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# **Acacia Coal Limited**

**ABN 13 009 092 068**

## **Interim Financial Report For the Half Year Ended 31 December 2014**

**(Previous corresponding period:  
Half Year Ended 31 December 2013)**

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This Interim Financial Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this Report is to be read in conjunction with the Annual Report for the year ended 30 June 2014 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

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### Acacia Coal Limited

ACN: 009 092 068

ABN: 13 009 092 068

### DIRECTORS

Kym Livesley	Non-Executive Chairman
Gavin May	Managing Director
Michael Mulroney	Non-Executive Director
Amanda Ward	Non-Executive Director

### COMPANY SECRETARY

Robert Waring

### REGISTERED AND PRINCIPAL OFFICE

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Chatswood NSW 2067 Australia

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### WEBSITE

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### EMAIL

[info@acaciacoal.com](mailto:info@acaciacoal.com)

### STOCK EXCHANGE

Australian Securities Exchange  
Home Exchange Sydney

### SECURITIES

Code: AJC	Quoted Shares
AJCAI	Unlisted Options

### SHARE REGISTRY

Boardroom Pty Limited  
Level 7, 207 Kent Street  
Sydney NSW 2000 Australia

Tel: 1300 737 760

Fax: 1300 653 459

[www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

### AUDITORS

Rothsay Chartered Accountants  
Level 1, 12 O'Connell Street  
Sydney NSW 2000 Australia

Level 1, 4 Ventnor Avenue  
West Perth WA 6849 Australia  
Tel: + 61 8 9486 7094

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## Directors' Report

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The Directors hereby present their Report on Acacia Coal Limited (the Company) and the entities it controlled at the end of, or during, the half year ended 31 December 2014 (together referred to as the Group).

### 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:

Mr Kym Livesley	Non-Executive Chairman	Appointed 28 May 2013
Mr Gavin May	Managing Director	Appointed 23 May 2011
Mr Michael Mulrone	Non-Executive Director	Appointed 5 November 2010
Ms Amanda Ward	Non-Executive Director	Appointed 12 November 2010

### Review of Operations

During the half year, the Company updated Competent Person's Report to the 2012 JORC Code, which was released to ASX on 16 July 2014, and it showed Measured and Indicated Resources of 10.4 million tonnes in the 0 – 30 metres depth increment. Total resources are 18 million tonnes in the 0 – 30 metres depth increment, and 57 million tonnes in the 0 – 50 metres depth increment. The full report is available on the Company's website.

### Comet Ridge Mining Lease application

Acacia continues to progress the Mining Lease application for its Comet Ridge Project. The Environmental Impact Management Report, which supports the Comet Ridge Mining Lease application, is in final draft. It is planned to lodge the Comet Ridge Mining Lease application at the end of the March quarter of 2015.

Acacia is continuing its research and development work on dry processing techniques that aim to significantly lower the processing costs and improve economic value of the Fair Hill sequence coals. The results achieved to date have given Acacia the confidence to pursue the Comet Ridge Project.

### Triumph Creek Infrastructure Agreements

In September 2014 the Board of Bandanna Energy Limited placed the Group under Voluntary Administration, and in October 2014, its subsidiary Springsure Creek Coal Pty Ltd was placed into Receivership. Acacia continues to maintain its interests in the Springsure Creek Coal Infrastructure Mining Lease applications, which are located over Acacia's Comet Ridge EPC 1230 and associated with the proposed Comet Ridge Project. Acacia has Caveats over the transfer or assignment of these Infrastructure Mining Lease applications. Springsure Creek Coal is Acacia's proponent in the Triumph Creek Infrastructure Agreement, which provides for shared major infrastructure, and upon commitment, will provide the Comet Ridge Project with rail loading capability and substantially reduced capital cost.

### General

The Company continues to monitor sea-borne coal prices, which remain in the doldrums, with the current difficult time across the industry make it all the more necessary for companies to live within their means. Acacia, as part of its forward spending strategy, reduced its tenement holdings solely to the Comet Ridge tenement. The write-off of capitalised exploration in respect of tenements divested or expected to be relinquished was fully provided against in the December 2013 half year. This reduction in exploration expenditure and other cost cutting actions have put Acacia in a relatively strong position in the current market. Acacia has sufficient cash to maintain the business until at least the end of 2017.

### **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 10 of this Report.

This Report was signed in Sydney on 10 March 2015 in accordance with a resolution of the Board of Directors.



**Gavin P May**  
Managing Director

### **Competent Person's Statement**

The information in this Report that relates to mineral resources is based on information evaluated by Rob Dyson, who is a Fellow of The Australasian Institute of Mining and Metallurgy (AusIMM) and a fulltime employee of McElroy Bryan Geological Services Pty Ltd. Mr Dyson is a qualified Geologist, and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and the activity that he is undertaking to qualify as a Competent Person, as defined in the 2012 Edition of 'The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Dyson consents to the inclusion in this Report of the matters based on his information in the form and context in which it appears.

