



**ACACIA COAL LIMITED**  
**ACN 009 092 068**

## **PROSPECTUS**

**THIS PROSPECTUS IS BEING ISSUED FOR THE FOLLOWING OFFERS:**

- 1. A NON-RENOUNCEABLE PRO-RATA OFFER TO ELIGIBLE SHAREHOLDERS ON THE BASIS OF ONE NEW SHARE FOR EVERY ONE SHARE HELD ON THE RECORD DATE AT AN ISSUE PRICE OF \$0.001 EACH TO RAISE UP TO APPROXIMATELY \$2 MILLION ("ENTITLEMENT OFFER"); AND**
- 2. AN OFFER OF ANY SHORTFALL UNDER THE ENTITLEMENT OFFER ON THE TERMS SET OUT IN SECTION 1.2 OF THE PROSPECTUS ("SHORTFALL OFFER").**

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.**

**THE SHARES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.**

## IMPORTANT INFORMATION

This Prospectus is dated 27 August 2018 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Ground Floor, 16 Ord Street, West Perth, Western Australia during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 6.3).

The Shares offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to investment risks.

Acceptances of Shares under the Entitlement Offer can only be submitted on an original Entitlement and Acceptance Form sent with a copy of this Prospectus by the Company. The Entitlement and Acceptance Form sets out an Eligible Shareholder's entitlement to participate in the Entitlement Offer. If acceptance is by BPAY there is no need to return the original Entitlement and Acceptance Form. Applications for Shortfall Shares must be made on the separate section on the Entitlement and Acceptance Form sent with this Prospectus. The issue of Shortfall Shares is at the discretion of the Directors, in accordance with the allocation policy outlined in Section 1.2.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed. No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

No action has been taken to permit the offer of Shares under this Prospectus in any jurisdiction other than Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation, or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 4. Definitions of certain terms used in this Prospectus are contained in Section 8. All references to currency are to Australian dollars and all references to time are to WST unless otherwise indicated.

## **CORPORATE DIRECTORY**

### **Directors**

Mr Adam Santa Maria	Executive Chairman
Mr Logan Robertson	Non-Executive Director
Mr Brett Lawrence	Non-Executive Director

### **Company Secretary**

Mr Brett Tucker

### **Registered Office**

Ground Floor  
16 Ord Street  
West Perth WA 6005

Telephone:	+61 (8) 9482 0520
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Email:	btucker@ventnorcapital.com

### **Share Registry**

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

### **Lawyers**

Bellanhuse  
Level 19, Alluvion  
58 Mounts Bay Road  
Perth WA 6000

**ASX Code:** AJC

**Website:** [www.acaciacoal.com.au](http://www.acaciacoal.com.au)

## PROPOSED TIMETABLE FOR ENTITLEMENT OFFER

Lodgement of Appendix 3B and Prospectus with ASIC and ASX Notice of Entitlement Offer sent to Optionholders	27 August 2018
Notice of Entitlement 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 Entitlement 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 Entitlement Offer are expected to commence trading on ASX may vary.

## TABLE OF CONTENTS

Section	Page No.
1. Details of the Offer .....	1
2. Action required by Shareholders.....	8
3. Effect of the Offer .....	11
4. Risk Factors .....	14
5. Material Contract - Lead Manger Mandate.....	22
6. Additional information .....	22
7. Directors' Statement and Consent .....	32
8. Definitions .....	33

## LETTER FROM THE CHAIRMAN

Dear Shareholder

On behalf of the Board of Acacia Coal Limited (**Company**), I am pleased to invite you to participate in a non-renounceable pro-rata 1-for-1 entitlement offer at an issue price of \$0.001 per Share to raise approximately \$2 million (before costs) (**Entitlement Offer**).

The issue price is representative of the Company's general trading price prior to the date of this Prospectus.

### Use of Funds

Subject to the satisfactory completion of the Offer, funds raised will enable the Company to fund the advancement of both current and future exploration projects and enable it to assess and explore new opportunities as they arise, as set out in this Prospectus.

### Conclusion

The Board recommends that you take up your Entitlement under the Entitlement Offer after reading this Prospectus in its entirety including the risks outlined in Section 4. Eligible Shareholders may also wish to avail themselves of the opportunity to take up Shortfall Shares (refer to Section 1.2).

Full details of the Offer are set out in this Prospectus.

I am also pleased to advise that the Directors presently intend to take up all of their respective entitlements under the Entitlement Offer. Please refer to the Investment Overview for further detail.

I look forward to your continued support and on updating you on the Company's progress.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Adam Santa Maria', with a stylized flourish at the end.

Adam Santa Maria  
Chairman

## INVESTMENT OVERVIEW

This Section is intended to highlight key information for potential investors. It is an overview only, and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Shares.

Key Information	Further Information
<p><b>Transaction specific prospectus</b></p> <p>This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	Section 6.2
<p><b>Risk factors</b></p> <p>Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, including (but not limited to) risks in respect of:</p> <ul style="list-style-type: none"><li>• <b>Exploration Risk:</b></li></ul> <p>Mining exploration and development is a high risk undertaking. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.</p> <p>Exploration of the Projects may be unsuccessful, resulting in a reduction of the value of those projects, diminution in the cash reserves of the Company. The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p> <ul style="list-style-type: none"><li>• <b>Regulatory Risk:</b></li></ul> <p>The Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Regulatory areas which are of particular significance to the Company include environmental compliance and rehabilitation, mining, taxation, employee relations, worker health and safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits</p>	Section 4

Key Information	Further Information
<p>from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities. Any failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.</p> <ul style="list-style-type: none"> <li>• <b>Mine Development Risk:</b></li> </ul> <p>Possible future development of a mining operation at any of the Company's future projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> <ul style="list-style-type: none"> <li>• <b>Future Capital Requirements:</b></li> </ul> <p>The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Offer should be adequate to fund its business development activities, exploration program and other Company objectives as outlined in Section 1.3.</p> <p>In order to successfully develop the Projects and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or offer price under the Offer) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.</p> <p>No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in the Projects being subject to forfeiture, and could affect the Company's ability to continue as a going concern.</p>	



