



ABN 13 009 092 068

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

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 2019 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

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

COMPANY SECRETARY

Mr Ben Donovan

REGISTERED AND PRINCIPAL OFFICE

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Code: AJC Quoted Shares

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AUDITORS

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DIRECTORS' REPORT

The Directors hereby present their Report of Acacia Coal Limited ('AJC' or the 'Company') and its controlled entity (the 'Group') for the half-year ended 31 December 2019. 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

Mt Bruce

During the half-year ended 31 December 2019, an extensive geological review of Mt Bruce was undertaken which included a soil geochemistry campaign undertaken at the Project. This campaign comprised of 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 (see ASX announcement dated 30 August 2019 and 29 January 2020 for full details and competent person statement). The exploration completed by WMC across the project was focussed towards copper exploration and not followed up.

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.

Mt Windarra

During the half-year, the Company also completed a drill programme comprised nine reverse circulation holes for 946 metres. Assay results confirmed the presence of lateritic nickel-cobalt and sulphide-hosted nickel-copper mineralisation at the Mt Windarra project.

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

Review of Operations (Continued)

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.

Corporate

The Company continues to consult with its geological consultants concerning the most effective way to conduct further exploration at its projects to deliver value for shareholders. In addition, additional strategic opportunities have been considered by the Company which has conducted extensive due diligence over a number of projects which aim to complement Acacia's activities with the aim of maximising shareholder value.

Subsequent Events

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

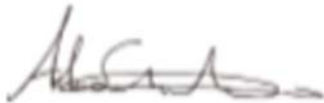
Auditor's Independence Declaration

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 2020 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.

Signed in accordance with a resolution of the Directors.



Adam Santa Maria
Executive Chairman

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Half-year Ended 31 December 2019

	Note	31 Dec 2019 \$	31 Dec 2018 \$
Revenue and other income from continuing operations			
Interest received		18,640	7,830
Net fair value (loss) / gain on financial assets at fair value through profit or loss		(140)	34,822
		18,500	42,652
Expenses			
Corporate costs		(14,455)	(24,665)
Professional and consultancy fees		(63,555)	(64,502)
Directors' fees		(15,000)	(15,000)
Equity settled transactions		-	(290,550)
Legal expenses		(4,421)	(10,229)
Other expenses from ordinary activities		(31,280)	(32,177)
Loss from continuing operations before income tax expense		(110,211)	(394,471)
Income tax expense		-	-
Loss from continuing operations before other income		(110,211)	(394,471)
Other comprehensive income		-	-
Total comprehensive loss attributable to equity holders of the parent entity		(110,211)	(394,471)
Earnings per share for loss attributable to equity holders of the parent entity			
Basic and diluted loss per share (cents)	3	(0.003)	(0.01)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Note	31 Dec 2019 \$	30 Jun 2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents		2,411,440	2,640,083
Trade and other receivables		9,536	11,321
Other current assets		17,987	17,708
Total Current Assets		2,438,963	2,669,112
Non-Current Assets			
Financial assets (at fair value through profit or loss)		578	718
Exploration assets	4	239,828	153,134
Total Non-Current Assets		240,406	153,852
Total Assets		2,679,369	2,822,964
LIABILITIES			
Current Liabilities			
Trade and other payables		28,211	61,595
Total Current Liabilities		28,211	61,595
Total Liabilities		28,211	61,595
Net Assets		2,651,158	2,761,369
Equity			
Contributed equity	5	42,669,310	42,669,310
Reserves	6	3,563,408	3,563,408
Accumulated losses		(43,581,560)	(43,471,349)
Total Equity		2,651,158	2,761,369

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Half-year Ended 31 December 2019

	Contributed equity \$	Reserves \$	Accumulated losses \$	Total equity \$
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 to fair value through profit or loss	-	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 half-year	-	-	(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
Balance at 1 Jul 2019	42,669,310	3,563,408	(43,471,349)	2,761,369
Loss for the half-year	-	-	(110,211)	(110,211)
Total comprehensive loss	-	-	(110,211)	(110,211)
Balance at 31 Dec 2019	42,669,310	3,563,408	(43,581,560)	2,651,158