## Consolidated Statement of Comprehensive Income for the Half Year Ended 31 December 2014

	Note	31-Dec-14 \$	31-Dec-13 \$
<b>Revenue from continuing operations</b>			
Interest received		54,297	87,256
Royalties payable reversed		-	500,000
Research and development cashback		300,019	-
<b>Expenses</b>			
Depreciation expense		(8,497)	(10,664)
Equity settled transactions		(65,940)	(9,394)
Exploration expense	3	-	(6,318,378)
Other expenses from ordinary activities		(336,250)	(349,983)
<b>Profit / (Loss) from continuing operations before other income</b>		<b>(56,370)</b>	<b>(6,101,163)</b>
Other comprehensive income			
Surplus / (loss) arising from foreign exchange		460	967
<b>Total comprehensive income / (loss)</b>		<b>(55,910)</b>	<b>(6,100,196)</b>
<b>Earnings per share</b>			
Basic loss per share		0.01 cents	0.67 cents
Diluted loss per share		0.01 cents	0.67 cents

The accompanying notes form part of these financial statements.

## Consolidated Statement of Financial Position as at 31 December 2014

	Note	31-Dec-14 \$	30-Jun-14 \$
<b>Current assets</b>			
Cash and cash equivalents		2,921,845	3,627,522
Trade and other receivables		97,317	83,238
Other current assets		24,995	32,106
<b>Total current assets</b>		<b>3,044,157</b>	<b>3,742,866</b>
 <b>Non-current assets</b>			
Plant and equipment		59,895	68,392
Available-for-sale financial assets		15,637	15,637
Exploration and evaluation	3	9,069,830	8,489,935
<b>Total non-current assets</b>		<b>9,145,363</b>	<b>8,573,964</b>
 <b>Total assets</b>		<b>12,189,520</b>	<b>12,316,830</b>
 <b>Current liabilities</b>			
Trade and other payables		185,818	325,795
Employee benefits		75,676	73,040
<b>Total current liabilities</b>		<b>261,495</b>	<b>398,835</b>
 <b>Total liabilities</b>		<b>261,495</b>	<b>398,835</b>
 <b>Net assets</b>		<b>11,928,025</b>	<b>11,917,995</b>
 <b>Equity</b>			
Contributed equity	5	38,492,606	38,492,606
Reserves		2,888,318	2,822,378
Accumulated losses		(29,452,899)	(29,396,989)
<b>Total equity</b>		<b>11,928,025</b>	<b>11,917,995</b>

The accompanying notes form part of these financial statements.

## Consolidated Statement of Changes in Equity for the Half Year Ended 31 December 2014

	Contributed Equity \$	Share-Based Compensation \$	Performance Shares \$	Accumulated Losses \$	Total \$
Balance at 30 June 2014	38,492,606	2,169,600	652,778	(29,396,989)	11,917,995
Unlisted Options expense	-	65,940	-	-	65,940
Total comprehensive income	-	-	-	(55,910)	(55,910)
Balance at 31 Dec 2014	38,492,606	2,235,540	652,778	(29,452,899)	11,928,025

	Contributed Equity \$	Share-Based Compensation \$	Performance Shares \$	Accumulated Losses \$	Total \$
Balance at 30 June 2013	38,492,606	2,094,266	652,778	(23,233,607)	18,006,043
Unlisted Options expense	-	9,394	-	-	9,394
Total comprehensive income	-	-	-	(6,100,196)	(6,100,196)
Balance at 31 Dec 2013	38,492,606	2,103,660	652,778	(29,333,803)	11,915,241

The accompanying notes form part of these financial statements.

## Consolidated Statement of Cash Flow for the Half Year Ended 31 December 2014

	Note	31-Dec-14 \$	31-Dec-13 \$
<b>Cash flows related to operating activities</b>			
Payments to suppliers and employees		(480,098)	(304,340)
Interest received		54,297	87,256
Research and development cashback		300,019	-
Increase in rental guarantee		-	(6,698)
<b>Net cash (outflow) from operating activities</b>		<b>(125,782)</b>	<b>(223,782)</b>
<b>Cash flows related to investing activities</b>			
Payment for purchases of plant and equipment		-	(671)
Payment for exploration and evaluation	3	(579,895)	(898,207)
<b>Net cash (outflow) from investing activities</b>		<b>(579,895)</b>	<b>(898,878)</b>
<b>Cash flows related to financing activities</b>			
Capital raising costs		-	-
<b>Net cash (outflow) from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(705,677)</b>	<b>(1,122,660)</b>
Cash and cash equivalents at the beginning of the half year		3,627,522	5,406,420
<b>Cash and cash equivalents at the end of the half year</b>		<b>2,921,845</b>	<b>4,283,760</b>

The accompanying notes form part of these financial statements.