Key Information	Further Information
<p><b>Entitlement Offer</b></p> <p>This Prospectus is for a non-renounceable entitlement issue of one new Share (<b>New Share</b>) for every one existing Share held by Eligible Shareholders on the Record Date at an issue price of \$0.001 per New Share to raise up to \$2,024,451 (before costs).</p>	Section 1.1
<p><b>Shortfall Offer</b></p> <p>Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer.</p> <p>Eligible Shareholders may apply for Shares under the Shortfall Offer subject to such applications being received by the Closing Date.</p> <p>The issue price for each Shortfall Share to be issued under the Shortfall Offer shall be \$0.001, being the price at which New Shares have been offered under the Entitlement Offer.</p> <p>The allocation policy for the Shortfall Offer is outlined in Section 1.2. There is no guarantee that Eligible Shareholders will receive new Shares applied for under the Shortfall Offer.</p>	Section 1.2
<p><b>Eligible Shareholders</b></p> <p>The Entitlement Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who:</p> <ul style="list-style-type: none"> <li>• are the registered holder of Shares as at 5.00pm (WST) on the Record Date; and</li> <li>• have a registered address in Australia or, subject to the offer restrictions in Section 1.14, New Zealand.</li> </ul>	Sections 1.13, 1.14 and 1.15

Key Information	Further Information
<p><b>Use of funds</b></p> <p>Funds raised under the Offer are intended to be used primarily to carry out exploration activities on the Company's Mt Windarra Project and Mt Bruce Projects (together, <b>Projects</b>), noting that work on the Mt Bruce Project is subject to the grant of exploration licence E47/3627.</p>	<p>Section 1.3</p>
<p><b>Effect on control of the Company</b></p> <p>Shareholders should note that if they do not participate in the Offer, their holdings will be diluted.</p> <p>The Company's largest Shareholder is Argonaut Capital Limited. As at the date of this Prospectus, Argonaut Capital Limited and its associates have a voting power of 5.6%.</p> <p>In the unlikely event that no Entitlements are taken up by Eligible Shareholders other than the Entitlements attaching to the Shares in which Argonaut Capital Limited and its associates hold a relevant interest, and no Shortfall Shares are placed, Argonaut Capital Limited's voting power in the Company would increase to a maximum of 10.1%.</p> <p>No investor or existing Shareholder will hold a voting power greater than 20% as a result of the Offer.</p>	<p>Section 1.6</p>

Key Information			Further Information															
<p><b>Indicative capital structure and pro-forma balance sheet</b></p> <p>The indicative capital structure upon completion of the Offer is set out below:</p> <table><tr><th></th><th>Shares</th><th>Options</th></tr><tr><td>Balance at the date of this Prospectus</td><td>2,024,450,835</td><td>237,500,000<sup>1</sup></td></tr><tr><td>To be issued pursuant to the Offer</td><td>2,024,450,835<sup>2</sup></td><td>Nil</td></tr><tr><td>Adviser Options</td><td>Nil</td><td>75,000,000<sup>3</sup></td></tr><tr><td><b>Total</b></td><td><b>4,048,901,670<sup>4</sup></b></td><td><b>312,500,000</b></td></tr></table>				Shares	Options	Balance at the date of this Prospectus	2,024,450,835	237,500,000 <sup>1</sup>	To be issued pursuant to the Offer	2,024,450,835 <sup>2</sup>	Nil	Adviser Options	Nil	75,000,000 <sup>3</sup>	<b>Total</b>	<b>4,048,901,670<sup>4</sup></b>	<b>312,500,000</b>	Sections 3.1 and 3.2
	Shares	Options																
Balance at the date of this Prospectus	2,024,450,835	237,500,000 <sup>1</sup>																
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<b>Total</b>	<b>4,048,901,670<sup>4</sup></b>	<b>312,500,000</b>																
<p><b>Note:</b></p> <p>1. Comprising 42,500,000 Options exercisable at \$0.006 each and expiring on or before 5 December 2021 and 195,000,000 Options exercisable at \$0.0015 and expiring on or before 9 August 2023.</p> <p>2. Assuming that all Shares offered under the Entitlement Offer will be issued. The actual number of Shares to be issued will vary based on the Shares subscribed for and issued pursuant to the Entitlement Offer. This number is also subject to rounding.</p> <p>3. Up to 75,000,000 Options exercisable at \$0.0015 and expiring on or before the date 2 years from the date of issue will be issued to under the Lead Manager Mandate, subject to the completion of the Shortfall Offer.</p> <p>4. A further 18,750,000 Shares will be issued to the vendors of Mt Bruce subject to the grant of application for exploration licence E47/3627, which the Company does not expect to occur before the record date set out in the proposed timetable.</p> <p>The pro-forma balance sheet showing the indicative effect of the Offer is in Section 3.2.</p>																		
<p><b>Directors' interests in Shares and Entitlements</b></p> <p>The relevant interest of each of the Directors in Shares as at the date of this Prospectus, together with their respective Entitlement is set out in the table below:</p> <table><tr><th>Name</th><th>Existing Shares</th><th>Entitlement</th></tr><tr><td>Mr Adam Santa Maria</td><td>1,273,400</td><td>1,273,400</td></tr><tr><td>Mr Logan Robertson</td><td>3,611,598</td><td>3,611,598</td></tr><tr><td>Mr Brett Lawrence</td><td>2,708,699</td><td>2,708,699</td></tr></table>			Name	Existing Shares	Entitlement	Mr Adam Santa Maria	1,273,400	1,273,400	Mr Logan Robertson	3,611,598	3,611,598	Mr Brett Lawrence	2,708,699	2,708,699	Section 6.6(b)			
Name	Existing Shares	Entitlement																
Mr Adam Santa Maria	1,273,400	1,273,400																
Mr Logan Robertson	3,611,598	3,611,598																
Mr Brett Lawrence	2,708,699	2,708,699																
<p>It is the present intention of the Directors to take up all of their Entitlements specified above under the Entitlement Offer.</p>																		

Key Information	Further Information
<p><b>Forward looking statements</b></p> <p>This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.</p> <p>These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.</p> <p>These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.</p>	<p>Important Information and Section 4</p>

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## 1. Details of the Offer

### 1.1 Entitlement Offer

The Company is making a non-renounceable pro-rata offer of ordinary fully paid shares (**Shares**) at an issue price of \$0.001 each to Eligible Shareholders on the basis of 1 New Share for every 1 Share held at 5:00pm (WST) on the Record Date (**Entitlement Offer**).

