Acacia Coal Limited

ABN 13 009 092 068

Condensed Consolidated Interim Financial Report
For the Half Year Ended
31 December 2018

This Condensed Consolidated Interim Financial Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, it is to be read in conjunction with the Annual Report for the year ended 30 June 2018 and any public announcements made by Acacia Coal Limited during the half year, in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Corporate Directory

Acacia Coal Limited
ACN: 009 092 068
ABN: 13 009 092 068

DIRECTORS

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

COMPANY SECRETARY
Brett Tucker (Resigned 29 January 2019)
Ben Donovan (Appointed 29 January 2019)

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Australian Securities Exchange
Home Exchange Sydney

SECURITIES
Code: AJC Quoted Shares

SHARE REGISTRY
Link Market Services
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Directors' Report

The Directors hereby present their Report on Acacia Coal Limited (ASX: AJC) (the Company or Acacia) and the entities it controlled at the end of, or during, the half year ended 31 December 2018 (together referred to as the Group). This report has been prepared in accordance with AASB 134 Interim Financial Reporting.

Directors

The following persons were Directors of Acacia Coal Limited during the whole of the half year and up to the date of this Report as follows:

Adam Santa Maria	Executive Chairman	Appointed 16 December 2015
Logan Robertson	Non-Executive Director	Appointed 18 December 2015
Brett Lawrence	Non-Executive Director	Appointed 2 August 2016

Review of Operations

The Group was active in searching for and acquiring new prospective projects during the half year ended 31 December 2018 and completed the acquisition of the Mt Windarra project via the issue of 43,750,000 shares to project vendors on 22 August 2018 as approved by shareholders at a general meeting on the 23 July 2018. The Group was successful in converting the title to granted status. Acacia has since been active in reviewing the available geological information associated with the projects and has planned a drilling programme to explore these projects for ongoing prospectivitiy.

As at 31 December 2018, the Company has yet to finalise the acquisition of the Mt Bruce project.

On 27 August 2018, the Company lodged a prospectus to undertake a rights issue to existing shareholders. The offer was to issue 2,043,200,834 fully paid ordinary shares at $0.001 per share on a one-for-one basis, to raise a total of $2,043,201. The rights issue closed on 1 October 2018, with shareholders subscribing for a total of 884,932,075 shares to raise $884,932. The remaining 1,139,518,760 shortfall shares were allotted on the 31 October 2018, raising a further $1,139,519.

Following a placement completed on 9 August 2018 to raise an additional $400,000, this leaves the Group exceptionally well capitalised to explore its current projects and assess new opportunities as they arise.

On 8 November 2018, the Group issued 75,000,000 unlisted options to nominees of Nascent Capital Partners and Bell Potter Securities for lead manager services rendered with regards to capital raisings. Options are exercisable at $0.0015 each and expire on the 8 November 2020. See Note 7 (a) for further information.

On 7 December 2018, the Group successfully sold its entire shareholding in Bowen Coking Coal Ltd for a total consideration of $278,260 to add to the Group's cash reserves.

Subsequent Events

On 29 January 2019, Mr Brett Tucker resigned as Company Secretary and Mr Ben Donovan was appointed as Company Secretary.

On 6 March 2019, the Company issued 18,750,000 ordinary shares as consideration to the vendors of the Mt Bruce project.

No other matters have occurred after balance date which give rise to a subsequent event.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration, as required under section 307C of the Corporations Act 2001, is set out on page 16 of this Report. This Report was signed in Perth on 12 March 2019 in accordance with a resolution of the Board of Directors.

Rounding of Amounts

In accordance with ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191, the amounts in the directors' report and in the Condensed Consolidated Interim Financial Report have been rounded to both nearest dollar.

