



**ACACIA COAL LIMITED**

**ACN 009 092 068**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Meeting will be held at:

**TIME:** 10.00am (WST)

**DATE:** Monday 28 November 2016

**PLACE:** Level 7, 1008 Hay Street Perth

***The business of the Meeting affects your shareholding and your vote is important.***

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.00am (WST) on Saturday 26 November 2016.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2016."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR ADAM SANTA MARIA

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of clause 3.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Adam Santa Maria, a Director who was appointed on 16 December 2015, retires and, being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."*

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#### 4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR LOGAN ROBERTSON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of clause 3.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Logan Robertson, a Director who was appointed on 18 December 2015, retires and, being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."*

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**5. RESOLUTION 4 – ELECTION OF DIRECTOR – MR BRETT LAWRENCE**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 3.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Brett Lawrence, a Director who was appointed on 2 August 2016, retires and, being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.”*

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**6. RESOLUTION 5 – REMOVAL OF AUDITOR**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, pursuant to section 329 of the Corporations Act and for all other purposes, and subject to the passing of Resolution 6, approval is given for the removal of Rothsay Resources as the current auditor of the Company effective from the date of the Meeting.”*

**Short Explanation:** The Company is seeking the approval of Shareholders to remove Rothsay Resources as auditor.

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**7. RESOLUTION 6 – APPOINTMENT OF AUDITOR**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*“That, pursuant to section 327 of the Corporations Act and for all other purposes, and subject to the passing of Resolution 5, Pitcher Partners BA&A (WA) Pty Ltd, being qualified to act as auditor of the Company and having consented to act as auditor of the Company, be appointed as the auditor of the Company effective from the date of the Meeting”*

**Short Explanation:** In the event Shareholders approve the removal of Rothsay Resources as auditor, a new auditor needs to be appointed. Pitcher Partners BA&A (WA) Pty Ltd has provided their consent to being appointed as auditor subject to the approval of Shareholders.

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**8. RESOLUTION 7 – APPROVAL OF 10% PLACEMENT CAPACITY**

To consider and, if thought fit, to pass with or without amendment the following resolution as a **special resolution**:

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to the number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**9. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE – SHARES PURSUANT TO PLACEMENT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 135,568,188 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**10. RESOLUTION 9 – ISSUE OF UNLISTED OPTIONS TO EXECUTIVE CHAIRMAN – ADAM SANTA MARIA**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 20,000,000 Unlisted Options to Mr Adam Santa Maria (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Adam Santa Maria (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**11. RESOLUTION 10 – ISSUE OF UNLISTED OPTIONS TO NON-EXECUTIVE DIRECTOR – LOGAN ROBERTSON**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000 Unlisted Options to Mr Logan Robertson (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Logan Robertson (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (iii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**12. RESOLUTION 11 – ISSUE OF UNLISTED OPTIONS TO NON-EXECUTIVE DIRECTOR – BRETT LAWRENCE**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000 Unlisted Options to Mr Brett Lawrence (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Brett Lawrence (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**13. RESOLUTION 12 – SECTION 195 APPROVAL**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to and conditional on Resolutions 9 to 11 being passed, for the purposes of section 195(4) of the Corporations Act and for all other purposes, Shareholders approve and authorise the Directors to complete the transactions as contemplated in Resolutions 9 to 11."*

**Dated:** 24 October 2016

**By order of the Board**



**Adam Santa Maria**  
**Executive Chairman**

### **Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above.

### **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9389 2000.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.acaciacoal.com](http://www.acaciacoal.com).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

#### 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

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**3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR ADAM SANTA MARIA**

Clause 3.3 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

In accordance with Listing Rule 14.4 and the Constitution, any Director so appointed holds office only until the next following Annual General Meeting and is then eligible for re-election.

Mr Adam Santa Maria, having been appointed as a Director on 16 December 2015, will retire in accordance with clause 3.3 of the Constitution and Listing Rule 14.4 and, being eligible, seek re-election. A short resume for Mr Adam Santa Maria is included in the Directors' Report.