Prior to the Entitlement 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 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. Please refer to Section 5.

The market price of Shares at the date of this Prospectus is such that it is unlikely that any of the existing Options will be exercised before the Record Date. On the basis that no existing Options are exercised prior to the Record Date, the Entitlement Offer is for a maximum of 2,024,450,835 Shares to raise up to \$2,024,451 (before costs).

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded up to the nearest whole Share.

Further details on the rights and liabilities attaching to the Shares under the Offer are contained in Section 6.1.

### 1.2 Shortfall Offer

Any Entitlements not taken up pursuant to the Entitlement Offer will form the Shortfall Offer. The Shortfall Offer is a separate offer made pursuant to this Prospectus. The issue price of any Shortfall Shares will be \$0.001 each, which is the issue price at which Shares have been offered to Eligible Shareholders under the Entitlement Offer. Shortfall Shares will only be issued if the Entitlement Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions.

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 by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Shares using BPAY® (refer to Section 2.3);
- (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 Entitlement 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.

It is a term of the Shortfall Offer that, should the Company scale back applications for Shortfall Shares, the Applicant will be bound to accept such lesser number allocated to them. Any Shortfall Shares will be issued within three months after the Closing Date.

### 1.3 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 <sup>4</sup>	194,451
<b>TOTAL</b>	<b>2,024,451</b>

**Note:**

1. If the Entitlement Offer is not fully subscribed, and the Shortfall 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 the date of this Prospectus. 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.

#### **1.4 Opening and Closing Dates**

For the Entitlement Offer, the Company will accept Entitlement and Acceptance Forms from the opening date of the Offer until 5:00pm WST 14 September 2018 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (**Closing Date**).

The Shortfall Offer will remain open for a period of up to three months from the Closing Date (or such shorter period as determined by the Directors), however Eligible Shareholders who wish to participate in the Shortfall Offer must submit their Applications to the Company by no later than the Closing Date.

#### **1.5 Minimum subscription**

There is no minimum subscription for the Offer.

#### **1.6 Effect on control of the Company**

Section 606(1) of the Corporations Act prohibits a person, unless an exception applies, from increasing their voting power in the Company:

- (a) from 20% or below to above 20%; or
- (b) from a starting point of above 20% and below 90%.

No other investor or existing Shareholder will hold a voting power greater than 20% as a result of the Offer.

One of the exceptions to section 606(1) is where that increase occurs as a result of taking up entitlements under a 'rights issue'. The Company intends that the Offer will fall within this exception.

However, an increase in voting power that occurs as a result of acquiring Shares under the Shortfall Offer will not fall within that exception. Accordingly, if you wish to apply for Shortfall Shares, it is your responsibility to ensure that if you are issued with Shares under the Shortfall Offer you will not be in breach of section 606(1) of the Corporations Act. If you are in any doubt as to the consequences of applying for Shares under the Shortfall Offer, you should seek independent legal advice.

The Company's largest Shareholder is Argonaut Capital Limited. As at the date of this Prospectus, Argonaut Capital Limited and its associates have a voting power of 5.6%.

In the unlikely event that no Entitlements are taken up by Eligible Shareholders other than the Entitlements attaching to the Shares in which Argonaut Capital Limited and its associates hold a relevant interest, and no Shortfall Shares are placed, Argonaut Capital Limited's voting power in the Company would increase to a maximum of 10.1%. The Company is not aware of whether or not Argonaut Capital Limited will take up its entitlement or part thereof.

## 1.7 Potential dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

	Holding as at Record Date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken up	% post Offer
Shareholder 1	125,000,000	6.12	125,000,000	125,000,000	3.06
Shareholder 2	62,500,000	3.06	62,500,000	62,500,000	1.53
Shareholder 3	30,000,000	1.47	30,000,000	30,000,000	0.73
Shareholder 4	15,000,000	0.73	15,000,000	15,000,000	0.37
Shareholder 5	7,500,000	0.37	7,500,000	7,500,000	0.18

**Note:** The dilution effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall is not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

## 1.8 No rights trading

The rights to Shares under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your Entitlement to any other party. If you do not take up your Entitlement to Shares under the Entitlement Offer by the Closing Date, the Entitlement Offer to you will lapse.

## 1.9 Issue Date and dispatch

All Shares under the Entitlement Offer are expected to be issued on or before the date specified in the proposed timetable in this Prospectus.

All Shortfall Shares issued under the Shortfall Offer to Eligible Shareholders are expected to be issued at the same time as the Shares issued under the Entitlement Offer. All Shortfall Shares issued to other investors under the Shortfall Offer (if any) are expected to be issued within three months after the close of the Entitlement Offer.

Security holder statements will be dispatched on the business day following the issue of the Shares under the Offer.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements do so at their own risk.

## 1.10 Application Monies held on trust

All Application Monies received for the Shares under the Offer will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the relevant Shares are issued. All Application Monies will be returned (without interest) if the relevant Shares are not issued.



### **1.11 ASX quotation**

Application has been or will be made for the official quotation of the Shares offered by this Prospectus. If permission is not granted by ASX for the official quotation of the Shares offered by this Prospectus within three months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

### **1.12 CHESS**

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will specify the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares, including a notice to exercise the Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by Link Market Services Limited and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

### **1.13 Ineligible Foreign Shareholders**

This Prospectus, and any accompanying Entitlement and Acceptance Form, do not, and is not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Shares under the Offer.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Company believes that it is unreasonable to extend the Offer to Ineligible Foreign Shareholders. The Company has formed this view having considered:

- (a) the number and value of the Shares that would be offered to those Shareholders; and

- (b) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, Ineligible Foreign Shareholders will not be entitled to participate in the Offer.

#### **1.14 New Zealand offer restrictions**

The Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand at the Record Date.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

#### **1.15 Notice to nominees and custodians**

Nominees and custodians that hold Shares should note that the Entitlement Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

#### **1.16 Substantial Shareholders**

Based on available information as at the date of this Prospectus, the following person (together with its associates) has a relevant interest in 5% or more of the Shares on issue are set out below:

<b>Substantial Shareholder</b>	<b>Number of Shares</b>	<b>Voting power</b>
Argonaut Capital Limited	113,789,011	5.6%

#### **1.17 Risk factors**

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 4.