Adam Santa Maria
Executive Chairman

Consolidated Statement of Comprehensive Income
for the Half Year Ended 31 December 2018

	Note	Consolidated Group	
		31 Dec 2018	31 Dec 2017 (Restated)
		$	$
Revenue from continuing operations			
Interest received		7,830	1,474
Net fair value gains / (losses) on financial assets at fair value through profit or loss *	4	34,822	(52,174)
Profit on disposal of asset	6	-	55,000
		42,652	**4,300**
Expenses			
Corporate costs		(24,665)	(28,959)
Professional and consultancy fees		(64,502)	(39,100)
Directors' fees		(15,000)	(14,500)
Equity settled transactions	8a	(290,550)	-
Impairment of capitalised exploration expenditure		-	(376,373)
Legal expenses		(10,229)	(91,573)
Other expenses from ordinary activities		(32,177)	(86,720)
Loss from continuing operations before income tax expense		**(394,471)**	**(632,925)**
Income tax expense		-	-
Loss from continuing operations before other income		**(394,471)**	**(632,925)**
Other comprehensive income			
Gain/(loss) arising from foreign exchange		**-**	**-**
Total comprehensive income attributable to the ordinary equity holders of the Company		**(394,471)**	**(632,925)**
Earnings per share for profit (loss) from continuing operations attributable to the ordinary equity holders of the Company			
Basic and diluted loss per share (cents)	3	**(0.01)**	**(0.04)**

The accompanying notes form part of these financial statements.

* *The Group has applied AASB 9 retrospectively, with an initial application date of 1 July 2018 and adjusting the comparative information for the period beginning 1 July 2017.*

Consolidated Statement of Financial Position
as at 31 December 2018

	Note	Consolidated Group	
		31 Dec 2018	30 Jun 2018 (Restated)
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents		2,817,465	340,716
Trade and other receivables		-	-
GST receivable		10,241	3,519
Other current assets		28,417	81,409
Total Current Assets		**2,856,123**	**425,644**
Non-Current Assets			
Financial assets	4	718	244,156
Exploration assets	5	43,750	-
Total Non-Current Assets		**44,468**	**244,156**
Total Assets		**2,900,591**	**669,800**
LIABILITIES			
Current Liabilities			
Trade and other payables		68,558	48,578
Total Current Liabilities		**68,558**	**48,578**
Total Liabilities		**68,558**	**48,578**
Net Assets		**2,832,033**	**621,222**
Equity			
Contributed equity	7	42,652,488	40,412,015
Reserves	8	3,563,408	3,198,329
Accumulated losses		(43,383,863)	(42,989,122)
Total Equity		**2,832,033**	**621,222**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
for the Half Year Ended 31 December 2018

	Contributed equity	Reserves	Accumulated losses	Total equity
	$	$	$	$
Balance at 1 Jul 2017	**40,412,015**	**3,198,599**	**(42,058,420)**	**1,552,194**
Loss for the period	-	-	(632,925)	(632,925)
Total comprehensive income	-	-	(632,925)	(632,925)
Balance at 31 Dec 2017	**40,412,015**	**3,198,599**	**(42,691,345)**	**919,269**
Balance at 1 Jul 2018 (under AASB 139)	40,412,015	3,039,851	(42,830,644)	621,222
Reclassification of available for sale reserve (Note 1a)	-	158,748	(158,748)	-
Restated balance at 1 Jul 2018 (under AASB 9)	**40,412,015**	**3,198,599**	**(42,989,392)**	**621,222**
Loss for the period	-	-	(394,471)	(394,471)
Total comprehensive income	-	-	(394,471)	(394,471)
Shares issued	2,468,200	-	-	2,468,200
Share issue costs	(227,727)	72,309	-	(155,418)
Options issued	-	292,500	-	292,500
Balance at 31 Dec 2018	**42,652,488**	**3,563,408**	**(43,383,863)**	**2,832,033**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flow
for the Half Year Ended 31 December 2018

