

27 August 2018

NON-RENOUNCEABLE RIGHTS ISSUE

HIGHLIGHTS

- **1 for 1 non renounceable rights issue at an offer price of \$0.001 per share to raise up to approximately \$2 million.**
 - **Funds will be used to carry out exploration at the Company's Mt Windarra and Mt Bruce Projects and to assess and explore new opportunities.**
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OFFER

Acacia Coal Limited (the "Company") is pleased to announce a pro-rata non-renounceable entitlement offer ("Offer") to all eligible shareholders to raise up to \$2,024,451 (before costs). The Offer will be conducted on the basis of one new fully paid ordinary share ("Share") for every 1 Share held by eligible shareholders on 31 August 2018 at an issue price of \$0.001 per Share.

The funds will be used to carry out exploration at the Company's Mt Windarra and Mt Bruce projects, noting that expenditure on Mt Bruce is subject to the grant of the Mt Bruce tenement and completion of the acquisition of the Mt Bruce project. The Company also intends to use funds raised under the offer to consider, assess and explore new opportunities for the Company.

Prior to the Offer, the Company completed a placement to sophisticated and institutional investors for a total of 400,000,000 Shares at an issue price of \$0.001 per Share ("Placement").

The Company is also making an offer of any shortfall under the Offer ("Shortfall Offer").

The Company has engaged Bell Potter Securities Limited and Nascent Capital Partners Pty Ltd ("Lead Managers") as joint lead managers for the Placement and the Shortfall Offer.

INDICATIVE TIMETABLE FOR THE OFFER

Lodgement of Prospectus with ASIC Lodgement of Appendix 3B and Prospectus with ASX Notice of Offer sent to Optionholders	27 August 2018
Notice of Offer sent to Shareholders	29 August 2018
Shares quoted on an "EX" basis	30 August 2018
Record Date for determining Entitlements	31 August 2018
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	4 September 2018
Last day to extend the offer closing date	11 September 2018
Closing Date of Offer*	14 September 2018
Shares quoted on a deferred settlement basis	17 September 2018
Notification of shortfall	19 September 2018
Anticipated date for issue of Shares Deferred settlement trading ends	21 September 2018
Anticipated date for commencement of Shares trading on a normal settlement basis	24 September 2018

* The Directors may extend the Closing Date by giving at least three (3) Business Days' notice to ASX prior to the Closing Date. As such the date the Shares issued under the Offer are expected to commence trading on ASX may vary.



USE OF FUNDS

Completion of the Offer will result in an increase in cash at hand of up to \$2,024,451 (before costs).

The following indicative table sets out the proposed use of funds raised under the Offer:

Proposed Allocation of Funds	Amount (\$)
Costs of the Offer	40,000
Mt Bruce and Mt Windarra exploration costs, including rock chip sampling, geophysical mapping, review of historical data and initial drilling program and follow-up exploration program	1,210,000
New opportunities	300,000
Corporate costs	280,000
Working capital	194,451
TOTAL	2,024,451

Note:

1. If the Offer is not fully subscribed, and the shortfall under the Shortfall Offer is not subsequently placed, the Company intends on adjusting the use of funds on a pro rata basis.
2. Investors should note that, as with any budget, the allocation of funds set out in the above table may change due to a number of factors, including market conditions, the development of new opportunities and/or any number of other factors.

The above is a statement of current intentions at today's date. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

Further Information:

The Offer will be made to shareholders with registered addresses in Australia and New Zealand as at 31 August 2018 ("Eligible Shareholders"). Shareholders with a registered address outside Australia and New Zealand will not be eligible to participate in the Offer. As the Offer is non-renounceable, Eligible Shareholders will not be able to sell or otherwise transfer their entitlement.

Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to taking up their entitlements in full, apply for additional shares in excess of their entitlement ("Shortfall Shares"). Shortfall Shares will only be available where there is a shortfall between applications received from Eligible Shareholders, and the number of new shares proposed to be issued under the Offer.

The allocation policy for the issuance of Shortfall Shares will be as follows:

- a. Eligible Shareholders who wish to subscribe for Shares above their entitlement may apply for Shortfall Shares under the Shortfall Offer;



- b. the Lead Managers, in consultation with the Company, will allocate Shortfall Shares in a manner that does not prejudice the rights of Eligible Shareholders, having regard to the number of Shareholders applying for Shortfall Shares;
- c. if any Shortfall is remaining after the applications made in accordance with paragraph (a) above are satisfied, the Directors reserve the discretion to place any such remaining Shortfall Shares within three months after the close of the Offer; and
- d. no Shares will be issued under the Shortfall Offer if their issue would contravene the takeover prohibition in section 606 of the Corporations Act.

Subject to the above, the Shortfall Shares are to be issued at the discretion of the Lead Managers (in consultation with the Company) and as such there is no guarantee that any Shortfall Shares will be issued to Eligible Shareholders or other third parties. Excess Application Monies for the Shortfall Offer will be refunded without interest.

Full details of the Offer and Shortfall Offer will be contained in a prospectus to be lodged with ASX and to be dispatched to Eligible Shareholders in accordance with the indicative timetable set out above.

For further details, contact:

Investors

Mr Adam Santa Maria, Executive Chairman
+ 61 8 6365 5200