## Notes to the Financial Statements

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### Note 1. Basis of Preparation

#### **Reporting Entity**

Acacia Coal Limited (the Company) is a company domiciled in Australia. The consolidated Interim Financial Report of the Company as at and for the six months ended 31 December 2014 and 31 December 2013 comprises the Company and its subsidiary, Mt Garnet Mines NL (together referred to as the Group).

#### **Statement of Compliance**

This general purpose Financial Report for the interim half-year reporting period ended 31 December 2014 has been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncement of Australian Accounting Standards Board and the Corporations Act 2001.

This half-year Financial Report does not include all notes of the type normally included in an Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position, and financing and investing activities of the entity as the full Financial Report. Accordingly, this Report is to be read in conjunction with the Annual Report for the year ended 30 June 2014 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

#### **Significant Accounting Policies**

The accounting policies and methods of computation adopted in the preparation of the half-year Financial Report are consistent with those adopted and disclosed in the Company's 2014 Annual Financial Report for the financial year ended 30 June 2014, 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.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period. New and revised Standards and Amendments thereof, and Interpretations effective for the current reporting period that are relevant to the Group include AASB 10 (Consolidated Financial Statements – 2011), 11 (Joint Arrangements), 13 (Fair Value Measurement) and 119 (Employee Benefits – 2011). The nature and effect of the changes have had no significant impact on the assets, liabilities and comprehensive income of the Group.

The adoption of these amendments has not resulted in any changes to the Group's accounting policies.

#### **Going Concern Basis**

These financial statements have been prepared on a going concern basis for the half year ended 31 December 2014. The Group incurred an operating loss of \$55,910 for the six months; and for the year ended 30 June 2014 the Group incurred an operating loss of \$6,163,382. The financial statements have been prepared on a going concern basis because the Company has sufficient cash reserves to fund planned activities for the next 12 months. The Group has cash and cash equivalents of \$2,921,845 at 31 December 2014 (30 June 2014: \$3,627,522). If the Company is unable to continue as a going concern, it may be necessary to realise assets and extinguish liabilities other than in the ordinary course of business, and at amounts different to those stated in the financial statements.

### Note 2. Segment Reporting

The Group operates in one business segment and one geographic segment, being the exploration and development of coal resources in Queensland, Australia.

## Notes to the Financial Statements (continued)

### Note 3. Exploration and Evaluation

	31-Dec-14 \$	31-Dec-13 \$
<b>Exploration and evaluation</b>		
At 1 July	8,489,935	13,020,496
Additions	579,895	898,207
Exploration expense - write-off EPCs relinquished	-	(6,318,378)
<b>At 31 December</b>	<b>9,069,830</b>	<b>7,600,325</b>

In the period to 31 December 2013, the Company decided to relinquish its less-prospective exploration tenements, which resulted in a write-off at that time of \$6,318,378, made up of the purchase consideration of \$6,063,560 and the amount expended on exploration of \$254,818. The balance carried forward represents expenditure on the Comet Ridge Project.

### Note 4. Contingent Liability

There were no contingent liabilities or assets at 31 December 2014.

### Note 5. Contributed Equity

		31-Dec-14 No.	\$		30-Jun-14 No.	\$
<b>Share Capital</b>						
Fully Paid Ordinary Shares	903,787,924	38,492,606		903,787,924	38,492,606	

There were no movements in fully paid ordinary shares during the six months ended 31 December 2014. There were 44,000,000 options issued in December 2013 (with an exercise price of \$0.02 and an expiry date of 5 December 2018) and 25,000,000 options were cancelled in September 2013.

### Note 6. Events Subsequent to Reporting Date

No matters or circumstances, not otherwise dealt with in the Interim Financial Report, have arisen since the end of the half year and to the date of this Report that significantly affect or may significantly affect the operations of the Group, the results of the Group, or the state of affairs of the Group in the financial years subsequent to the half year ended 31 December 2014.

## Directors' Declaration

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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 8:
  - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
  - (b) give a true and fair view of the Group's financial position as at 31 December 2014, and of its performance for the half year ended on that date; and that
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



**Gavin P May**  
Managing Director

Dated: 10 March 2015

## Auditor's Independence Declaration

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Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005  
P.O. Box 8716, Perth Business Centre WA 6849  
Phone (08) 9486 7094 [www.rothsayresources.com.au](http://www.rothsayresources.com.au)

The Directors  
Acacia Coal Ltd  
PO Box 758  
Chatswood NSW 2057

Dear Directors

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the review of the 31 December 2014 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.

  
Rolf Garda (Lead auditor)

Rothsay Chartered Accountants

Dated 10 March 2015



Chartered Accountants

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).

## Independent Auditor's Review Report



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005  
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### Independent Review Report to the Members of Acacia Coal Ltd

#### The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Acacia Coal Ltd for the half-year ended 31 December 2014.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2014 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Acacia Coal Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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*.

#### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of Acacia Coal Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 31 December 2014 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay

Rolf Garda  
Partner

Dated 10 March 2015



Chartered Accountants

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