1 October 2019

HIGHLIGHTS

- Lateritic nickel-cobalt and nickel-copper sulphide mineralisation confirmed at Windarra Project
- Most of the eight reverse circulation holes display Ni and locally Co and Cu enrichment.
- Significant intersections returned to date, include
    - 17m @ 0.53% Ni from 60m (Hole H1)
    - 4m @ 0.66% Ni and 0.22% Co from 55m (Hole H8)
    - 11m @ 0.49% Ni from 71m (Hole H8)
        - Including 6m @0.59% from 71m

Acacia Coal Ltd (ASX: AJC) ("the Company" or "Acacia") provides this drilling update for its Windarra Project, located near Laverton, WA. Assays confirm the presence of lateritic nickel-cobalt and sulphide-hosted nickel-copper mineralisation on the property. The drill programme comprised nine reverse circulation holes for 946 metres.

Hole_ID	MGA51_EAST	MGA51_NORTH	RL	DIP	AZI	DEPTH
Hole_1	424295	6845575	433	-60	45	150
Hole_2	424240	6845630	433	-60	45	100
Hole_3	424210	6845600	433	-60	45	100
Hole_4	424200	6845730	433	-60	45	100
Hole_5	424170	6845700	433	-60	45	100
Hole_6	424140	6845675	433	-60	45	100
Hole_7	424060	6845875	433	-60	45	100
Hole_8	424030	6845845	433	-60	45	100
Hole_9	424000	6845820	433	-60	45	100

Summary of Windarra Drilling Results

- 17m @ 0.53% Ni from 60m (Hole H1)
    - Including 5m@0.61% NI from 63m
    - Including 6m@0.66% Ni from 72m
- 5m@0.38% Ni from 70m (Hole H2)
- 5m@0.43% Ni from 67m (Hole H5)
- 3m@0.6% Ni from 67m, 4m@0.46%Ni from 74m and 2m@0.40%Ni from 81
- 2m@0.19%Co from 68m (Hole H6)
- 3m@0.51%Ni from 44m (Hole H7)
- 4m@0.66% Ni and 0.22% Co from 55m (Hole H8)
- 11m@ 0.49% Ni from 71m (Hole H8)
    - Including 6m @0.59% from 71m
- 2m@0.38%Ni and 2m@0.15%Co from 66m (Hole H9)

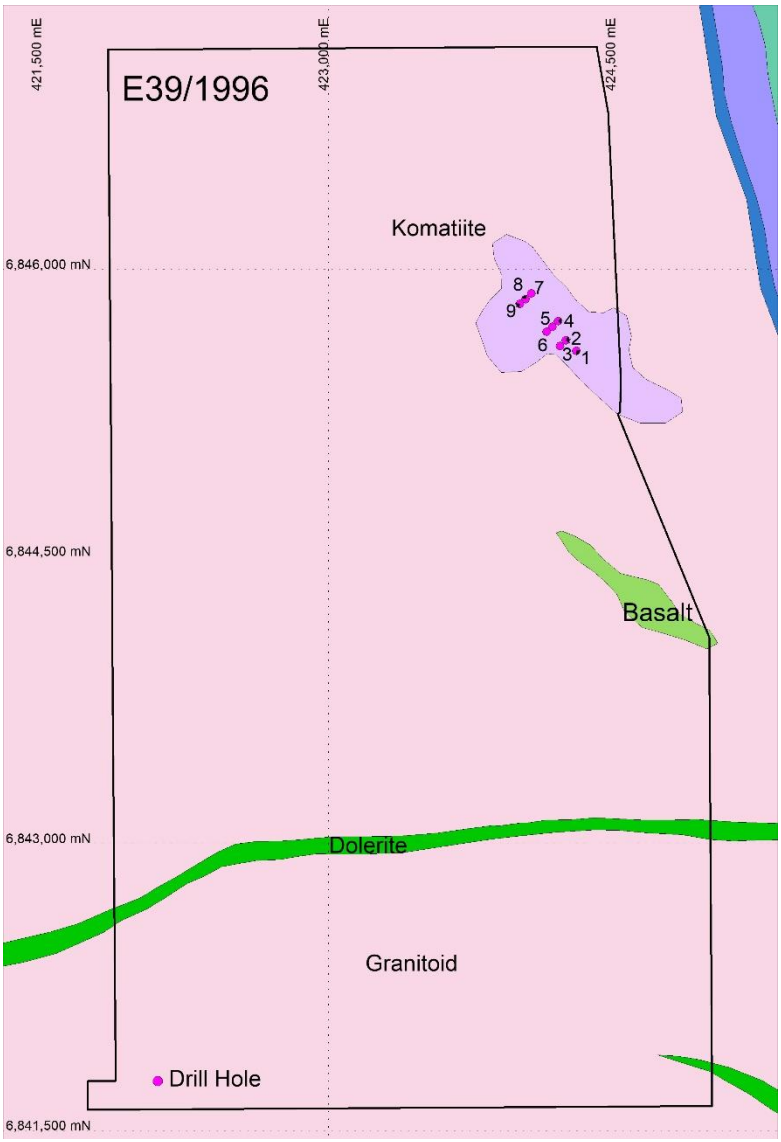
The objective of the drill programme was to confirm and define the extents and grade of previously indicated lateritic nickel-cobalt and nickel-copper sulphide mineralisation within the target ultramafic lithologies captured by the project. The indicated mineralisation lies within a komatiitic xenolith preserved within a major granitoid pluton. The komatiite body most likely represents roof pendants and synclinal keel root zones of greenstone synclinoria and is thought to be stratigraphically equivalent to the Windarra Ultramafic, host to economic nickel mineralisation at the Windarra group of nickel mines.

