



ASX: AJC

Quarterly Activities Report

Ended 30 September 2019

HIGHLIGHTS

- ▲ Drill results from 9 holes at the Company's Mt Windarra project near Laverton, Western Australia received and assayed
- ▲ Preliminary Exploration at Mt Bruce, near Tom Price, Western Australia completed with 90 soil geochemical samples collected showing anomalies

OVERVIEW

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

During the quarter, the Company received the initial soil samples at the Mt Bruce project showing anomalies for nickel-cobalt and copper-cobalt mineralisation, and the potential for gold mineralisation.

The quarter also saw samples analysed from the drilling at the Company's Mt Windarra project.

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 Bruce Update

An initial soil geochemistry campaign was completed, comprising 90 soil samples covering key lithological contacts considered prospective for hosting cobalt, nickel and copper mineralisation.

The campaign identified discrete Ni-Cu-Co coincident anomaly across 1.8km strike length that the Company shall assess for the potential for further follow up exploration. The target areas were selected based on historical sampling that was undertaken by Western Mining Corporation (WMC) in 1971, which returned anomalous cobalt results of 5,600ppm, 3,350ppm and 1,300ppm shown in figure 1 below. (see ASX announcement dated 30 August 2019 for full details and competent person statement). The exploration completed by WMC across the project was focussed towards copper exploration and not followed up.

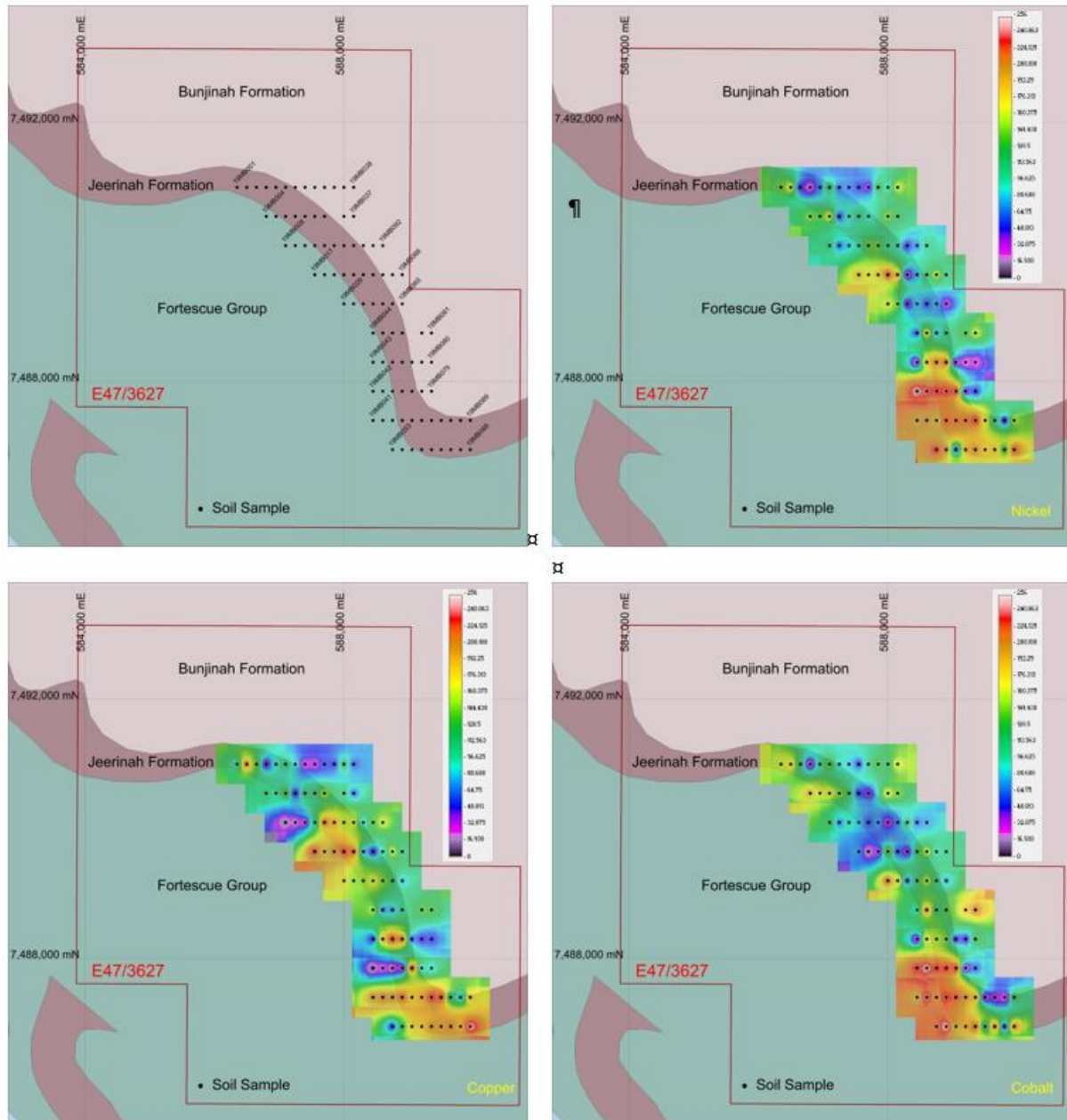


Figure 1: results from initial soil sampling

The Company is assessing the results of the anomalous samples and coordinating further work with its geological consultants to map out and define an exploration programme suitable to undertake at Mt Bruce to further understand the extent of these anomalies.

Mt Windarra Update

The Company received and analysed the drilling data from 9 RC holes over 946 metres during the quarter.

The results were announced on 1 October 2019 and will be discussed in the next quarterly report.

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.

The most recent drill programme conducted by the Company returned the following significant results (see ASX Release Dated 01 October 2019):

- 17m @ 0.53% Ni from 60m (Hole H1)
 - o Including 5m@0.61% NI from 63m
 - o 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 81m
- 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)
 - o Including 6m @0.59% from 71m
- 2m@0.38%Ni and 2m@0.15%Co from 66m (Hole H9)

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
 - o Including 1m at 0.54% Ni & 0.233% Co from 68m
- WNAC006: 18m at 0.35% Ni & 0.05% Co from 53m
 - o 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
 - o Including 1m at 0.71% Ni and 0.168% Co from 71m
- WNAC010: 8m at 0.27% Ni and 0.151% Co from 46m
 - o Including 3m at0.33% 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:

- 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 and generally seek to maximise shareholder value.

Acacia confirms it holds the current tenements as of 30 September 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:

Adam Santa Maria

Chairman

+61 8 6365 5200

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, 14 March 2019 and 1 October 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 and 30 August 2019. The Company confirms it is not aware of any new information or data that materially affects the information included in that market announcement.