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## Quarterly Activities Report

Period Ended 31 March 2017

- Maiden JORC 2012 compliant Mineral Resource Statement completed for the RAC (Riversdale Anthracite Colliery) Project in South Africa
  - Appointment of Managing Director, Finance Director and experienced management team for the RAC Project
  - Pre-Feasibility Studies for the Riversdale Anthracite Colliery (RAC) project progressed on time and on budget for release in the June 2017 quarter
  - RAC Project demonstrated to be a strategically important supplier of high quality anthracite to South Africa's world leading ferrochrome sector
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The Directors of Acacia Coal Limited (**Acacia** or the **Company**) are pleased to present the March 2017 Quarterly Report, which saw the Company make significant progress towards its objective of developing its new flagship asset, the 74%-owned Riversdale Anthracite Colliery (RAC) Project in South Africa, being acquired from Rio Tinto.

### CORPORATE

On 16 October 2016, Acacia Coal entered into a Sale and Purchase Agreement with Coalvent Ltd to acquire a 74% interest in the RAC Project, with its partner African Onca to acquire the remaining 26%. An application for transfer of the licences under the relevant mining legislation has been prepared for submission in the June quarter of 2017.

A key focus of activity during the quarter was the Pre-Feasibility (PFS) which is being undertaken on the RAC Project. The PFS is scheduled for completion in early May 2017 – on budget and ahead of schedule.

During the quarter, new officers and management were appointed within the Company to oversee its development strategy at the RAC Project. Mr Hugh Callaghan was appointed as Managing Director, Mr Robert Scott as Finance Director, Mr Filippo Faralla as General Manager Strategy and Marketing, and Mr Peet Snyders, who was appointed to head project delivery.

The newly appointed team includes several former key members of the original management team which founded Riversdale Mining, including Mr Callaghan (the founding Managing Director of Riversdale) and Mr Snyders, the former founding Chief Operating Officer of Riversdale who led the original feasibility study on the RAC Project.

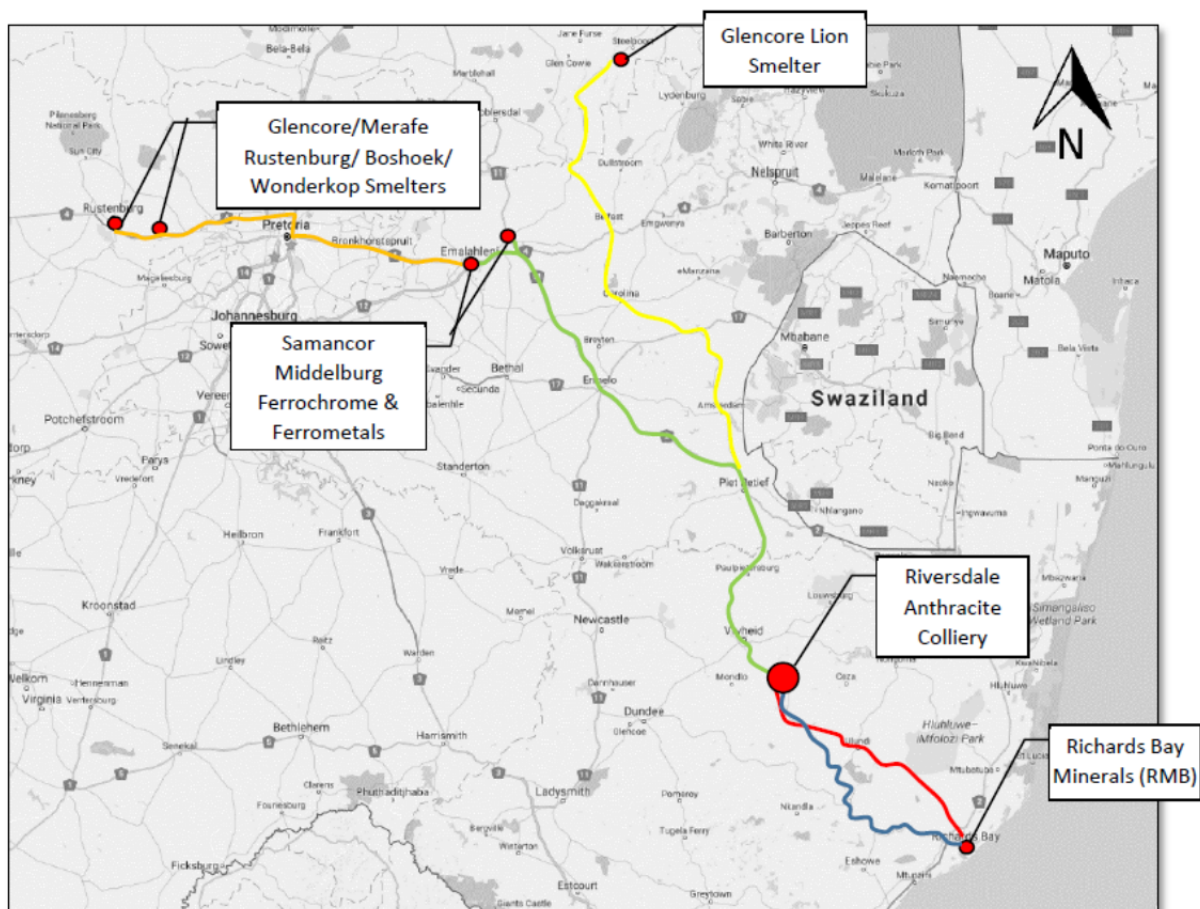
During the quarter, Acacia entered into an option agreement with **Bowen Coking Coal Pty Ltd** a full subsidiary of Cape Coal Pty Ltd, in terms of which Acacia Coal Granted an option to Bowen Coking Coal to acquire the Comet Ridge Project for 2 option payments totalling A\$100,000, a cash payment of A\$300,000 and the issuance of A\$400,000 in shares in a listed entity when Bowen Coking Coal Pty Ltd achieves a listing on the ASX. The option agreement is subject to due diligence which will be completed in the June quarter.