#### **1.18 Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants

should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

### **1.19 Major activities and financial information**

A summary of the activities and financial information relating to the Company for the financial year ended 30 June 2017 and the half year ended 31 December 2017 can be found in the Company's 2017 Annual Financial Report and the Half Yearly Report for the six month period to 31 December 2017 lodged with ASX. The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Financial Report on 29 September 2017 are listed in Section 6.3.

Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offer.

### **1.20 Privacy**

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's Shareholding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Acceptance or Application (as applicable).

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

### **1.21 Enquiries concerning Prospectus**

All enquiries concerning the Entitlement and Acceptance Form and the Prospectus, please contact the Company on +61 (8) 9482 0520.

For general shareholder enquiries, please contact Link Market Services Limited on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia).

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## 2. Action required by Shareholders

### 2.1 Acceptance of Entitlement

Should you wish to accept all of your Entitlement to Shares under the Entitlement Offer and you are not paying by BPAY, then applications for Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque, bank draft or money order for the amount indicated on the Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Acacia Coal Limited" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at:

By Post	By Hand
Acacia Coal Limited C/- Link Market Services Limited GPO Box 3560 Sydney NSW 2001	Acacia Coal Limited C/- Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Closing Date. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

### 2.2 If you wish to take up only part of your Entitlement

Should you wish to only take up part of your Entitlement under the Entitlement Offer and you are not paying by BPAY, then applications for Shares under the Entitlement Offer must be made on the Entitlement and Acceptance Form which accompanies this Prospectus in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of Shares you wish to accept and the amount payable (calculated at \$0.001 per Share accepted), and attach a cheque, bank draft or money order for the appropriate Application Monies.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made

payable to "Acacia Coal Limited" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at the address indicated at Section 2.1.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Closing Date. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

### **2.3 If you wish to apply for Shortfall Shares**

If you are an Eligible Shareholder and you wish to apply for Shares in excess of your Entitlement under the Entitlement Offer by applying for Shortfall Shares, you may do so by completing the relevant separate section of the Entitlement and Acceptance Form relating to the Shortfall Offer and which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Any Shares applied for in excess of your Entitlement will be applied for under the Shortfall Offer and will be issued in accordance with the allocation policy described in Section 1.2.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Acacia Coal Limited" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at the address indicated at Section 2.2.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the date and time mentioned above. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

The Company may also provide application forms to other investors who are invited to subscribe for Shortfall in accordance with the allocation policy described in Section 1.2.

### **2.4 Entitlements not taken up**

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Shares you hold and the rights attached to those Shares will not be affected should you choose not to accept any of your entitlement.

### **2.5 Entitlement and Acceptance Form**

Acceptance of a completed Entitlement and Acceptance Form by the Company creates a legally binding contract between the Applicant and the Company for the

number of Shares accepted by the Company. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of Shares.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form, is final.

The Company will send this Prospectus, together with an Entitlement and Acceptance Form, to all Eligible Shareholders.

By completing and returning your Entitlement and Acceptance Form with the requisite Application Monies, or making a payment via BPAY, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the Shares to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (e) declare that you are the current registered holder of Shares as at the Record Date and have a registered address in Australia or subject to the offer restrictions in Section 1.14, New Zealand;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

## **2.6 Enquiries concerning your Entitlement**

For all enquiries concerning the Prospectus, please contact the Company on +61 (8) 9482 0520.

For general shareholder enquiries, please contact Link Market Services Limited on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia).

### 3. Effect of the Offer

#### 3.1 Capital structure on completion of the Offer

	Number of Shares	Number of Options
Balance at the date of this Prospectus	2,024,450,835	237,500,000 <sup>1</sup>
Maximum number of Shares to be issued under the Offer <sup>2</sup>	2,024,450,835	Nil
Adviser Options	Nil	75,000,000 <sup>3</sup>
<b>TOTAL</b>	<b>4,048,901,670<sup>4</sup></b>	<b>312,500,000<sup>2</sup></b>

**Note:**

1. Comprising 42,500,000 Options exercisable at \$0.006 each and expiring on or before 5 December 2021 and 195,000,000 Options exercisable at \$0.0015 and expiring on or before 9 August 2023.
2. Assuming that all Shares offered under the Entitlement Offer will be issued. The actual number of Shares to be issued will vary based on the Shares subscribed for and issued pursuant to the Entitlement Offer. This number is also subject to rounding.
3. Subject to the completion of the Shortfall Offer, up to a further 75,000,000 Options exercisable at \$0.0015 and expiring on or before two years from issue date will be issued under the Lead Manager Mandate.
4. A further 18,750,000 Shares will be issued to the vendors of Mt Bruce subject to the grant of application for exploration licence E47/3627, which the Company does not expect to occur prior to the record date set out in the proposed timetable.

#### 3.2 Pro forma consolidated statement of financial position

Set out below is:

- (a) the reviewed consolidated statement of financial position of the Company as at 31 December 2017 (**Balance Date**);
- (b) the unaudited significant changes since the Balance Date;
- (c) the unaudited effects of the Offer (assuming it is fully subscribed), less costs of the Offer estimated at \$40,000;
- (d) the issue of 75,000,000 Adviser Options valued by the Company using the Black & Scholes valuation method based on a share price volatility of 100% for a valuation of \$0.0009 per Adviser Option; and
- (e) the unaudited pro forma statement of financial position of the Company at the Balance Date adjusted to reflect paragraphs 3.2(b), (c) and (d) and the Offer, assuming the Offer is fully subscribed.

The statement of financial position have been prepared to provide Shareholders with information on the assets and liabilities of the Company and the pro forma assets and liabilities of the Company as noted below. The historical and pro forma information is presented in abbreviated form; it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual

financial statements.