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW

For the Half-year Ended 31 December 2019

	Note	31 Dec 2019 \$	31 Dec 2018 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(157,456)	(80,321)
Interest paid		-	(2)
Interest received		18,640	7,830
Net cash (outflow) from operating activities		(138,816)	(72,493)
Cash Flows from Investing Activities			
Receipt on sale of financial assets		-	278,260
Payment for exploration expenditure	4	(89,827)	-
Net cash (outflow) / inflow from investing activities		(89,827)	278,260
Cash Flows from Financing Activities			
Proceeds from placement		-	400,000
Proceeds from options issued		-	1,950
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		(228,643)	2,476,749
Cash and cash equivalents at the beginning of the half-year		2,640,083	340,716
Cash and cash equivalents at the end of the half-year		2,411,440	2,817,465

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 Limited ('AJC' or the 'Company') and its controlled entity (the 'Group') for the half-year ended 31 December 2019 was authorised for issue in accordance with a resolution of the directors on 12 March 2020.

Acacia Coal Limited 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 Condensed Consolidated Interim 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 Condensed Consolidated Interim Financial 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 2019 and any public announcements made by the Company during the half-year ended 31 December 2019 in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Basis of Preparation

The Condensed Consolidated Interim Financial Report 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 2019 annual financial report for the financial year ended 30 June 2019, 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 2019, the Group has applied 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 2019. The accounting policies adopted by the Group are consistent with those of the previous financial period, except as follows:

AASB 16 Leases

AASB 16 *Leases* ('AASB 16') became mandatorily effective on 1 January 2019. Accordingly, this standard applies for the first time to this set of financial statements. AASB 16 replaces AASB 117 *Leases* and introduces a single lessee accounting model that requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at cost and lease liabilities are initially measured on a present value basis.

NOTES TO THE FINANCIAL STATEMENTS**Note 1. Corporate Information (Continued)****AASB 16 Leases (Continued)**

Subsequent to initial recognition:

- (a) Right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for on a cost basis unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:
 - i. Investment property, the lessee applies the fair value model in AASB 140 Investment Property to the right-of-use asset; or
 - ii. Property, plant or equipment, the applies the revaluation model in AASB 116 Property, Plant and Equipment to all of the right-of-use assets that relate to that class of property, plant and equipment; and
- (b) Lease liabilities are accounted for on a similar basis to other financial liabilities, whereby interest expense is recognised in respect of the lease liability and the carrying amount of the lease liability is reduced to reflect the principal portion of lease payments made.

AASB 16 substantially carries forward the lessor accounting requirements of the predecessor standard, AASB 117. Accordingly, under AASB 16 a lessor continues to classify its leases as operating leases or finance leases subject to whether the lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of the underlying asset, and accounts for each type of lease in a manner consistent with the current approach under AASB 117.

The adoption of AASB 16 for the half-year ending 31 December 2019 did not have any impact on the transactions and balances recognised in the Condensed Consolidated Interim Financial Report as the Group does not have any leases that fall under the scope of AASB 16.

b. New Standards not yet effective

Any new or amended Accounting Standards or that are not yet mandatory have not been early adopted.

c. Estimates

The preparation of the Condensed Consolidated Interim Financial Report 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 Condensed Consolidated Interim Financial Report, significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that were applied to the annual financial report as at and for the year ended 30 June 2019.

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Corporate Information (Continued)

d. Going Concern Basis

The Group incurred operating losses of \$110,211 during the half-year ended 31 December 2019 (31 December 2018: \$394,471) and has a cash and cash equivalents balance of \$2,411,440 as at that date (30 June 2019: \$2,640,083). The Group's cashflow forecasts for the twelve months ended 31 March 2020 indicate that the Group will be able to settle its liabilities as and when they fall due for a period of at least 12 months from the date of signing the Condensed Consolidated Interim Financial Report. Having regard to the above, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

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 2019	31 Dec 2018
	\$	\$
Loss used in calculating basic and diluted loss per share	(110,211)	(394,471)
	No.	No.
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	4,067,651,670	2,730,705,449
	Cents	Cents
Basic and diluted loss per share	(0.003)	(0.01)

NOTES TO THE FINANCIAL STATEMENTS

Note 4. Exploration Assets

	31 Dec 2019	30 Jun 2019
	\$	\$
Mt Bruce	65,367	38,744
Mt Windarra	174,461	114,390
	239,828	153,134

*Reconciliation of movement in exploration assets**Mt Bruce*

Opening balance at 1 July 2019	38,744
Exploration expenditure capitalised	26,623
Closing balance at 31 December 2019	65,367