Resolution 2 is an ordinary resolution. The Board supports the re-election of Mr Santa Maria.

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**4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR LOGAN ROBERTSON**

Clause 3.3 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

In accordance with Listing Rule 14.4 and the Constitution, any Director so appointed holds office only until the next following Annual General Meeting and is then eligible for re-election.

Mr Logan Robertson, having been appointed as a Director on 18 December 2015, will retire in accordance with clause 3.3 of the Constitution and Listing Rule 14.4 and, being eligible, seek re-election. A short resume for Mr Logan Robertson is included in the Directors' Report.

Resolution 3 is an ordinary resolution. The Board supports the re-election of Mr Robertson.

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**5. RESOLUTION 4 – ELECTION OF DIRECTOR – MR BRETT LAWRENCE**

Clause 3.3 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

In accordance with Listing Rule 14.4 and the Constitution, any Director so appointed holds office only until the next following Annual General Meeting and is then eligible for re-election.

Mr Brett Lawrence, having been appointed as a Director on 2 August 2016, will retire in accordance with clause 3.3 of the Constitution and Listing Rule 14.4 and, being eligible, seek re-election. A short resume for Mr Brett Lawrence is included in the Directors' Report.

Resolution 4 is an ordinary resolution. The Board supports the re-election of Mr Lawrence.

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**6. RESOLUTIONS 5 AND 6 – REMOVAL AND APPOINTMENT OF AUDITOR**

Under Section 329 of the Corporations Act, an auditor of a company may be removed from office by resolution at a general meeting of which 2 months' notice of intention to move the resolution has been given.

It should be noted that under this section, if a company calls a meeting after the notice of intention has been given, the meeting may pass the resolution even though the meeting is held less than 2 months after the notice of intention is given.

Resolution 5 is an ordinary resolution seeking Shareholders approval for the removal of Rothsay Resources as the auditor of the Company and is subject to the passing of Resolution 6. An auditor may be removed in a general meeting provided that the notice of intention to remove the auditor has been received from a member of the company.

The notice of intention to remove Rothsay Resources as auditor of the Company and nomination of Pitcher Partners BA&A (WA) Pty Ltd as auditor of the Company is provided to Shareholders in Schedule 1 to this Notice.

In accordance with section 329(2) of the Corporations Act, the Company has sent a copy of the notice to Rothsay Resources and the ASIC.

Under Section 327D of the Corporations Act, the Company in a general meeting may appoint an auditor to replace an auditor removed under Section 329 of the Corporations Act.

Resolution 6 is a special resolution seeking the appointment of Pitcher Partners BA&A (WA) Pty Ltd as the new auditor of the Company.

Under section 328B(1) of the Corporations Act a company may appoint an auditor provided a member of the company gives written notice of the nomination of that auditor.

As required by the Corporations Act, a nomination for Pitcher Partners BA&A (WA) Pty Ltd to be appointed as the auditor of the Company has been received from a member. A copy of the nomination of Pitcher Partners BA&A (WA) Pty Ltd as auditors is set out at Schedule 1.

Before the auditor is appointed, it must provide its written consent in accordance with section 328A(1) of the Corporations Act to act as auditor, and must not have withdrawn that consent before the appointment is made.

Pitcher Partners BA&A (WA) Pty Ltd has given written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act subject to Shareholder approval of this resolution.

If Resolution 5 is passed and Rothsay Resources is removed under as auditor, the appointment of Pitcher Partners BA&A (WA) Pty Ltd as the Company's auditor will take effect at the close of this Meeting.

Resolution 6 is subject to the passing of Resolution 5.

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## **7. RESOLUTION 7– APPROVAL OF 10% PLACEMENT CAPACITY– SHARES**

### **7.1 General**

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$6,236,136 (based on the number of Shares on issue and the closing price of Shares on the ASX on 24 October 2016).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: AJC).

If Shareholders approve Resolution 7, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 7 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 7 for it to be passed.

## **7.2 Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 7:

### **(a) Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 7.2(a)(i), the date on which the Equity Securities are issued.