The observed mineralisation sits within or beneath the weathered profile developed in komatiitic xenolith. Extensive transported cover sequences obscure the underlying rocks with the local geology outlined by a combination of magnetic and drilling information.

Results for eight of the nine holes have been received. Summary statistics for the eight holes are documented below:

Descriptive Statistics						
Element	**Mean**	**Std. Dev.**	**Count**	**Minimum**	**Maximum**	**# Missing**
Ag	0.042	0.083	846	0.01	1.26	0
Au	1.898	4.374	846	0.37	105	0
Cu	55.665	65.021	846	1.5	889	0
Mn	727.088	1096.66	846	27.3	9000	0
Ni	1046.455	1508.803	846	10.6	8950	0
Co	86.277	216.328	846	1.5	2520	0
Pb	5.085	6.368	841	0.2	96.5	5
Zn	44.967	44.904	846	4	335	0
S	772.908	572.083	846	50	4590	0

Appendix 1 tables the full results.



Further assessment and exploration will be conducted within the prospective geological unit after all results have been received and are assessed.

Windarra Project

The Windarra Project comprises a granted Exploration licence (39/1996) located in the Mt Margaret Goldfield of Western Australia. It lies about 25km to the west of Laverton with access via the sealed Leonora-Laverton road to Mt Windarra. The Windarra Project covers a land area of 16.11km^2.

Economic nickel mineralisation at the nearby Mt Windarra area is hosted at the base of the Windarra Ultramafics, a 100–300m thick sequence of ultramafic (komatiite) lava flows, overlain by basalts. The Windarra Ultramafics host five significant nickel deposits: two at Mt Windarra and South Windarra, and Woodline Well.

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Competent Persons Statement

The information in this announcement is based on and fairly represents information compiled by Mr Jonathan King, consultant geologist, who is a Member of the Australian Institute of Geoscientists and employed by Collective Prosperity Pty Ltd, and is an accurate representation of the available data and studies for the Project. 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 announcement of the matters based on this information in the form and context in which it appears.

APPENDIX 1: Mt Windarra

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.	Reverse Circulation drilling was completed in March 2019. 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. Nine RC drill holes for 946m were completed.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	The samples were collected as 1m intervals from a conical splitter fed from a cyclone.
	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	Samples were submitted to SGS Australia with Aqua Regia digestion and read by ICP (MS and AES) finish for Au and other trace elements. Dry, pulverise, 75µm<1.5kg, wet screen 75µm, 50g charge

Criteria	JORC Code explanation	Comments
	there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	
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).	Reverse circulation with face sampling hammer, standard hole width.
Drill Sample Recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	Sample weights were recorded by the laboratory.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	At least two duplicate samples were collected per hole.
	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 were 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.	The drilling was not for mineral resource estimation purposes.
	Whether logging is qualitative or quantitative in nature. Core (or	Logging completed is both qualitative and quantitative.

Criteria	JORC Code explanation	Comments
	costean, channel, etc) photography.	
	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.	Reverse circulation drilling only.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Sub sample was collected off a rotary splitter. All samples were dry split.
	For all sample types, the nature, quality and appropriateness of the sample preparation techniques	Sample preparation was completed by SGS Australia. Sample techniques adopted appropriate for the material being tested
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Laboratory supplied and tested standards and duplicate samples (2 per 100m)
	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 are appropriate for the analytical test.
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 SGS Australia for sample preparation and analysis using aqua regia digestion ICP-mass spectrometry. The method is suitable.

Criteria	JORC Code explanation	Comments
	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.	Duplicates collected at a rate of at least 2 per hole. Loratory inserted their own standards for which the results have been gathered and reviewed.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	The author is an independent consulting geologist.
	The use of twinned holes.	No twinned holes completed.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data captured digitally.
	Discuss any adjustment to assay data.	Assays exceeding the upper detection limit were reassayed using more suitable reading method to account for the increased tenor.
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.	Drill holes were located using a Garmin handheld GPS with an accuracy of +/- 5m

Criteria	JORC Code explanation	Comments
	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 regular grid and generally infill previous aircore drilling.
	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.	The drilling objective was to confirm and define the extents and grade of previously indicated nickel and cobalt mineralisation.
	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 the extent to which this is known, considering the deposit type.	It is not yet known whether the orientation of sampling has achieved unbiased results.
	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.	The drilling company retained the samples and

Criteria	JORC Code explanation	Comments
		delivered them directly to the laboratory for analysis.
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

Criteria	JORC Code explanation	Commentary
		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.	Assays for eight holes are found in Appendix 1. One hole remains outstanding.
	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	Weighted average results have been reported in highlights which are based weighted averages of the individual sample intervals.

Criteria	JORC Code explanation	Commentary
	grades are usually Material and should be stated.	The following criteria have been applied: • Intercepts are reported as intervals >0.4% Ni with intervals of up to 1m at <0.4 % 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	Down hole intervals have been reported, the true width is not yet known.

Criteria	JORC Code explanation	Commentary
	clear statement to this effect (eg 'down hole length, true width not 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 collar locations and appropriate sectional views.	Maps illustrating the location of collars, significant intervals and underlying geology have been included in the body of the results.
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	The nature and scale of planned further work (eg tests for lateral extensions or depth	An extensive review of the open file information relating

Criteria	JORC Code explanation	Commentary
	extensions or large-scale step-out drilling).	to the Project will be completed.
	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.