Mt Windarra

Opening balance at 1 July 2019	114,390
Exploration expenditure capitalised	60,071
Closing balance at 31 December 2019	174,461

Note 5. Contributed Equity

Consolidated Group

	31 Dec 2019	30 Jun 2019
	No. \$	No. \$
Share Capital		
Fully Paid Ordinary Shares	4,067,651,670 42,669,310	4,067,651,670 42,669,310

Reconciliation of movement in share capital

	Shares No.	Issue Price \$	Amount \$
Opening balance at 1 July 2019	4,067,651,670		42,669,310
No movement during the half-year			
Closing balance at 31 December 2019	4,067,651,670		42,669,310

Note 6. Reserves

	31 Dec 2019	30 Jun 2019
	\$	\$
Share based payment reserve	2,910,630	2,910,630
Performance share reserve	652,778	652,778
	3,563,408	3,563,408

NOTES TO THE FINANCIAL STATEMENTS

Note 6. Reserves (Continued)

a) Share based payment reserve

	Consolidated Group			
	31 Dec 2019		30 Jun 2019	
	No.	\$	No.	\$
Unlisted options on issue	312,500,000	2,910,630	312,500,000	2,910,630

The share based payment reserve is used to recognise the fair value of options issued to employees and other parties but not exercised. No options were cancelled, lapsed or were forfeited during the half-year ended 31 December 2019.

Reconciliation of movement in share based payment reserve

	Unlisted Options No.	Amount \$
Opening balance at 1 July 2019	312,500,000	2,910,630
<i>No movement during the half-year</i>		
Closing balance at 31 December 2019	312,500,000	2,910,630

Note 7. Commitments

	31 Dec 2019 \$	30 Jun 2019 \$
<i>Operating commitments</i>		
Within 1 year	28,206	41,806
Within 1-5 years	90,000	117,767
	118,206	159,573

Operating commitments include contracted amounts for various mining tenement leases outside the scope of AASB 16 and expenditures, expiring within 5 years, with options to extend. Upon renewal, the terms of the leases are renegotiated.

Note 8. Contingent Liabilities and Assets

There were no contingent liabilities or assets as at 31 December 2019 (30 June 2019: nil).

Note 9. Events Subsequent to Reporting Date

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

NOTES TO THE FINANCIAL STATEMENTS

Note 10. Related Party Transactions

During the half-year ended 31 December 2019, the Group paid consultant fees in relation to exploration activities to Discovery Capital Partners Pty Ltd (director related entity of Mr Santa Maria) of \$55,595 (30 June 2019: \$32,252 in relation to the placement and rights issue), and paid executive fees of Mr Santa Maria to ASM Consultancy (director related entity of Mr Santa Maria) of \$6,000 (30 June 2019: nil).

There are no other material changes to the Group's related party transactions to those disclosed in the 30 June 2019 Annual Report.

Note 11. Dividend

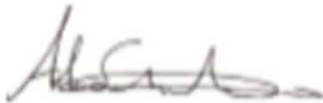
No dividends have been paid by the Group during the half-year ended 31 December 2019, nor have the Directors recommended that any dividends be paid (30 June 2019: nil).

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 12:
 - (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 2019, and of its performance for the half-year ended on that date; and that
2. There are reasonable grounds to believe that the Group 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 2020

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ACACIA COAL LIMITED AND ITS CONTROLLED ENTITY**

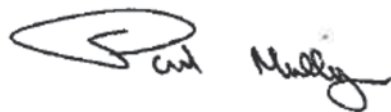
In relation to the independent review for the half-year ended 31 December 2019, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Acacia Coal Limited and the entity it controlled during the period.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
Executive Director
12 March 2020

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 Acacia Coal Limited (the "Company") and its controlled entity (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and 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 2019 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*.

ACACIA COAL LIMITED
ABN 13 009 092 068

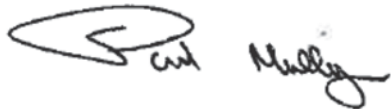
**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ACACIA COAL LIMITED**

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 2019 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
Executive Director
12 March 2020