### **(b) Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

**(10% Placement Capacity Period).**

### **(c) Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 7 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 24 October 2016.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

| Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2) | Dilution                            |  |                        |  |
|--|-------------------------------------|--|------------------------|--|
|  | Issue Price (per Share)             | \$0.003<br>50% decrease in Issue Price | \$0.006<br>Issue Price | \$0.012<br>50% increase in Issue Price |
| <b>1,039,356,112</b><br>(Current Variable A)                       | Shares issued - 10% voting dilution | 103,935,611 Shares                     | 103,935,611 Shares     | 103,935,611 Shares                     |
|  | Funds raised                        | \$311,806                              | \$623,613              | \$1,247,227                            |
| <b>1,559,034,168</b><br>(50% increase in Variable A)               | Shares issued - 10% voting dilution | 155,903,417 Shares                     | 155,903,417 Shares     | 155,903,417 Shares                     |
|  | Funds raised                        | \$467,710                              | \$935,420              | \$1,870,841                            |
| <b>2,078,712,224</b><br>(100% increase in Variable A)              | Shares issued - 10% voting dilution | 207,871,222 Shares                     | 207,871,222 Shares     | 207,871,222 Shares                     |
|  | Funds raised                        | \$623,613                              | \$1,247,227            | \$2,494,454                            |

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 1,039,356,112 Shares on issue.
2. The issue price set out above is the closing price of the Shares on the ASX on 24 October 2016 (being \$0.006 per Share).
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

**(d) Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration. In such circumstances the Company intends to use funds raised for expanding or accelerating the Company's existing business activities (including expenses associated with the Company's acquisition of the RAC,

planned expenditure on the RAC and planned expenditure on the Company's Comet Ridge Coal Project), pursuing other acquisitions that have a strategic fit or will otherwise add value to Shareholders (including the expenses associated with such acquisitions) and general working capital; or

- (ii) as non-cash consideration in relation to the acquisition of new resource assets or investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company has not previously requested approval from its Shareholders pursuant to ASX Listing Rule 7.1A (**Previous Approval**).

During the 12 month period preceding the date of the Meeting, being on and from 28 November 2015, the Company otherwise issued a total of 135,568,188 Shares which represents approximately 15% of the total diluted number of Equity Securities on issue in the Company on 28 November 2015, which was 903,787,924.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 2.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

### 7.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 7.

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## 8. RESOLUTION 8 - RATIFICATION OF PRIOR ISSUE – SHARES PURSUANT TO PLACEMENT

### 8.1 General

On 17 October 2016, the Company announced that it had entered into a binding Agreement with Coalvent Limited to acquire a 74% interest in the Riversdale Anthracite Colliery (**RAC**), a premier anthracite project in South Africa, together with a capital raising to raise approximately \$2 million.

The capital raising was to be completed in two tranches, comprising:

- (a) a placement to sophisticated and professional investors of approximately 135 million Shares at an issue price of \$0.003 to raise approximately \$405,000 (before costs) (**Placement**); and
- (b) an underwritten non-renounceable entitlements offer, offering 1 new Share for every 2 Shares held on the relevant record date, at a price of \$0.003 per new Share to raise approximately \$1.56 million (before costs),

(together, the **Capital Raising**).

The proceeds of the capital raising will be used for the costs associated with the acquisition of the RAC, planned expenditure on the RAC, together with planned expenditure on the Company's Comet Ridge Coal Project and working capital.

On 24 October 2016, the Company issued 135,568,188 Shares at an issue price of \$0.003 per Share to raise \$406,704 (before costs) pursuant to the Placement.

Resolution 8 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Resolution 8 is an ordinary resolution.

