

13 March 2019

Grant of Mt Bruce Tenement

HIGHLIGHTS

- Mt Bruce exploration licence granted, prospective for cobalt, nickel and copper
- Significant potential for polymetallic styles of mineralisation within tenure to be tested by the devised exploration program
- Maiden field-based program to commence mid-March 2019

Acacia Coal Limited ("AJC" or the "Company") is pleased to announce grant of the Mt Bruce Project exploration licence (the "Projects"), and completion of the associated transaction. A review of prior exploration activity across the Project is underway. Concurring with the review is the design of a field based exploration program to determine the Project's potential for hosting significant cobalt, nickel and copper mineralisation.

Overview of Mt Bruce



The Mt Bruce Copper-Cobalt project is located in central Western Australia, approximately 1km from Tom Price, and comprises of a granted Exploration licence (47/3627) which covers an area of 44.36km².

PROPOSED EXPLORATION ACTIVITIES

A review of all prior exploration activity across the Project is underway. The review will help frame a suitable exploration program to determine the potential for copper, cobalt and nickel mineralisation.

The field based exploration program is envisaged to commence mid-March 2019. Further updates will be provided upon completion of this reconnaissance program.

Figure 1: Project Location Plan



Commercial terms of completion of Mt Bruce Transaction

- For the Mt Bruce acquisition, the Company has issued a total of 18,750,000 fully paid ordinary shares in the capital of the Company ("Shares") to the Vendors (or their nominees) for 100% equity interest in the Project.

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 Jonathan King, consultant geologist to Acacia Coal, who is a Member of the Australian Institute of Geoscientists. Mr King 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 King 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 Bruce

Location

The Mt Bruce project is located in central Western Australia. Tom Price is approximately 1km from the project area, providing ample access. The Paraburdoo-Tom Price Road and Karijini Drive cross cut the tenure.

Project Geology

Mt Bruce is located within the Hamersley Basin, the depositional basin of the Mount Bruce Supergroup. The Hamersley Basin unconformably lie over older granite-greenstone terrane of the Pilbara Craton. Underlying the Project is the lithologies of the Jeerinah Formation, the uppermost unit of the Fortescue Group. The Jeerinah Formation is conformably underlain by predominantly basaltic volcanics of the Bunjinah Formation and is conformably overlain by the basal unit of the Hamersley Group comprising of banded iron formations, chert, shale and carbonates.

Exploration Completed

In 1971, Western Mining Corporation (**WMC**) conducted sampling across the Fortescue Copper Project. Samples returned anomalous Cobalt results 5600ppm, 3350ppm and 1300ppm. The exploration completed by WMC across the project during this period was focussed towards copper exploration.

Sample	Co ppm	Co%	Zn ppm	Cu ppm
517737	3,350	0.335	50	1,255
517747	5,600	0.56	6,600	17,800
517748	1,300	0.13	6,000	7,200

Note:

1. coordinates for samples sourced from Department of Mines, Industry Regulation and Safety of Western Australia's Mindex database. (587,600mE; 7,490,800mN, all three samples were taken within 11m of this point); and
The above results are publicly available samples sourced from Department of Mines, Industry Regulation and Safety of Western Australia's WAMEX database report a1234 and a6779.

Due to the market dynamics for cobalt during the period in which the exploration was undertaken, the samples were only noted as being anomalous.

APPENDIX 1: Mt Bruce

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.	Selective rock chip sampling was conducted by WMC in 1971.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	No information regarding sampling protocols were included within the historical reports.
	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 sampling sizes and analytical methods utilised were not described in the historical reports.
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).	No drilling completed.
Drill Sample Recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	No drilling completed.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	No drilling completed.
	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 drilling completed.
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.	No logging of rock chip samples was documented. The samples are reconnaissance in nature and as such are not intended to be included within a Mineral Resource Estimation.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	No logging of rock chip samples documented.
	The total length and percentage of the relevant intersections logged.	No logging of rock chip samples documented..
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	No drilling completed.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	No drilling completed.

Criteria	JORC Code explanation	Comments
	For all sample types, the nature, quality and appropriateness of the sample preparation techniques	No sample preparation technique 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.	No methods to ensure sampling was representative was documented in historical reports.
	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.	No laboratory methods or procedures were reported.
	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 drilling 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.	Sample locations were sourced from DMIRS Mindex database and cross referenced to historical reports. Due to the age of the reports utilised (1971) the accuracy is likely to be relatively low. Field validation and verification of the location of the mineralisation is required to be completed.
	Specification of the grid system used.	MGA94- Zone 50
	Quality and adequacy of topographic control.	Topographic control using DTM generated from magnetic survey which is sufficient for the level of exploration undertaken.
Data spacing and distribution	Data spacing for reporting of Exploration Results.	Rock chip sampling was concentrated in one area of mineralisation identified at surface and as such is not representative of the underlying geology.
	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.	No drilling completed and as the Project is early stage exploration there is insufficient information in order to estimate a Mineral Resource.
	Whether sample compositing has been applied.	No drilling completed.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	Only reconnaissance rock chip sampling completed.
	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.	No drilling completed.



Criteria	JORC Code explanation	Comments
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.	E47/3627 is held 100% legally and beneficially by Acacia Coal Limited. E47/3627 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.	E47/3627 is granted and in full force. No known impediments exist with respect to the exploration proposed to be undertaken within the Licence.
Exploration	Acknowledgment and appraisal of exploration by other parties.	Exploration was predominantly completed by Western Mining Corporation and consisted primarily of rock chip sampling.
Geology	Deposit type, geological setting and style of mineralisation.	Mt Bruce is located within the Hamersley Basin, the depositional basin of the Mount Bruce Supergroup. The Hamersley Basin unconformably overlies the older granite-greenstone terrane of the Pilbara Craton. Underlying the Project is the lithologies of the Jeerinah Formation, the uppermost unit of the Fortescue Group. The Jeerinah Formation is conformably underlain by predominantly basaltic volcanics of the Bunjinah Formation and is conformably overlain by the basal unit of the Hamersley Group comprising of banded iron formations, chert, shale and carbonates. Mineralisation being targeted is stratabound sedimentary hosted copper-cobalt mineralisation.
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.	No drilling completed.
	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.	No weighted averages or cut off grades have been applied.
	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.	No drilling has been completed.
	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.	No drilling has been completed.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	No drilling has been completed.
	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').	No drilling has been completed.
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 collar locations and appropriate sectional views.	No drilling completed.
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.



Criteria	JORC Code explanation	Commentary
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.
	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).	An extensive review of the open file information relating to the Project will be completed.
Further Work	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Further releases will be made to market upon completion of further exploration planning.