	Audited 31-Dec-17	Subsequent events Unaudited 31-Dec-17	Pro forma adjustments Minimum 31-Dec-17	Pro forma Unaudited 31-Dec-17
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	556,595	185,950	1,984,451	2,726,996
Trade and other receivables	74,747	-	-	74,747
Other assets	10,925	-	-	10,925
<b>Total current assets</b>	<b>642,267</b>	<b>185,950</b>	<b>1,984,451</b>	<b>2,812,668</b>
<b>Non-current assets</b>				
Available for sale assets	349,981	-	-	349,981
<b>Total non-current assets</b>	<b>349,981</b>	<b>-</b>	<b>-</b>	<b>349,981</b>
<b>Total assets</b>	<b>992,248</b>	<b>185,950</b>	<b>1,984,451</b>	<b>3,162,649</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	72,979	-	-	72,979
<b>Total current liabilities</b>	<b>72,979</b>	<b>-</b>	<b>-</b>	<b>72,979</b>
<b>Total liabilities</b>	<b>72,979</b>	<b>-</b>	<b>-</b>	<b>72,979</b>
<b>Net assets</b>	<b>919,269</b>	<b>185,950</b>	<b>1,984,451</b>	<b>3,089,670</b>
<b>Equity</b>				
Issued capital	40,412,015	384,000	1,952,029	42,748,044
Reserves	3,198,599	137,390	32,422	3,368,410
Accumulated losses	(42,691,345)	(335,440)		(43,026,785)
<b>Total equity</b>	<b>919,269</b>	<b>185,950</b>	<b>1,984,451</b>	<b>3,089,670</b>

The pro forma statement of financial position has been prepared on the basis that the assets and liabilities of the Company have not been subject to any material change between 31 December 2017 and the completion of the Offer except for:

- (a) the Company undertook a placement to professional and sophisticated investors to raise \$400,000 from the issue of 400,000,000 fully paid ordinary shares at \$0.001 per share on 9 August 2018, less costs of the placement offer for brokerage of \$16,000;
- (b) the issue of 195,000,000 unlisted options to Directors of the Company as incentive for future performance as approved by shareholders on 23 July 2018 and issued on 9 August 2018 ("Director Options"), including receipt of cash option application funds of \$1,950. The Director Options were valued using Black and Scholes valuation method, based on a share price volatility of 100%, for a valuation of \$0.0011 per Director Option; and
- (c) movements in working capital from transactions and expenditures incurred in the normal course of business including corporate costs of \$200,000.



### **3.3 Market price of Shares**

The highest and lowest closing market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Lowest: \$0.001 (3 August 2018)

Highest: \$0.002 (8 June 2018)

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was \$0.001.

### **3.4 Dividend Policy**

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

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## **4. Risk Factors**

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

### **4.1 Risks specific to the Offer**

#### **(a) Tax**

The acquisition of, and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.

#### **(b) Dilution**

As at the date of this Prospectus it is expected that the Company will have 2,024,450,835 Shares on issue. Assuming that no Options are exercised and the Offer is fully subscribed, the Company will have a total of 4,048,901,670 Shares on issue. Eligible Shareholder's voting power in the Company will be diluted if the Shareholder does not take up the Shareholder's full Entitlement under the Offer. Refer to Section 1.7 for further detail.

### **4.2 Risks specific to the Company**

#### **(a) Future capital requirements**

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Offer should be adequate to fund its business development activities, exploration program and other Company objectives as outlined in Section 1.3.

In order to successfully develop the Projects and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or offer price under the Offer) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in the Projects being subject to forfeiture, and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of the issue of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

**(b) Exploration Risk**

Mining exploration and development is a high risk undertaking. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration of the Projects may be unsuccessful, resulting in a reduction of the value of those projects, diminution in the cash reserves of the Company. The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

**(c) Tenure, access and grant of applications**

The Company's operations are subject to receiving and maintaining licences and permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of licences/permits from the proposed operations, additional licences/permits for any possible future changes to operations, or additional permits associated with new legislation. There is no certainty that the Company will hold all licences/permits necessary to develop or continue operating at any particular property.

(d) **Operational risks**

The operations of the Company may be affected by various factors, including:

- (i) failure to locate or identify mineral deposits;
- (ii) failure to achieve predicted grades in exploration and mining;
- (iii) operational and technical difficulties encountered in mining;
- (iv) insufficient or unreliable infrastructure, such as power, water and transport;
- (v) difficulties in commissioning and operating plant and equipment;
- (vi) mechanical failure or plant breakdown;
- (vii) unanticipated metallurgical problems which may affect extraction costs; and
- (viii) adverse weather conditions.

In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected.

(e) **Application risk**

The Company's exploration and appraisal activities are dependent upon the grant and maintenance of appropriate licences, permits, resource consents, access arrangements and regulatory authorities (authorisations) that may not be granted or may be withdrawn or made subject to limitations. As at the date of this Prospectus, the Company has agreed to acquire the Mt Bruce Project, subject to the grant of the application for exploration licence (**Licence Application**). There is no certainty this License Application will be granted.

The Company has committed funds to the Mt Bruce Project (as set out in Section 1.3), however investors should be aware that these funds will be redistributed to the Mt Windarra Project and to working capital if the License Application is not granted.

(f) **Government regulation and political risk in the mining industry**

The Company's proposed operating activities are subject to laws and regulations governing expropriation of property, health and worker safety, employment standards, waste disposal, protection of the environment, mine development, land and water use, prospecting, mineral production, exports, taxes, labour standards, occupational health standards, toxic wastes, the protection of endangered and protected species and other matters. While the Company believes that it is in substantial compliance with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements

applicable to the Company, which could have a material adverse impact on proposed operations on, or planned development of, its Projects.

**(g) Environmental Risk**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

**(h) Mine development risk**

Possible future development of a mining operation at any of the Company's future projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will

achieve commercial viability through the development or mining of its Projects.

**(i) Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal/mineral recovery, affecting the economic viability of the project.

**(j) Insurance risks**

There are significant exploration and operating risks associated with exploring for nickel, cobalt, copper and other base metals, including adverse weather conditions, environmental risks and fire, all of which can result in injury to persons as well as damage to or destruction of the extraction plant, equipment, production facilities and other property. In addition, the Company's subsidiaries will be subject to liability for environmental risks such as pollution and abuse of the environment. The occurrences of a significant event against which the Company is not fully insured could have a material adverse effect on its operations and financial performance. In addition, in the future some or all of the Company's insurance coverage may become unavailable or prohibitively expensive.

