

31 January 2019

Program of Works Submitted to Facilitate Drilling of Windarra Nickel-Cobalt Project

HIGHLIGHTS

- Program of works has been submitted to facilitate scout air core drilling program across the Windarra Nickel-Cobalt Project
- Drilling aims to define the extents and grade of nickel-Cobalt mineralisation within the prospective target ultramafic lithologies
- Previous drilling has identified both lateritic and sulphide hosted nickel-cobalt mineralisation
- Drilling scheduled to commence Q1 2019

Acacia Coal Limited ("AJC" or the "Company") is pleased to announce that a program of works to facilitate the drilling of the Windarra Nickel-Cobalt Project has been submitted to the Department of Industry, Resources and Safety (DMIRS). The drilling program aims to determine the potential



Figure 1: Project Location Plan

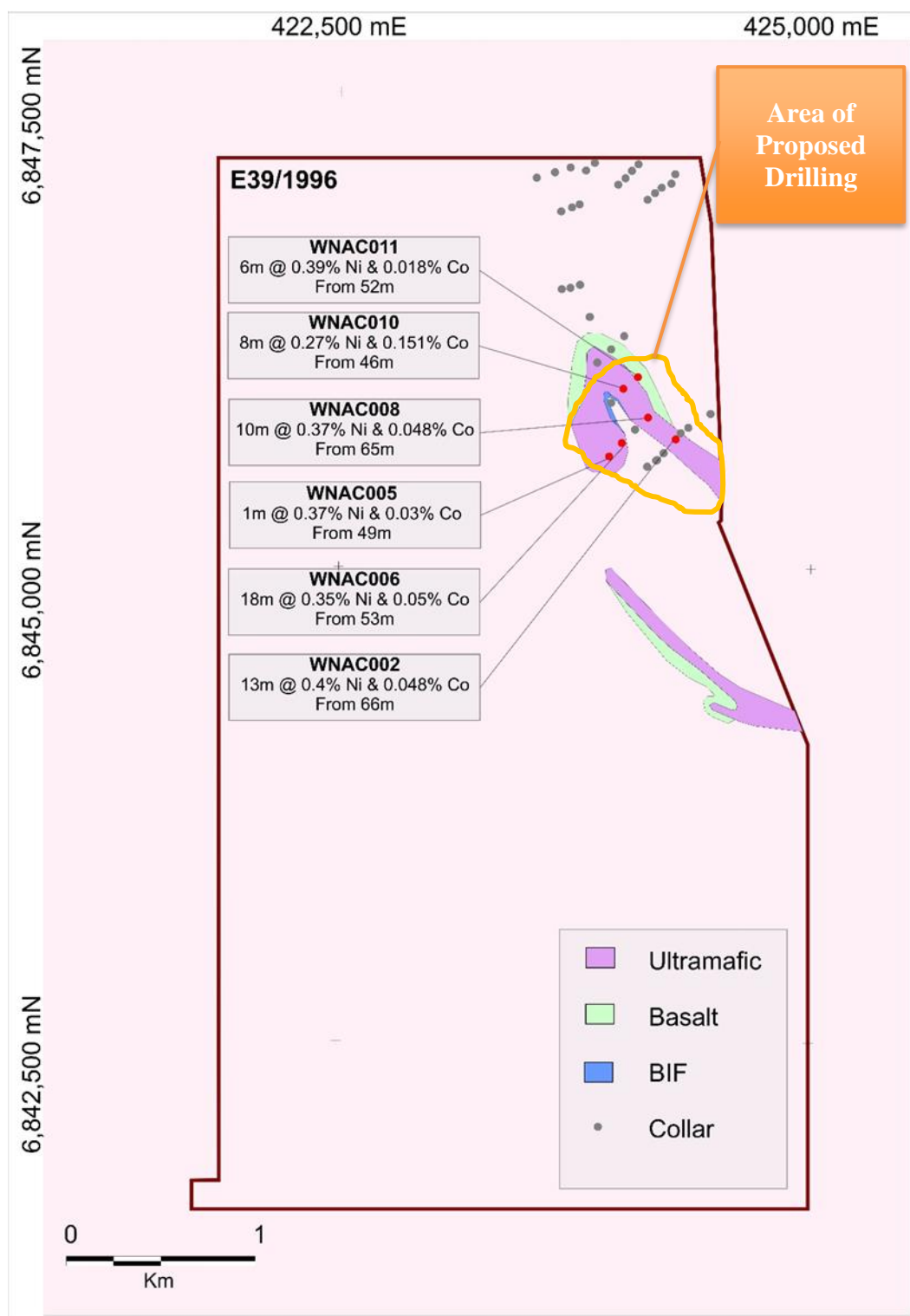
of hosting significant nickel-cobalt mineralisation within the Project area.