	Note	Consolidated Group	
		31 Dec 2018	31 Dec 2017
		$	$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(80,321)	(392,198)
Interest paid		(2)	-
Interest received		7,830	1,474
Net cash (outflow) from operating activities		**(72,493)**	**(390,724)**
Cash Flows from Investing Activities			
Receipt on sale of financial assets		278,260	-
Payment for exploration expenditure		-	(364,965)
Receipt on sale of exploration and evaluation project		-	350,000
Payment for exploration and evaluation project		-	(11,410)
Net cash inflow / (outflow) from investing activities		**278,260**	**(26,375)**
Cash Flows from Financing Activities			
Proceeds from placement		401,950	-
Proceeds from rights issue		2,024,450	-
Share issue costs		(155,418)	-
Net cash inflow from financing activities		**2,270,982**	**-**
Net (decrease) / increase in cash and cash equivalents		**2,476,749**	**(417,099)**
Cash and cash equivalents at the beginning of the half year		340,716	973,694
Cash and cash equivalents at the end of the half year		**2,817,465**	**556,595**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

Note 1. Corporate Information

Reporting Entity

The Condensed Consolidated Interim Financial Report of Acacia Coal Ltd ('AJC' or the 'Company') and its controlled entity (the 'Group') for the half year ended 31 December 2018 was authorised for issue in accordance with a resolution of the directors on 12 March 2019.

Acacia Coal Ltd is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activity of the Group during the half year was that of exploration and evaluation of mineral assets.

Statement of Compliance

The half year financial report is a condensed general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Basis of Preparation

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the Condensed Consolidated Interim Financial Report are consistent with those adopted and disclosed in the Group's 2018 annual financial report for the financial year ended 30 June 2018, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

a. Changes in Accounting Policy, Accounting Standards and Interpretations

In the half year ended 31 December 2018, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2018. AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments* (2014) became mandatorily effective on 1 January 2018. Accordingly, these standards apply for the first time to this set of financial statements. The accounting policies adopted by the Group are consistent with those of the previous financial period, except as follows:

AASB 9 Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Notes to the Financial Statements

Note 1. Corporate Information (Continued)

Classification and initial measurement of financial assets
Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets
For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:
- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at FVTOCI

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Impairment of financial assets
AASB 9's new forward-looking impairment model applies to Group's investments at amortised cost and debt instruments at FVTOCI. The application of the new impairment model depends on whether there has been a significant increase in credit risk. As at the date of initial recognition the Group had no trade receivables. Consequently, the expected loss model has had no material impact.

Reconciliation of financial instruments on adoption of AASB 9
The Group adopted AASB 9 in accordance with the transition requirements in AASB 9, which permits entities to transition to AASB 9 by applying the Standard:
- Retrospectively to each prior reporting period presented, provided that the entity can restate prior periods without the use of hindsight; or
- Retrospectively with the cumulative effect of initially applying the Standard recognised as at the date of initial application (i.e., at the beginning of the annual reporting period in which the entity first applies the Standard).

The Group adopted AASB 9 retrospectively with the cumulative effect of initially applying the new Standard recognised at the date of initial recognition (i.e. as at 1 July 2018). The following table provides the adjustments made to individual line items recognised in the Group's Condensed Consolidated Interim Financial Report as a consequence of it adopting AASB 9 as at 1 July 2018:

	AASB 139 Classification	AASB 9 Classification	AASB 139 Carrying Amount $	AASB 9 Carrying Amount $
Financial assets				
Listed shares (i)	Available for Sale	FVTPL	244,156	244,156

(i) Investment in Bowen Coking Coal Limited was classified as Available-for-Sale under AASB 139. This falls under FVTPL classification under AASB 9 as investments in equity securities fail the solely payments of principal and interest test (i.e. the contractual cash flow test). The Group decided not to make the irrevocable election on transition to account for these investments at FVTOCI (Equity FVTOCI).

