



ASX: AJC

Quarterly Activities Report

Ended 30 June 2019

HIGHLIGHTS

- ▲ Maiden drilling programme commenced at the Company's Mt Windarra project near Laverton, Western Australia
- ▲ Maiden soil geochemical sampling program completed at Mt Bruce, near Tom Price, Western Australia
- ▲ Awaiting results from Mt Windarra drilling following RC drill program with assays pending and Mt Bruce interpreted results to be released shortly

OVERVIEW

The Directors of Acacia Coal Limited (**Acacia** or the **Company**) provide a summary of activities in the June 2019 quarter.

During the quarter, the Company undertook a range of activities designed to advance the geological understanding of its newly acquired tenements at Mt Windarra and Mt Bruce, specifically in relation to the prospectivity for nickel-cobalt and copper-cobalt mineralisation, and the potential for gold mineralisation.

Acacia's activities included a geological review of historic information to assist in the design and execution of the Company's maiden drilling campaign at Mt Windarra, as well as undertaking a soil geochemical and reconnaissance programme at Mt Bruce. The Company engaged geological consultants, field and mapping teams, drillers and other related service providers in order to gain this important preliminary understanding of the Company's newly granted tenements, and executed the activities concurrently. The results from this work will form the basis from which the Company plans its next phase of activities.

Acacia is waiting for the results of the laboratory analysis of assays and samples, and will provide market updates as and when received.

As noted previously, the Company continues to review strategic opportunities and has conducted due diligence over a number of projects which may complement Acacia's activities with the aim of maximising shareholder value.

Overview of Project Activities

Mt Windarra Update

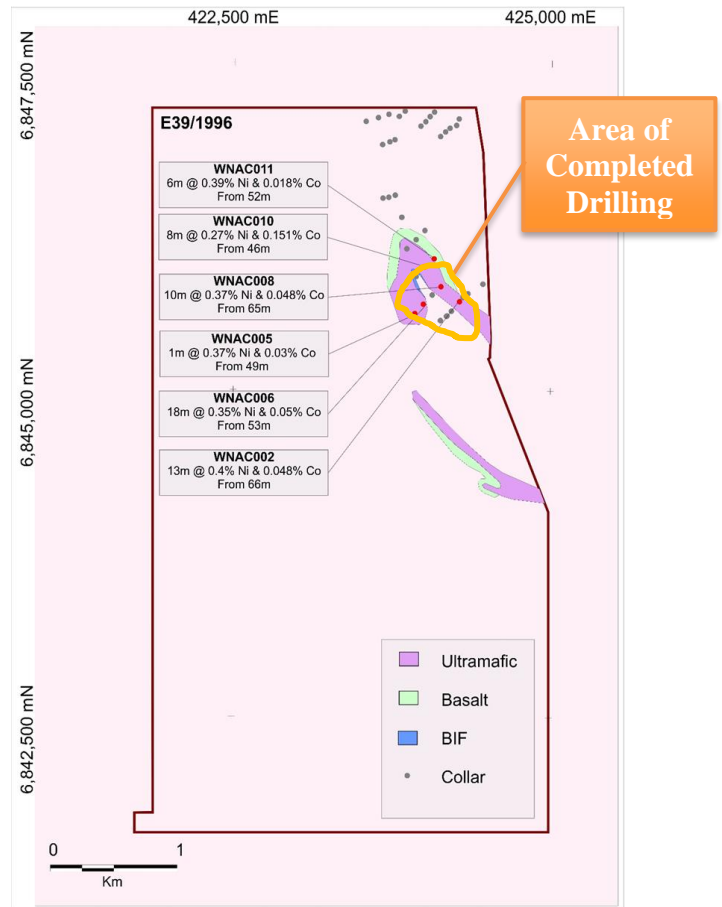
During the quarter, Acacia's maiden drilling programme at the Windarra Nickel-Cobalt Project was successfully completed. The drilling programme comprised nine reverse circulation holes for 946 metres which was conducted by KTE Mining Services. The objective was to define the extents and grade of nickel-cobalt mineralisation within the prospective target ultramafic lithologies. Secondary objectives included a better understanding of the bedrock geology, and the consideration of targets for primary nickel-cobalt sulphide potential.

Figure 1 – Acacia's maiden drilling programme underway during June Quarter



Drilling at Mt Windarra by the Project's prior owners had previously identified both lateritic and sulphide hosted nickel-cobalt mineralisation which provided a number of follow up targets for Acacia to pursue.

Figure 2 – Drilling samples at Mt Windarra & Map of Drilling Activities



Drilling samples were provided for laboratory analysis and assay shortly after the completion of the drilling programme. However, the Company is experiencing continued delays in receiving results. These results and other interpretations relating to the programme will be released to the market as soon as received by the Company.

Mt Bruce Update

The quarter also saw the commencement of the first stage of exploration at the recently granted Mt Bruce tenement.

The Company engaged All Points Sampling to conduct an initial comprehensive mapping and sampling program over the Mt Bruce tenement with the objective to provide the Company with a broader geological understanding of the project's prospectivity for Copper, Cobalt and Nickel mineralisation.

After undertaking its historical review of previous data, the Company's field team spent several days at Mt Bruce to collect samples which were submitted for assay and laboratory analysis.

All samples have recently been received by the Company and are awaiting processing and interpretation. Results will be announced to market once interpretation is complete.

GENERAL OVERVIEW OF PROJECTS & LOCATION

Acacia Coal has two granted tenements, the Mt Windarra Project and the Mt Bruce Project



Mt Windarra

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.

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 50 drill holes for 4,103m of drilling have now been completed to date inclusive of RAB, Aircore, RC and Diamond Drilling. Previous 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 prior to the Company's most recent drilling programme 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

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.

Other

The Board and advisors of Acacia continue to evaluate additional projects, both in Australia and internationally which would complement the Company's existing portfolio.

Acacia confirms it holds the current tenements as of 30 June 2019:

Location	Tenement	Nature of Interest	Project	Equity (%) held at start of Quarter	Equity (%) held at end of Quarter
WA	E47/3627	Granted	Mt Bruce	100%	100%
WA	E39/1996	Granted	Mt Windarra	100%	100%

No Mining Tenements were acquired or disposed of during the Quarter.

For enquiries, please contact:

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COMPETENT PERSON STATEMENT

The exploration results included in this report for the Mt Windarra Project were first announced by the Company in its announcements of 31 January 2019 and 14 March 2019. The Company confirms it is not aware of any new information or data that materially affects the information included in those market announcements.

The exploration results included in this report for the Mt Bruce Project were first announced by the Company in its announcement of 13 March 2019. The Company confirms it is not aware of any new information or data that materially affects the information included in that market announcement.