### **4.3 General risks**

**(a) Commodity price volatility and exchange rate risks**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macroeconomic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian dollars, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

**(b) Regulatory risks**

The Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Regulatory areas which are of

particular significance to the Company include environmental compliance and rehabilitation, mining, taxation, employee relations, worker health and safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities. Any failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

**(c) Securities investment and share market conditions risk**

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for exploration and mining companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

**(d) Approval risks**

The Company will be reliant on heritage, environmental and other approvals in Western Australia to enable it to proceed with the exploration and development of any of its tenements or the granting of its tenement applications. There is no guarantee that the required approvals will be granted, and failure by the Company to obtain the relevant approvals, or any delay in the award or transfer of the approvals, may materially and adversely affect the Company's ability to proceed with its proposed exploration and development programs.

**(e) Tax rules**

Tax rules or their interpretation in relation to equity investments may change. In particular, both the level and basis of taxation may change. In addition, an investment in the Shares involves tax considerations that may differ for each Shareholder. Each prospective Shareholder is encouraged to seek professional tax advice in connection with any investment in the Company.

Tax law is complex and is subject to regular change. Changes in tax law, including various proposed but as yet not enacted changes in tax law may adversely impact the Company's future financial performance and position.

Resulting changes in tax arrangements may adversely impact the Company's future financial performance and position. In addition, future changes to other laws and regulations or accounting standards, which apply to the Company from time to time, could materially adversely affect the Company's future financial performance and position.

**(f) Litigation Risks**

The Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

**(g) Economic Risks**

General economic conditions, movements in commodity prices, interest and inflation rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors (such as the exploration industry or the base metals sector within that industry);
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

**(h) Force Majeure**

The Company, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

**(i) Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, assets or projects complementary to the Company's proposed operations. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, assets and projects, such as integrating cultures and systems



of operation, relocation of operations, short term strain on working capital requirements, achieving the short term operational goals and retaining key staff and customer and supplier relationships.

**(j) Policies and legislation**

Any material adverse changes in government policies or legislation of Australia or any other country that the Company has economic interests may affect the viability and profitability of the Company.

**(k) No guarantee in respect of investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.

#### **4.4 Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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## 5. Material Contract - Lead Manager Mandate

Bell Potter Securities Limited and Nascent Capital Partners Pty Ltd are acting as joint Lead Managers for the Placement and the Shortfall Offer.

Pursuant to the Lead Manager mandate dated 20 June 2018 (**Lead Manager Mandate**), the Lead Managers will be paid a capital raising fee of 4% of the proceeds raised under the Placement and the Shortfall Offer. Subject to the completion of the Shortfall Offer, the Company will also issue up to 75,000,000 Options to the Lead Managers, exercisable at \$0.0015 on or before the date that is two years from issue (**Adviser Options**). The terms of the Adviser Options are disclosed in the notice of meeting announced on 21 June 2018.

The Lead Manager Mandate otherwise contains terms standard for a mandate of this nature.

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## 6. Additional information

### 6.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

#### (a) General meeting and notices

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

#### (b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at a general meeting of the Company every holder of fully paid Shares present in person or by an attorney, representative or proxy has one vote on a show of hands (unless a member has appointed 2 proxies) and one vote per Share on a poll.

A person who holds a Share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the Share.

#### (c) Issues of further Shares

The Directors may, on behalf of the Company, issue, grant Options over or otherwise dispose of unissued Shares to any person on the terms, with the

rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, the Listing Rules, the Corporations Act and any rights for the time being attached to the Shares in any special class of those Shares.

**(d) Variation of rights**

At present, the Company has on issue one class of Shares only, namely ordinary Shares. Unless otherwise provided by the Constitution or by the terms of issue of a class of Shares, the rights attached to the Shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued Shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued Shares of the affected class.

**(e) Transfer of Shares**

Subject to the Constitution, the Corporations Act and the Listing Rules, ordinary Shares are freely transferable.

**(f) Dividends**

Subject to the Corporations Act, the Listing Rules and the rights attaching to Shares issued on special conditions (at present there are none), the Directors may from time to time declare that a dividend is payable to the holders of ordinary Shares in proportion to the number of Shares held by them respectively and are paid proportionately to the amounts paid or credited as paid on Shares.

**(g) Winding up**

Subject to the Constitution, the Corporations Act and the rights of holders of Shares with special rights in a winding-up (at present there are none), on a winding-up of the Company, the liquidator may, with the sanction of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set the value the liquidator considers fair upon any property to be so divided and may determine how the division is to be carried out as between members or different classes of members.

**(h) Dividend reinvestment and share plans**

The Directors may grant to Shareholders or any class of Shareholders the right to elect that dividends payable by the Company be reinvested, including by way of subscription for fully paid Shares in the Company or by foregoing any dividends that may be payable on all or some of the Shares held by that member and to receive instead some other entitlement, including the issue of Shares.

**(i) Directors**

The Constitution states that the minimum number of Directors is three.

(j) **Powers of the Board**

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors have power to manage the business of the Company and may exercise all powers of the Company as are not required by the Corporations Act, Listing Rules or Constitution, required to be exercised by the Company at general meeting.

(k) **Unmarketable parcels**

The Constitution permits the Company to sell the Shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of the Listing Rules.

If a Shareholder does not want its Shares sold, that Shareholder may notify the Company accordingly.

(l) **Capitalisation of profits**

The Company may capitalise profits, reserves or other amounts available for distribution to members. Subject to the Constitution and the terms of issue of Shares, members are entitled to participate in a capital distribution in proportion to the number of Shares held by them.

(m) **Preference Shares**

The Company may issue preference Shares including preference Shares that are liable to be redeemed. The rights attaching to preference Shares include, without limitation, those in the Constitution.

## **6.2 Company is a disclosing entity**

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 6.3 below). Copies of all documents announced to the ASX can be found at [www.acaciacoal.com.au](http://www.acaciacoal.com.au) under the "Investors" tab.