Notes to the Financial Statements

Note 1. Corporate Information (Continued)

Impact on the financial statements
As a result of the changes in the entity's accounting policies, prior year financial statements had to be restated. As explained above, the Group has applied AASB 9 retrospectively, with the initial application date of 1 July 2018 and adjusting the comparative information for the period beginning 1 July 2017.

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

	Previously Reported 31 Dec 2017 $	Adjustment $	Adjusted Balance 31 Dec 2017 $
Revenue from continuing operations			
Net fair value gains/(losses) on financial assets at fair value through profit or loss	-	(52,174)	(52,174)
	56,474	**-**	**56,474**
Expenses			
Impairment of capitalised exploration expenditure	(428,547)	52,174	(376,373)
Loss from continuing operations before income tax expense	**(632,925)**	**-**	**(632,925)**
Income tax expense	-	-	-
Loss from continuing operations before other income	**(632,925)**	**-**	**(632,925)**
Other comprehensive income			
Surplus/(loss) arising from foreign exchange	**-**	**-**	**-**
Total comprehensive income	**(632,925)**	**-**	**(632,925)**

	Previously Reported 30 Jun 2018 $	Adjustment $	Adjusted Balance 30 Jun 2018 $
Financial assets	244,156	-	244,156
Net Assets	621,222	-	**621,222**
Equity			
Reserves	3,039,851	158,478	3,198,329
Accumulated losses	(42,830,644)	(158,478)	(42,989,122)
Total Equity	621,222	-	**621,222**

Notes to the Financial Statements

Note 1. Corporate Information (Continued)

The effect of classification changes on the Group's equity are summarised below:

	Share-Based Compensation $	Available for Sale Reserve $	Performance Shares $	Total Reserves $	Accumulated Losses $
Opening balance under AASB 139 - 1 July 2018	2,545,821	(158,748)	652,778	3,039,851	(42,830,644)
Reclassified from AFS to FVTPL	-	158,748	-	-	(158,478)
Opening balance under AASB 9 - 1 July 2018	2,545,821	-	652,778	3,198,599	(42,989,122)

Fair value losses of $158,748 were transferred from the available-for-sale financial assets reserve to retained earnings on 1 July 2018. In the six months to 31 December 2018, the fair value measurement to sale was $34,822. This amount was included within the profit or loss in accordance with the Group's adopted accounting policy.

AASB 15 Revenue from Contracts with Customers

AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related interpretations and it applies with limited exceptions, to all revenue arising from contracts with its customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires the Company to exercise judgement, taking into account all the relevant facts and circumstances when applying each step of the model to contracts with customers. At the initial date of application (1 July 2018), the effect of adopting AASB 15 did not have a material impact on the transactions and balances recognised in the financial statements. The Company's accounting policy for revenue and other income from 1 July 2018 is as follows:

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts and rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is recognised as interest revenue. There is no change to the accounting policy for interest as set out in the 30 June 2018 financial report.

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount of that reflects the consideration to which the Company expects to be entitled in exchange for those services.

As a result of the adoption of AASB 15, as the date of initial application, there is no material impact on the transactions and balances recognised in the financial statements as the Group did not derive revenue from contracts with customers during the period.

Notes to the Financial Statements

Note 1. Corporate Information (Continued)

b. New Standards not yet effective

AASB 16 Leases
AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the standard before its effective date.

c. Estimates

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, significant judgements made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that were applied to the consolidated interim financial report as at and for the year ended 30 June 2018.

d. Going Concern Basis

The Group incurred operating losses of $394,471 (31 December 2017: $632,925 losses) during the period to 31 December 2018 and has a cash and cash equivalents balance of $2,817,465 (30 June 2018: $340,716) as at that date. The Group's cashflow forecasts for the twelve months ended 31 March 2020 indicate that the Group will be able to continue as a going concern.

Having regard to the above, the Directors consider it appropriate to prepare the financial statements on a going concern basis of accounting as they have a reasonable basis to conclude that the Company will be able to meet its debts as they fall due.