OVERVIEW OF PROJECTS & LOCATION

The Mt Windarra Project comprises a granted Exploration licence (39/1996), which is located in the Mt Margaret Goldfield of Western Australia and is situated about 25km to the west of Laverton. Access to the Mt Windarra Project is via the sealed Leonora-Laverton road to Mt Windarra. The Mt Windarra Project covers a land area of 16.11km².

Mt Windarra Exploration Program:

The exploration completed to date across the Windarra Project has delineated lateritic nickel and cobalt mineralisation. The proposed work program aims to determine the potential of hosting nickel-cobalt mineralisation and understanding the bedrock geology in order to adequately target the primary nickel-cobalt sulphide potential.





For further details, contact:

Investors

Mr Adam Santa Maria, Executive Chairman
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Competent person's statement:

The information in this announcement is based on information compiled and fairly represented by Mr Andrew Taylor, consultant geologist to Acacia Coal, who is a Member of the Australian Institute of Geoscientists. Mr Andrew Taylor has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Andrew Taylor consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

PROJECT INFORMATION

Mt Windarra

Location

The Project is in the Mt Margaret Goldfield of Western Australia and is situated about 25km to the west of Laverton. Access to the Project is via the sealed Leonora-Laverton road thence to Mt Windarra. The Project covers a land area of 16.11km².

Project Geology

The Archaean Komatiites of the eastern Yilgarn Craton are the focus for Ni-Cu-Co mineralisation. Basal accumulations of massive sulphide mineralisation are generally concentrated in structural depressions and the basal contacts of thick ultramafic flows (Kambalda-type) and as disseminated sulphides in thick dunite units (Mt Keith-type). Deposits in the Windarra region are predominantly the Kambalda-type.

The Windarra region forms part of the Mt Margaret Goldfield. Mafic and ultramafics, metavolcanics and intrusives form important members of the Windarra Greenstone Belt. A major granitoid pluton has intruded the stratigraphy and has locally stopped out the greenstone units.

Exploration Completed

A total of 41 drill holes for 3,157m of drilling has been completed to date inclusive of RAB, Aircore, RC and Diamond Drilling. The exploration completed has delineated nickel and cobalt mineralisation associated with ultramafic lithologies. Extensive transported cover sequences have obscured the underlying lithologies, and thus the local geology has been defined based on a combination of magnetic and drilling information.

Significant cobalt and nickel mineralisation intersected in drilling, results include:

- WNAC002: 13m at 0.4% Ni & 0.048% Co from 66m to EOH
 - Including 1m at 0.54% Ni & 0.233% Co from 68m
- WNAC006: 18m at 0.35% Ni & 0.05% Co from 53m
 - Including 1m at 0.37% Ni and 0.28% Co from 53m
- WNAC008: 10m at 0.37% Ni & 0.048% Co from 65m to EOH
 - Including 1m at 0.71% Ni and 0.168% Co from 71m
- WNAC010: 8m at 0.27% Ni and 0.151% Co from 46m
 - Including 3m at 0.33% Ni and 0.218% Co
- WNAC011: 6m at 0.39% Ni & 0.018% Co from 52m