## **6.3 Copies of documents**

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The

Company will provide free of charge to any person who requests it during the period of the Offer a copy of:

- (a) the Annual Report for the period ending 30 June 2017 as lodged with ASX on 29 September 2017;
- (b) the Half Yearly Report for the period ending 31 December 2017 as lodged with ASX on 16 March 2018; and
- (c) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report until the date of this Prospectus:

Date lodged	Subject of Announcement
24/08/2018	Appendices 3Y
22/08/2018	Appendix 3B & Cleansing Notice
09/08/2018	Appendix 3B & Cleansing Notice
25/07/2018	Quarterly Activities Report
25/07/2018	Quarterly Cashflow Report
23/07/2018	Results of Meeting
09/07/2018	Addendum to Notice of General Meeting
06/07/2018	Firm Commitments received for Private Placement
28/06/2018	Change in substantial holding
21/06/2018	Notice of General Meeting
18/06/2018	Resources Project Acquisitions and Capital Raising
26/04/2018	Quarterly Cashflow Report
26/04/2018	Quarterly Activities Report
16/03/2018	Interim Financial Report
30/01/2018	Quarterly Cashflow Report
30/01/2018	Quarterly Activities Report
15/12/2017	Final Director's Interest Notice x 2
13/12/2017	Acacia Enters into Exit Deed Regarding RAC Project

Date lodged	Subject of Announcement
20/11/2017	Results of Meeting
31/10/2017	Quarterly Cashflow Report
31/10/2017	Quarterly Activities Report
23/10/2017	Notice of Annual General Meeting
20/10/2017	Notice of Release from Escrow
03/10/2017	Completion of Sale of Comet Ridge Project
29/09/2017	Corporate Governance Statement and Appendix 4G

The following documents are available for inspection throughout the period of the Offer during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 6.10 and the consents provided by the Directors to the issue of this Prospectus.

#### **6.4 Information excluded from continuous disclosure notices**

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

#### **6.5 Determination by ASIC**

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

#### **6.6 Interests of Directors**

##### **(a) Information disclosed in this Prospectus**

Other than as set out in this Prospectus, no Director holds or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with:
  - (A) its formation or promotion; or
  - (B) the Offer; or

(iii) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director:

(iv) as an inducement to become, or to qualify as, a Director; or

(v) for services provided in connection with:

(A) the formation or promotion of the Company; or

(B) the Offer.

**(b) Security holdings**

The relevant interests of each of the Directors in Securities as at the date of this Prospectus is set out below.

Director	Shares	Options	Entitlement
Adam Santa Maria <sup>1</sup>	1,273,400	85,000,000 <sup>2</sup>	1,273,400
Logan Robertson <sup>3</sup>	3,611,598	75,000,000 <sup>4</sup>	3,611,598
Brett Lawrence <sup>5</sup>	2,708,699	75,000,000 <sup>6</sup>	2,708,699

**Notes:**

1. Mr Adam Santa Maria holds a direct interest in Shares and an indirect interest in Options through his spouse, Winsome Santa Maria.
2. Comprising 20,000,000 Options with an exercise price of \$0.006 expiring 5 December 2021 and 65,000,000 Options with an exercise price of \$0.0015 and an expiry date of 9 August 2023.
3. Mr Logan Robertson's interests are held indirectly through an associated entity.
4. Comprising 10,000,000 Options with an exercise price of \$0.006 expiring 5 December 2021 and 65,000,000 Options with an exercise price of \$0.0015 and an expiry date of 9 August 2023.
5. Mr Brett Lawrence holds an indirect interest in Shares through an associated entity and a direct interest in Options.
6. Comprising 10,000,000 Options with an exercise price of \$0.006 expiring 5 December 2021 and 65,000,000 Options with an exercise price of \$0.0015 and an expiry date of 9 August 2023.

It is the present intention of the Directors to take up all of their respective Entitlements under the Entitlement Offer.

On 6 July 2018, ASX granted the Company a waiver from Listing Rule 10.13.3 (**Waiver**) to permit the Company to lodge an addendum to the notice of General Meeting, in order for the Company to seek shareholder approval to issue Shares to the Directors under the Shortfall Offer up to two months after the General Meeting, being 23 September 2018.

As the anticipated date for the issue of Shares under the Entitlement Offer is Friday, 21 September 2018, there is insufficient time for the Company to determine allocations under the Shortfall Offer and issue the Directors

with Shortfall Shares in a manner consistent with the Waiver. On this basis, the Directors will not subscribe for Shortfall Shares.

**(c) Remuneration**

The Constitution provides that the Non-Executive Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings, to be divided among the Directors on an equal basis having regard to the proportion of the relevant year for which each Director has held office, or as otherwise determined by the Board.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The remuneration of Executive Directors must, subject to the provisions of any contract between each of them and the Company, be fixed by the Board. The Company currently has one Executive Director, Mr Adam Santa Maria, the Company's Chairman. Mr Santa Maria's base Director fee remuneration is \$10,000 p.a. and is entitled to additional remuneration for executive services performed based on hours worked.

Directors received the following remuneration for the year to 30 June 2016:

Director	Directors' fees, and salary (\$)	Other	Superannuation (\$)	Share based payments (\$)	Total (\$)
Adam Santa Maria	5,833	18,475	Nil	Nil	24,308
Logan Robertson	5,425		Nil	Nil	5,425
Brett Lawrence <sup>1</sup>	Nil		Nil	Nil	Nil
Hugh Callaghan <sup>2</sup>	Nil		Nil	Nil	Nil
Robert Scott <sup>3</sup>	Nil		Nil	Nil	Nil
Brett Mitchell <sup>4</sup>	5,833	1,167	Nil	Nil	7,000
Gavin May <sup>5</sup>	228,197		13,664	35,934	455,295
Kym	12,500				12,500



Director	Directors' fees, and salary (\$)	Other	Superannuation (\$)	Share based payments (\$)	Total (\$)
Livesley <sup>6</sup>					
Michael Mulroney <sup>7</sup>	5,000				5,000
Amanda Ward <sup>8</sup>	9,294				9,294

**Notes to 2016 remuneration:**

1. Mr Brett Lawrence was appointed on 2 August 2016.
2. Mr Hugh Callaghan was appointed on 21 March 2017 and resigned on 13 December 2017.
3. Mr Robert Scott was appointed on 21 March 2017 and resigned on 13 December 2017.
4. Mr Brett Mitchell was appointed 18 December 2015 and resigned on 2 August 2016.
5. Mr Gavin May was appointed on 23 May 2011 and resigned on 18 December 2015. Mr May received a total of \$177,500 in termination benefits.
6. Mr Kym Livesley was appointed on 28 May 2013 and resigned on 18 December 2015.
7. Mr Michael Mulroney was appointed on 5 November 2010 and resigned on 4 December 2016.
8. Ms Amanda Ward was appointed on 12 November 2010 and resigned on 18 December 2015.