Note 2. Segment Reporting

The Group operates in one business segment and one geographic segment, being the exploration and evaluation of mineral resources in Western Australia

Note 3. Loss per Share

	31 Dec 2018	**31 Dec 2017**
	$	$
Loss used in calculating basic and diluted loss per share	**(394,471)**	(632,925)
	No.	**No.**
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	**2,730,705,449**	1,580,700,835
	Cents	**Cents**
Basic and diluted loss per share	**(0.01)**	(0.04)

Notes to the Financial Statements

Note 4. Financial Assets

	31 Dec 2018	30 Jun 2018
	$	$
Financial assets	**718**	**244,156**
Reconciliation of movement in financial assets		
Opening balance	**244,156**	**244,156**
Disposals	(278,260)	-
Revaluation / (Impairment)	34,822	-
Closing balance	**718**	**244,156**

Note 5. Exploration Assets

	31 Dec 2018	30 Jun 2018
	$	$
Exploration assets	**43,750**	**-**

Reconciliation of movement in exploration assets	
Opening balance at 1 July 2018	**-**
Fair value of tenements on acquisition	43,750
Exploration expenditure	-
Impairment	-
Closing balance at 31 December 2018	**43,750**

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation.

Note 6. Assets Held for Sale

	31 Dec 2018	30 Jun 2018
Profit on disposal of Comet Ridge	$	$
Consideration received (Cash)	-	405,000
Consideration received (Shares in Bowen Coking Coal Ltd)	-	400,000
Net assets disposed of	-	(750,000)
Profit on disposal of asset	**-**	**55,000**

Note 7. Contributed Equity

	Consolidated Group			
	31 Dec 2018		30 Jun 2018	
Share Capital	**No.**	**$**	**No.**	**$**
Fully Paid Ordinary Shares	**4,048,901,670**	**42,652,488**	**1,580,700,835**	**40,412,015**

Notes to the Financial Statements

Note 7. Contributed Equity (Continued)

Reconciliation of movement in share capital

	Shares No.	Issue Price $	Amount $
Opening balance at 1 July 2018	1,580,700,835		40,412,015
Placement shares – 9 August 2018	400,000,000	0.001	400,000
Shares issued to Mt Windarra – 22 August 2018	43,750,000	0.001	43,750
Rights issue – 4 October 2018	884,932,075	0.001	884,932
Shortfall issue – 31 October 2018	1,139,518,760	0.001	1,139,518
Share issue costs	-		(227,727)
Closing balance at 31 December 2018	**4,048,901,670**		**42,652,488**

	Shares No.	Issue Price $	Amount $
Opening balance at 1 July 2017	1,580,700,835		40,412,015
			-
Closing balance at 31 December 2017	1,580,700,835		**40,412,015**

Note 8. Reserves

	Note	31 Dec 2018 $	30 Jun 2018 (Restated) $
Share based payment reserve	7a	**2,910,630**	2,545,821
Performance share reserve		**652,778**	652,778
Available for sale reserve	7b	**-**	-
		3,563,408	**3,198,329**

a) Share based payment reserve

	Consolidated Group			
	31 Dec 2018 No.	31 Dec 2018 $	30 Jun 2018 No.	30 Jun 2018 $
Unlisted options on issue	**312,500,000**	**2,910,630**	42,500,000	2,545,821

Reconciliation of movement in share based payment reserve

	Unlisted Options No.	Amount $
Opening balance at 1 July 2018	42,500,000	2,545,821
Options issued to Directors – 9 August 2018	195,000,000	292,500
Options issued to Lead Managers – 8 November 2018	75,000,000	72,309
Closing balance at 31 December 2018	**312,500,000**	**2,910,630**

Notes to the Financial Statements

Note 8. Reserves (Continued)

The following table lists the inputs to the Black-Scholes model used for valuation of options issued during the half year ended 31 December 2018:

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Risk-Free Interest Rate	Expected Volatility	Dividend Yield	Fair Value at Grant Date (per option)
9 Aug 2018	9 Aug 2023	$0.0015	$0.0015	2.28%	433%	-	$0.0015
8 Nov 2018	8 Nov 2020	$0.001	$0.0015	2.07%	307%	-	$0.0010

b) Reconciliation of movement in available for sale reserve

	Amount $
Opening balance at 1 July 2018 (under AASB 139)	(158,748)
Reclassified from AFS to FVTPL	158,748
Opening balance at 1 July 2018 (under AASB 9)	-
Closing balance at 31 December 2018	-

As at 1 July 2018, the Group held some equity investments that had been initially designated as available-for-sale under AASB 139 that were no longer considered to be strategic investments to be held for the long-term. Accordingly, the Group decided not to irrevocably designate these investments at fair value through other comprehensive income.

In accordance with AASB 9, these equity investments were classified as at fair value through profit or loss. On the date of reclassification, the carrying amount of these equity investments was $244,156. On initial application on 1 July 2018, accumulated losses of $158,748 were reclassified from the available-for-sale reserve to retained earnings.

Note 9. Commitments

Operating commitments	31 Dec 2018 $	30 Jun 2018 $
Within 1 year	**40,000**	-
Within 1-5 years	**178,945**	-
	218,945	-

Operating commitments include contracted amounts for various mining tenement leases and expenditures, expiring within 5 years, with options to extend. Upon renewal, the terms of the leases are renegotiated.

Note 10. Contingent Liabilities and Assets

There were no contingent liabilities or assets as at 31 December 2018 (30 June 2018: nil).

Notes to the Financial Statements

Note 11. Events Subsequent to Reporting Date

On 29 January 2019, Mr Brett Tucker resigned as Company Secretary and Mr Ben Donovan was appointed as Company Secretary.

On 6 March 2019, the Company issued 18,750,000 ordinary shares as consideration to the vendors of the Mt Bruce project.

No other matters have occurred after balance date which give rise to a subsequent event.

Note 12. Related Party Transactions

Other than as presented below, there were no material changes to the Group's related party transactions to those disclosed in the 30 June 2018 Annual Report.

The Group paid consultant fees and executive services of $55,860 provided by Mr Adam Santa Maria during the half year ended 31 December 2017 (31 December 2017: $23,642) for executive services performed on behalf of the Group.

On 9 August 2018 the Group issued the following unlisted options to Directors as approved at the Annual General Meeting on 23 July 2018:

Adam Santa Maria	65,000,000
Logan Robertson	65,000,000
Brett Lawrence	65,000,000

Director options have been valued accordingly using an appropriate valuation model. Refer to Note 8 (a) for further information.

Directors' Declaration

In accordance with a resolution of the Directors of Acacia Coal Limited, I state that, in the opinion of the Directors:

1. The financial statements and notes, as set out on pages 3 to 15:

    (a) Comply with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
    (b) Give a true and fair view of the Group's financial position as at 31 December 2018, and of its performance for the half year ended on that date; and that

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Adam Santa Maria
Executive Chairman

Dated: 12 March 2019

PITCHER PARTNERS

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF ACACIA COAL LIMITED AND ITS CONTROLLED ENTITY

In relation to the independent review for the half-year ended 31 December 2018, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of any applicable code of professional conduct.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

Paul Mulligan

PAUL MULLIGAN
Executive Director
Perth, WA
12 March 2019

PITCHER PARTNERS

ACACIA COAL LIMITED
ABN 13 009 092 068

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ACACIA COAL LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Advanced Share Registry Limited 'the Company' and its controlled entity 'the Group', which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

PITCHER PARTNERS

ACACIA COAL LIMITED
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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

Paul Mulligan

PAUL MULLIGAN
Executive Director
Perth, 12 March 2019