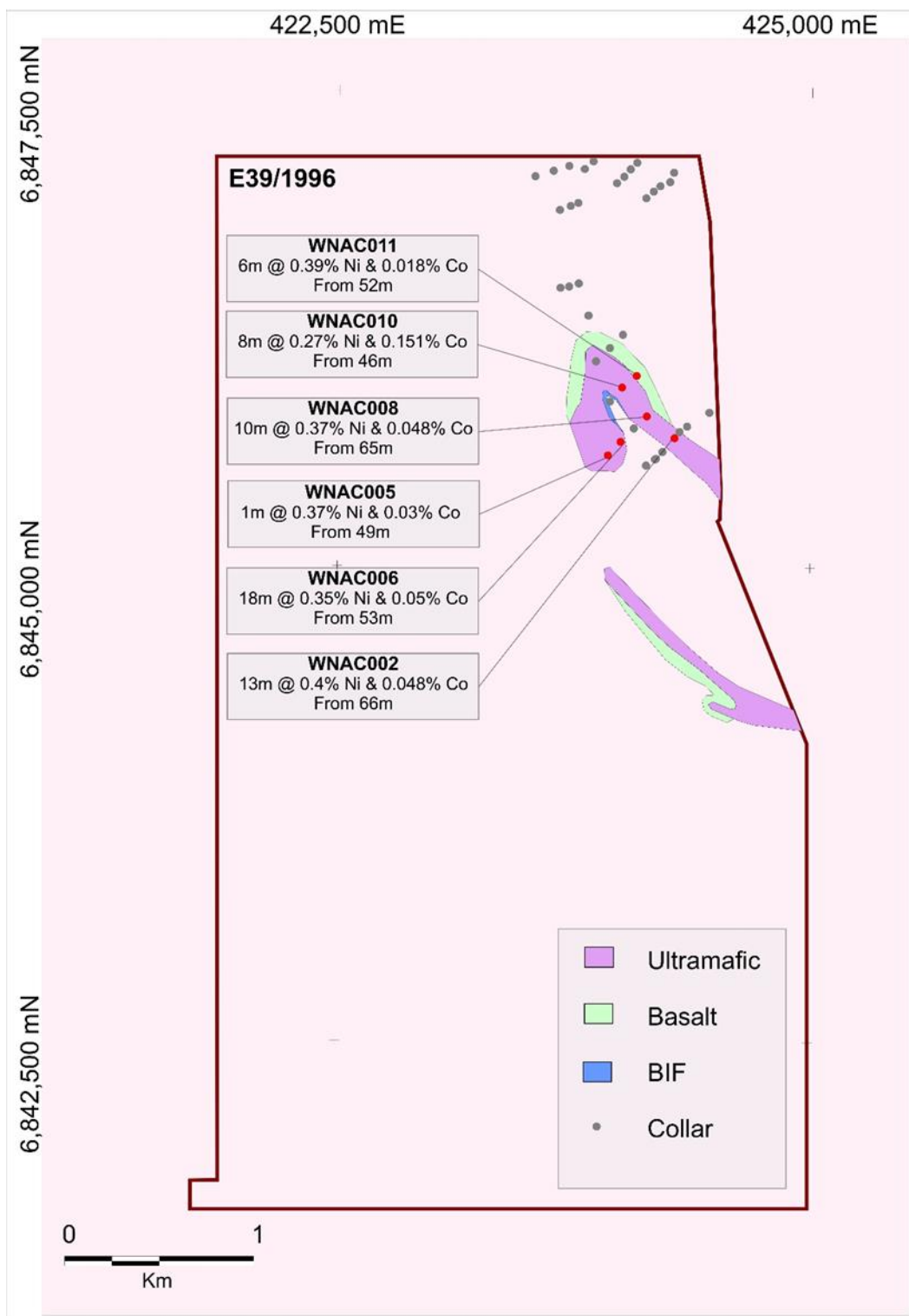


Figure 2: Historical Exploration Plan Mt Windarra

APPENDIX 1: Mt WIndarra Drilling Data

| Hole | Easting | Northing | Total Depth | Type | Dip | Azi | From | To | Co ppm | Ni ppm |
|---------|---------|----------|-------------|------|-----|-----|---------------------------|----|--------|--------|
| WNAC001 | 424215 | 6845612 | 75 | AC | -60 | 225 | No Significant Intercepts | | | |
| WNAC002 | 424278 | 6845684 | 79 | AC | -60 | 225 | 66 | 67 | 100 | 3530 |
| | | | | | | | 67 | 68 | 387 | 4190 |
| | | | | | | | 68 | 69 | 2330 | 5440 |
| | | | | | | | 69 | 70 | 597 | 2980 |
| | | | | | | | 70 | 71 | 602 | 4000 |
| | | | | | | | 71 | 72 | 518 | 4220 |
| | | | | | | | 72 | 73 | 296 | 3060 |
| | | | | | | | 73 | 74 | 332 | 3810 |
| | | | | | | | 74 | 75 | 297 | 4630 |
| | | | | | | | 75 | 76 | 224 | 5450 |
| | | | | | | | 76 | 77 | 191 | 3690 |
| | | | | | | | 77 | 78 | 211 | 3570 |
| | | | | | | | 78 | 79 | 197 | 3570 |
| WNAC003 | 424345 | 6845746 | 36 | AC | -60 | 225 | No Significant Intercepts | | | |
| WNAC004 | 424128 | 6845540 | 64 | AC | -60 | 225 | No Significant Intercepts | | | |
| WNAC005 | 423926 | 6845593 | 50 | AC | -60 | 225 | 49 | 50 | 292 | 3790 |