Directors received the following remuneration for the year ended 30 June 2017:

Director	Directors' fees, and salary (\$)	Other	Superannuation (\$)	Share based payments (\$)	Total (\$)
Adam Santa Maria	9,773	55,477 <sup>9</sup>	Nil	65,022	130,272
Logan Robertson	9,890	Nil	Nil	32,511	42,401
Brett Lawrence <sup>1</sup>	9,167	Nil	Nil	32,511	41,678
Hugh Callaghan <sup>2</sup>	3,000	81,932 <sup>10</sup>	Nil	Nil	84,932
Robert Scott <sup>3</sup>	3,000	57,615 <sup>11</sup>	Nil	Nil	60,615
Brett Mitchell <sup>4</sup>	833	167	Nil	Nil	1,000

**Note to 2017 remuneration:**

1. Mr Brett Lawrence was appointed on 2 August 2017.
2. Mr Hugh Callaghan was appointed on 21 March 2017 and resigned on 13 December 2017.
3. Mr Robert Scott was appointed on 21 March 2017 and resigned on 13 December 2017.
4. Mr Brett Mitchell was appointed 18 December 2015 and resigned on 2 August 2016.

## 6.7 Related party transactions

Other than as set out in the Prospectus, there are no related party transactions involved in the Offer.

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

## 6.8 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Shares offered under this Prospectus.

## 6.9 Expenses of Offer

The estimated expenses of the Offer are as follows:

Estimated expenses of the Offer	\$
ASIC lodgment fees	3,206
ASX quotation fee	8,812
Share registry fees	5,000
Legal fees and expenses	10,000
Printing, mailing, advertising & miscellaneous	12,982
<b>TOTAL</b>	<b>40,000</b>

\* Whilst not included above, the Company may pay brokerage fees on any Shortfall.

## 6.10 Consents

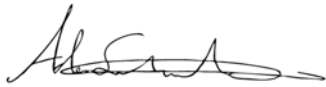
- (a) Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.
- (b) Each of the parties referred to in this Section:
  - (i) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
  - (ii) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.
- (c) Bellanhouse has given its written consent to being named as the Australian corporate solicitors to the Company in this Prospectus. Bellanhouse has not withdrawn its consent prior to the lodgment of this Prospectus with the ASIC.
- (d) Bell Potter Securities Limited has given its written consent to being named as joint Lead Manager in this Prospectus. Bell Potter Securities Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.
- (e) Nascent Capital Partners Pty Ltd has given its written consent to being named as joint Lead Manager in this Prospectus. Nascent Capital Partners Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.
- (f) Link Market Services Limited has given its written consent to being named as the share registry to the Company in this Prospectus. Link Market Services Limited has not withdrawn its consent prior to the lodgment of this Prospectus with the ASIC.

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## 7. Directors' Statement and Consent

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:

A handwritten signature in black ink, appearing to read 'ASantaMaria', written in a cursive style.

Adam Santa Maria  
**Chairman**

Dated: 27 August 2018

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## 8. Definitions

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**\$** means Australian dollars.

**Acceptance** means a valid acceptance of Entitlements pursuant to this Prospectus on an Entitlement and Acceptance Form.

**Adviser Options** has the meaning ascribed in Section 5.

**Applicant** means an applicant for Shares offered under this Prospectus.

**Application** means a valid application for Shortfall Shares made on an application form.

**Application Monies** means application monies for Shares received by the Company.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**Board** means the Directors meeting as a board.

**Business Day** means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

**CHESS** means ASX Clearing House Electronic Subregistry System.

**Closing Date** has the meaning given to it in Section 1.4.

**Company** means Acacia Coal Limited ACN 009 092 068.

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means *Corporations Act 2001* (Cth).

**Directors** mean the directors of the Company as at the date of this Prospectus.

**Eligible Shareholder** means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.

**Entitlement and Acceptance Form** means the entitlement and acceptance form provided by the Company with a copy of this Prospectus that describes the entitlement of Shareholders to subscribe for Shares pursuant to the Offer.

**Entitlement** means the number of New Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being 1 New Share for every existing 1 Share held on the Record Date.

**Entitlement Offer** means the offer under this Prospectus of up to 2,024,450,835 New Shares to Eligible Shareholders in the proportion of 1 New Share for every 1 Share held on the Record Date.

**General Meeting** means the general meeting of shareholders held on Monday, 23 July 2018.

**Ineligible Foreign Shareholder** means a person registered as the holder of Shares on the Record Date whose registered address is not in Australia or New Zealand.

**Issuer Sponsored** means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

**Lead Manager Mandate** has the meaning given in Section 5.

**Lead Managers** means Bell Potter Securities Limited ACN 006 390 772 and Nascent Capital Partners Pty Ltd ACN 154 848 469.

**License Application** has the meaning given in Section 4.2(e).

**Link Market Services Limited** means Link Market Services Limited ACN 083 214 537.

**Listing Rules** means the listing rules of ASX.

**Mt Bruce Project** means the application for exploration license E47/3627.

**Mt Windarra Project** means exploration license E39/1996.

**New Share** means one new Share at the issue price of \$0.001 pursuant to the Entitlement Offer.

**Offer** means an offer under this Prospectus to subscribe for Shares, and includes the Entitlement Offer and the Shortfall Offer.

**Option** means the right to acquire one Share in the capital of the Company.

**Placement** means the capital raising undertaken by the Company to raise \$400,000 (before costs) via the issue of 400,000,000 Shares at \$0.001 each to sophisticated and institutional investors.

**Projects** means the Mt Bruce Project and the Mt Windarra Project.

**Prospectus** means this prospectus dated 27 August 2018.

**Record Date** means 5:00pm (WST) on the date identified in the proposed timetable.

**Section** means a section of this Prospectus.

**Securities** mean any securities including Shares or Options issued or granted by the Company.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.

**Shortfall Offer** means the offer of the Shortfall under this Prospectus, which includes the offer in relation to the Shortfall Shares.

**Shortfall or Shortfall Shares** means Shares not subscribed for under the Entitlement Offer.

**VWAP** means volume weighted average price.

**WST** means Western Standard Time.