## PROJECT UPDATE – RIVERSDALE ANTHRACITE COLLIERY

The RAC Project had previously been the subject of a positive feasibility study in 2006, based on resources in the Gus Seam as defined under the 2004 JORC Code. The feasibility study was based on 74 boreholes and 32 adit samples, including a bulk sample of 150 tonnes taken by Rio Tinto in 1987.

During the quarter under review, a 10 cored hole drilling programme was completed which resulted in a further resource upgrade subsequent to the end of the quarter. The programme added significant confidence levels to the resource classification and demonstrated potential with further drilling for the Alfred Seam to be brought into appropriate resource classification.

The Pre-Feasibility Study continued on budget and is set to be released in early May, ahead of schedule. The studies have revisited, and then added to, the very substantial body of knowledge accumulated in the 2004-2006 drilling and feasibility programme led by Mr Peet Snyders. No substantial revisions to the original plan have been identified to date.



Path Legend	Transport Mode	Description	Distance
<span style="color: red;">—</span>	Rail	Lenjane Siding to RMB/Export	±169 Km
<span style="color: blue;">—</span>	Road	Plant to RMB	±185 Km
<span style="color: green;">—</span>	Road	Plant to Samancor	±349 Km
<span style="color: yellow;">—</span>	Road	Plant to Glencore	±452 Km
<span style="color: orange;">—</span>	Road	Plant to Glencore/Merafe	±544 Km



Extensive market research conducted by in-house and external experts has demonstrated that South Africa's world leading ferrochrome industry is increasingly challenged by the shortage of low phosphorus and low sulphur anthracite as local reserves of low impurity coal are rapidly depleted.

The RAC product washes at high yields to a suitable mid ash 15-18% product to deliver specific sizing fractions for particular applications within this world-leading industry. While RAC will retain the flexibility to wash a low ash fraction for the ilmenite smelting industry (particularly the globally significant and Rio Tinto-owned Richards Bay Minerals) and then a higher ash export middlings product, the intention is to focus on a single wash plan supplying the ferrochrome industry.

Discussions with key customers have commenced and a non-binding letter of intent to buy the production has been received from one major customer, and discussions with others will commence in May 2017.

The Pre-Feasibility Study is being conducted to a  $\pm 15\%$  certainty level, and will be released in early May 2017.

### **Cash Management**

At 31 March 2017 Acacia had approximately \$1.5million cash-at-bank.

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Release Date: 27th April 2017

For enquiries, please contact:

#### **Investors**

Mr Hugh Callaghan, Managing Director – Acacia Coal  
+61 8 9389 2000

#### **Media**

Nicholas Read / Paul Armstrong  
Read Corporate  
+61 8 9388 1474



## ACACIA at a GLANCE

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Acacia Coal Limited is involved in coal exploration and development. The Company identifies, acquires and takes advantage of opportunities in coal resources.

### **Schedule of Tenements as at 31 March 2017**

The Company has a 100% interest in a coal exploration permit covering approximately 80 km<sup>2</sup> in Queensland's Bowen Basin, being EPC 1230 Comet Ridge.

Acacia has entered into a sale and purchase agreement to acquire the Riversdale Anthracite Colliery in South Africa.

### **ASX Listing Code: AJC**

#### **Directors**

Mr Adam Santa Maria	Executive Chairman
Mr Hugh Callaghan	Managing Director
Mr Rob Scott	Finance Director
Mr Brett Lawrence	Non-Executive Director
Mr Logan Robertson	Non-Executive Director

#### **Registered and Principal Office**

Level 7, 1008 Hay Street, Perth Western Australia 6000  
Telephone: +61 8 9320 4700

#### **Website and Email Address**

Please visit Acacia Coal's website for the Company's latest announcements and news: [www.acaciacoal.com](http://www.acaciacoal.com)  
Email: [info@acaciacoal.com](mailto:info@acaciacoal.com)

#### **Issued Capital and Market Capitalisation**

At 30 March 2017 Acacia Coal's issued capital was 1,559,034,168 ordinary shares. Based on a share price of \$0.006 (26 April 2017), the undiluted market capitalisation was \$9.3 million.

#### **Shareholder Enquiries**

Matters relating to shares held and changes of address should be directed to the Company's Share Registry:

Link Market Services  
Level 12 QV1 Building  
250 St Georges Terrace  
Perth WA 6000

Telephone: 1300 554 474  
Outside of Australia: +61 1300 554 474

Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)  
Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

#### Name of entity

ACACIA COAL LTD (ASX CODE: AJC)

#### ABN

13 009 092 068

#### Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(16)	(87)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(43)	(296)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	20
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(49)</b>	<b>(363)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(c) investments	(346)	(695)
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	20
	(b) tenements (see item 10)		50
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to Coalvent Limited	(1)	(341)
2.4	Dividends received (see note 3)	-	-
2.5	Other – Proceeds from Option Fee	50	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(297)</b>	<b>(966)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	1,966
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(7)	(125)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>(7)</b>	<b>1,841</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,817	953
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(49)	(363)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(297)	(966)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(7)	1,841

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,464	1,464

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	186	407
5.2	Call deposits	1,278	1,410
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,464	1,817

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
10
-

Director's fees and corporate and administrative reimbursements

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

NIL

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

NIL
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9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Exploration and evaluation	362
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	46
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>408</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				



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**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....  
(Director)

Date: 27 April 2017

Print name: Rob Scott

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.