| WNAC006 | 423993 | 6845664 | 70 | AC | -60 | 225 | 53 | 54 | 2830 | 3730 |
| | | | | | | | 54 | 55 | 572 | 2890 |
| | | | | | | | 55 | 56 | 253 | 3470 |
| | | | | | | | 56 | 57 | 263 | 2570 |
| | | | | | | | 57 | 58 | 107 | 3140 |
| | | | | | | | 58 | 59 | 192 | 3640 |
| | | | | | | | 61 | 62 | 323 | 3610 |
| | | | | | | | 65 | 66 | 66 | 4030 |
| | | | | | | | 66 | 67 | 59 | 4320 |
| WNAC007 | 424062 | 6845735 | 89 | AC | -60 | 225 | No Significant Intercepts | | | |
| WNAC008 | 424131 | 6845799 | 75 | AC | -60 | 225 | 65 | 66 | 127 | 3120 |
| | | | | | | | 66 | 67 | 116 | 3020 |
| | | | | | | | 67 | 68 | 131 | 3830 |
| | | | | | | | 68 | 69 | 108 | 3440 |
| | | | | | | | 69 | 70 | 97 | 2110 |
| | | | | | | | 70 | 71 | 380 | 3820 |
| | | | | | | | 71 | 72 | 1680 | 7120 |
| | | | | | | | 72 | 73 | 914 | 4020 |
| | | | | | | | 73 | 74 | 870 | 4000 |
| | | | | | | | 74 | 75 | 369 | 2920 |
| WNAC009 | 423935 | 6845875 | 110 | AC | -60 | 225 | No Significant Intercepts | | | |
| WNAC010 | 424000 | 6845950 | 54 | AC | -60 | 225 | 46 | 47 | 2240 | 2580 |
| | | | | | | | 47 | 48 | 434 | 1325 |
| | | | | | | | 48 | 49 | 1860 | 2240 |
| | | | | | | | 49 | 50 | 2690 | 4570 |
| | | | | | | | 50 | 51 | 1985 | 3150 |
| | | | | | | | 51 | 52 | 506 | 1750 |

