthracite and this covers only a fraction of the broader Groundhog Coalfield. The expanded resource is being incorporated into the upcoming Supplementary PFS, which in turn will allow the **Company** to progress with the proposed partial sell-down of Groundhog North. Interest in Groundhog's highly strategic ultra-high grade anthracite is very strong."

#### GROUNDHOG NORTH RESOURCE UPGRADE

The reportable JORC resources at Groundhog North have increased from 305.2Mt to 609.2Mt, the categories of which are summarised in the table below.

JORC Category	Previous Resource ( Mt)	Upgraded Resource ( Mt)
Measured	100.1	156.1
Indicated	129.1	193.3
Inferred	76.0	259.8
Total	305.2Mt	609.2Mt

The majority of reported JORC Resources in the Groundhog North area are at a relatively shallow depth of cover. In excess of 80% of Resources are at a depth of less than 300m.

The table below illustrates the depth cut-off of the JORC resource at the Groundhog North Mine:

Depth ( <b>m</b> )	Measured ( Mt)	Indicated ( Mt)	Inferred ( Mt)	Total ( Mt)
< 300	143.5	162.6	199.7	505.8
> 300	12.6	30.7	60.1	103.4
Total by JORC Category	156.1	193.3	259.8	609.2

The following considerations have been used in the estimate of the JORC anthracite resource:

- 200m river setback with resources on the eastern side of the river not included

- Measured resource extrapolated 500m from points of observation
- Indicated resource extrapolated 1,000m from points of observation
- Inferred resource extrapolated 2,000m from points of observation
- Maximum 0.3m stone parting
- Minimum 0.4m **mining** thickness for open cut **mining** at <300m depth
- Minimum 1m **mining** thickness for underground **mining** at >300m depth

It is noted that the overall strategy at Groundhog North is one of low-impact **mining**.

A comparison of the potential anthracite specifications (notably carbon) at Groundhog North with **Chinese** BF Coke, which is an essential input into North Asian blast furnace steel production, indicates an exceptional product in all specification measures. High grade and ultra-high grade anthracite is used in steel manufacturing as an economic and environmentally superior substitute for metallurgical coke. Anthracite is also used in the manufacture of specialty steels and alloys, in electric arc furnaces, for **ore** sintering, as a reductant and cathode paste and as an economic alternative to graphite.

The recent upgrade of JORC resources at Groundhog North is in part due to the **acquisition** of Anglo Pacific **coal** licences (September 2014) located immediately west of the original Groundhog North area. Incorporating these licences allows simpler mine plans, incorporating longer extraction panels.

It is anticipated this will **lead** to **mining** efficiencies and an overall reduction in mine OPEX.

A comparison of the estimated anthracite resource as calculated in May 2014 and October 2014 respectively for the Groundhog North area across the various seams is outlined below. The Seam #70 and the Seam #40 demonstrate the greatest increase in estimated resource compared to the previous estimate.

#### GROUNDHOG NORTH - SUPPLEMENTARY PFS

The **Company** will release a Supplementary PFS in the coming days based on Groundhog North, which will consider:

- expanded anthracite inventory
- extended mine planning
- optimised surface infrastructure

The initial PFS completed for the first stage of production at Groundhog is based on adit **mining** of the Seam #70 and the Seam #40 at Groundhog North. This area represents less than 5% of Groundhog and only considers 2 out of 20 potentially mineable anthracite seams. Overall economics are expected to improve with the pending optimisation.

To view all tables and figures, please visit:

<http://media.abnnewswire.net/media/en/docs/ASX-ATU-694722.pdf>

About Atrum **Coal** NL:

Atrum **Coal** NL (ASX:ATU) (OTCMKTS:ATRCF) 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.

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