| Hole | Easting | Northing | Total Depth | Type | Dip | Azi | From | To | Co ppm | Ni ppm |
|---------|---------|----------|-------------|------|-----|-----|---------------------------|----|--------|--------|
| | | | | | | | 52 | 53 | 1135 | 3250 |
| | | | | | | | 53 | 54 | 1250 | 2620 |
| WNAC011 | 424077 | 6846012 | 70 | AC | -60 | 225 | 52 | 53 | 187 | 3170 |
| | | | | | | | 53 | 54 | 168 | 3510 |
| | | | | | | | 54 | 55 | 130 | 3130 |
| | | | | | | | 55 | 56 | 160 | 4240 |
| | | | | | | | 56 | 57 | 184 | 4560 |
| | | | | | | | 57 | 58 | 248 | 4790 |
| WNAC012 | 423933 | 6846157 | 88 | AC | -60 | 225 | No Significant Intercepts | | | |
| WNAC013 | 424002 | 6846227 | 53 | AC | -60 | 225 | No Significant Intercepts | | | |
| WNAC014 | 424304 | 6845717 | 81 | AC | -60 | 225 | No Significant Intercepts | | | |
| WNAC020 | 423670 | 6846473 | 64 | AC | -60 | 250 | No Significant Intercepts | | | |
| WNAC021 | 423767 | 6846496 | 82 | AC | -60 | 250 | No Significant Intercepts | | | |
| WNAC022 | 423716 | 6846480 | 70 | AC | -60 | 70 | No Significant Intercepts | | | |
| WNAC023 | 423722 | 6846904 | 35 | AC | -60 | 250 | No Significant Intercepts | | | |
| WNAC027 | 423534 | 6847059 | 56 | AC | -60 | 250 | No Significant Intercepts | | | |
| WNAC028 | 423630 | 6847088 | 60 | AC | -60 | 250 | No Significant Intercepts | | | |
| WNAC029 | 423713 | 6847114 | 67 | AC | -60 | 250 | No Significant Intercepts | | | |
| WNAC035 | 423665 | 6846883 | 32 | AC | -60 | 250 | No Significant Intercepts | | | |
| WNAC036 | 423762 | 6846920 | 41 | AC | -60 | 250 | No Significant Intercepts | | | |
| WNDD001 | 424462 | 6845820 | 399.9 | DD | -60 | 225 | No Significant Intercepts | | | |
| WNDD002 | 424180 | 6845575 | 348.8 | DD | -60 | 45 | 90 | 91 | 76 | 4970 |
| | | | | | | | 91 | 92 | 94 | 3820 |
| | | | | | | | 92 | 93 | 108 | 2870 |
| | | | | | | | 93 | 94 | 184 | 6500 |
| WNDD003 | 423820 | 6846328 | 351 | DD | -60 | 45 | No Significant Intercepts | | | |
| WNRB001 | 423861 | 6846087 | 24 | RAB | -60 | 225 | No Significant Intercepts | | | |
| WNRC002 | 424176 | 6845573 | 162 | RC | -60 | 45 | No Significant Intercepts | | | |
| WNRC003 | 423819 | 6846328 | 6 | RC | -60 | 45 | No Significant Intercepts | | | |
| WNAC043 | 423841 | 6847139 | 35 | AC | -60 | 45 | No Significant Intercepts | | | |
| WNAC044 | 423795 | 6847099 | 50 | AC | -60 | 45 | No Significant Intercepts | | | |
| WNAC046 | 424073 | 6847134 | 51 | AC | -60 | 45 | No Significant Intercepts | | | |
| WNAC047 | 424038 | 6847098 | 34 | AC | -60 | 45 | No Significant Intercepts | | | |
| WNAC048 | 424004 | 6847059 | 31 | AC | -60 | 45 | No Significant Intercepts | | | |
| WNAC049 | 423966 | 6847025 | 30 | AC | -60 | 45 | No Significant Intercepts | | | |
| WNAC050 | 424267 | 6847082 | 23 | AC | -60 | 45 | No Significant Intercepts | | | |
| WNAC051 | 424247 | 6847032 | 30 | AC | -60 | 45 | No Significant Intercepts | | | |
| WNAC052 | 424195 | 6847011 | 29 | AC | -60 | 45 | No Significant Intercepts | | | |
| WNAC053 | 424160 | 6846982 | 30 | AC | -60 | 45 | No Significant Intercepts | | | |
| WNAC054 | 424121 | 6846947 | 22 | AC | -60 | 45 | No Significant Intercepts | | | |

Notes:

All coordinates reported in MGA94-Zone 51 located using handheld GPS

JORC Code, 2012 Edition- Section 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

| Criteria | JORC Code explanation | Comments |
|-----------------------|---|---|
| Sampling techniques | Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. | <p>Air core drilling was completed in April 2005 by Gryphon Minerals Ltd. A single Rotary Air Blast hole was completed but difficult hole conditions due to the deep transported cover sequences meant that Aircore drilling was required. Drilling targeted the main enclave of prospective stratigraphy within the tenure. The drilling intersected mafic and ultramafic lithologies and their weathered derivatives in a narrow unit hosted within granitoids.</p> <p>In June 2005 and September 2007, a second and third air core program commenced respectively.</p> <p>Three RC drill holes were completed which were not able to reach target depth due to drilling difficulties. A diamond drilling program was completed was also completed for a total of 1100m of drilling across three holes.</p> |
| | Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. | Field duplicate samples were included in the published historical reports by Gryphon Minerals. |
| | Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. | The only information published by Gryphon that all assays were completed by Aqua Regia digest with ICP analysis at ALS Laboratories. |
| Drilling techniques | Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). | RAB, Aircore, RC and Diamond Drilling has been completed. No further details are available with respect to the parameters pertaining to the drilling parameters. |
| Drill Sample Recovery | Method of recording and assessing core and chip sample recoveries and results assessed. | No recoveries have been reported. |
| | Measures taken to maximise sample recovery and ensure representative nature of the samples. | No sample recoveries have been reported. Duplicate field samples have been taken and submitted for analysis to ensure representative sampling. |
| | Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. | No sample recoveries have been reported and therefore no analysis can be performed towards bias. |
| Logging | Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. | Logging has been completed of all holes, level of detail in terms of logging is sufficient to be included in a mineral resource estimation. |

| Criteria | JORC Code explanation | Comments |
|---|--|--|
| | Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. | Logging completed is both qualitative and quantitative. |
| | The total length and percentage of the relevant intersections logged. | All holes and intervals of their respective holes have been logged. |
| Sub-sampling techniques and sample preparation | If core, whether cut or sawn and whether quarter, half or all core taken. | Quarter core was submitted for analysis. |
| | If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. | No method of sub sampling was described in reports relating to the drilling. |
| | For all sample types, the nature, quality and appropriateness of the sample preparation techniques | Sample preparation was completed by ALS Laboratories, no description of the method was documented. |
| | Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. | No QC procedures are documented |
| | Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. | Duplicate samples were submitted for analysis. |
| | Whether sample sizes are appropriate to the grain size of the material being sampled. | Sample sizes were not reported. |
| Quality of assay data and laboratory tests | The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. | Samples were submitted to ALS Laboratories for sample preparation and analysis using aqua regia digestion ICP-mass spectrometry. The method is considered total digestion. |
| | For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. | No geophysical tools utilised. |
| | Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. | No QAQC samples reported |
| Verification of sampling and assaying | The verification of significant intersections by either independent or alternative company personnel. | No independent verification completed. |
| | The use of twinned holes. | No twinned holes completed. |
| | Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. | No documentation available with respect to capture of primary data. Data available through WAMEX report system was captured into a validated GIS database. |
| | Discuss any adjustment to assay data. | No adjustments were performed to data. |
| Location of Data Points | Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. | Samples were located using a Garmin handheld GPS with an accuracy of +/- 5m |
| | Specification of the grid system used. | MGA94- Zone 51 |
| | Quality and adequacy of topographic control. | Topographic control using GPS which is sufficient for the level of exploration completed. |
| Data spacing and distribution | Data spacing for reporting of Exploration Results. | Drilling was completed on an irregular grid on the basis that the activities are purely of a reconnaissance nature. |
| | Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. | Drilling completed is of reconnaissance nature and not for the purposes of the delineation of a mineral resource. |
| | Whether sample compositing has been applied. | Composites have been reported in the highlights. A full listing of results is published in Appendix 1: Drilling |
| Orientation of data in relation to geological structure | Whether the orientation of sampling achieves unbiased sampling of possible structures and | It is not yet known whether the orientation of sampling has achieved unbiased results. |



| Criteria | JORC Code explanation | Comments |
|-------------------|--|---|
| | the extent to which this is known, considering the deposit type. | |
| | If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. | The geometry of mineralisation is not presently understood and therefore it is uncertain whether bias has been introduced due to the orientation. |
| Sample security | The measures taken to ensure sample security. | No documentation exists with respect to sample security protocol. |
| Audits or reviews | The results of any audits or reviews of sampling techniques and data. | No audits or reviews have been conducted. |

JORC Code, 2012 Edition- Section 2

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

| Criteria | JORC Code explanation | Commentary |
|--|--|--|
| Mineral tenement and land tenure status | Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. | E39/1996 is 100% legally and beneficially held by Acacia Coal Ltd. E39/1996 is not subject to any third party joint ventures, partnerships or royalties. |
| | The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. | No impediments with respect to development of the project have been identified. |
| Exploration | Acknowledgment and appraisal of exploration by other parties. | Exploration was predominantly completed by Gryphon Minerals Ltd. Activities completed included AC, RAB, RC and diamond drilling. |
| Geology | Deposit type, geological setting and style of mineralisation. | The Project is located in the Norseman-Wiluna Greenstone Belt, covering an enclave of mafic to ultramafic lithologies surrounded by granitoids. This supracrustal remnant is folded by the Margaret Anticline, a major structure which plunges moderately southwards. |
| Drill Hole Information | A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. | Full details of drilling inclusive of holes with no significant results reported in Appendix 1. |
| | If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. | All available results including those with no significant results have been reported. |
| Data Aggregation Methods | In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. | Weighted average results have been reported in highlights which are based weighted averages of the individual sample intervals. The following criteria have been applied: <ul style="list-style-type: none"> Intercepts are reported as intervals >0.3% Ni with intervals of up to 1m at <0.3% Ni included No high grade cuts utilised All intersections reported are downhole intercepts |
| | Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. | Weighted averages have been applied which utilise length weighting of individual intervals. Individual intervals have additionally been reported in Appendix 1 for all drilling results. |
| | The assumptions used for any reporting of metal equivalent values should be clearly stated. | No metal equivalents are reported. |
| Relationship between mineralisation widths and intercept lengths | These relationships are particularly important in the reporting of Exploration Results. | The results reported are down hole intervals. The geometry of mineralisation is not yet understood. |
| | If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. | The geometry of mineralisation is not yet understood. |
| | If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). | Down hole intervals have been reported, the true width is not yet known. |
| Diagrams | Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole | Maps illustrating the location of collars, significant intervals and underlying geology have been included in the body of the results. |

| Criteria | JORC Code explanation | Commentary |
|------------------------------------|---|--|
| | collar locations and appropriate sectional views. | |
| Balanced Reporting | Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. | All results including those with no significant results have been included in the release. |
| Other substantive exploration data | Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. | All available information available has been included in the release. |
| Further Work | <p>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</p> | <p>An extensive review of the open file information relating to the Project will be completed.</p> <p>Further releases will be made to market upon completion of further exploration planning.</p> |