## 8.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 135,568,188 Shares were issued;
- (b) the issue price was \$0.003 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to professional and sophisticated investors. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue are being deposit on the acquisition of the RAC, costs of the Capital Raising, planned expenditure on the Company's Comet Ridge Coal Project and working capital; and
- (f) a voting exclusion is included in the Notice

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## 9. RESOLUTIONS 9 TO 11 – ISSUE OF UNLISTED OPTIONS TO DIRECTORS

### 9.1 General

In light of the significant work required of the Directors in connection with the acquisition of the RAC and the level of cash remuneration paid by way of Director fees, the Company has agreed, subject to obtaining Shareholder approval, to issue a total of 40,000,000 Options, each exercisable at \$0.006 on or before the date that is five years after their date of issue, (**Unlisted Options**) to Directors of the Company as follows:

- (a) 20,000,000 Unlisted Options to Executive Chairman Adam Santa Maria (or his nominee) (Resolution 9);
- (b) 10,000,000 Unlisted Options to Non-Executive Director Logan Robertson (or his nominee) (Resolution 10) and
- (c) 10,000,000 Unlisted Options to Non-Executive Director Brett Lawrence (or his nominee) (Resolution 11)

The Unlisted Options will be issued to Messrs Santa Maria, Robertson and Lawrence (or their nominees) (together, the **Relevant Directors**) on the terms and conditions set out in Schedule 3 of this Notice.

The Company is a small listed company. The Company has limited funds, most of which are allocated to specific development activities. As a result, the Board has chosen to issue Unlisted Options to the Directors as a key component of the incentive portion of their remuneration in order to retain the services of the Directors and to provide incentive linked to the performance of the Company. The Board considers that the experience of the Directors will greatly assist the development of the Company. As such, the Board believes that the number of Unlisted Options to be granted to the Directors are commensurate with their value to the Company. The primary purpose of the grant of the Unlisted Options to the Related Parties who are Directors is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles.

Resolutions 9 to 11 seek Shareholder approval for the grant of the Unlisted Options to the Relevant Directors.

Resolutions 9 to 11 are ordinary resolutions.

## 9.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Unlisted Options constitutes giving a financial benefit and the Relevant Directors are related parties of the Company by virtue of being Directors.

The Directors (other than Adam Santa Maria in relation to Resolution 9, Logan Robertson in relation to Resolution 10 and Brett Lawrence in relation to Resolution 11 given their material personal interests in these respective Resolutions) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Unlisted Options because the agreement to grant the Unlisted Options, reached as part of the remuneration package for the Relevant Directors, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

## 9.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Unlisted Options involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Unlisted Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Unlisted Options to the Relevant Directors (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1

## 9.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 9 to 11:

- (a) the Unlisted Options will be granted to the Relevant Directors (or their nominees);
- (b) the total number of Unlisted Options to be issued is 40,000,000, consisting:
  - (i) 20,000,000 Unlisted Options to Executive Chairman Adam Santa Maria (or his nominee) (Resolution 9);
  - (ii) 10,000,000 Unlisted Options to Non-Executive Director Logan Robertson (or his nominee) (Resolution 10); and
  - (iii) 10,000,000 Unlisted Options to Non-Executive Director Brett Lawrence (or his nominee) (Resolution 11).

- (c) the Unlisted Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (d) the Unlisted Options will be issued for nil cash consideration, accordingly no funds will be raised;
- (e) the Unlisted Options are each exercisable at \$0.006 on or before the date that is five years after their issue, Unlisted Options. Shares issued on exercise of the Unlisted Options will comprise fully paid ordinary shares of the Company ranking equally in all respects with the Company's existing Shares; Further terms and conditions of the Unlisted Options are set out in Schedule 3; and
- (f) a voting exclusion statement is contained in the Notice.

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**10. RESOLUTION 12 – SECTION 195 APPROVAL**

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a “material personal interest” are being considered.

Some of the Directors may have a material personal interest in the outcome of Resolutions 9 to 11. In the absence of this Resolution 12, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms of Resolutions 9 to 11.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve upon.

Resolution 12 is an ordinary resolution and is subject to Resolutions 9 to 11 being passed.

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## GLOSSARY

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\$ means Australian dollars.

**10% Placement Capacity** has the meaning given in Section 7.1.

**10% Placement Period** has the meaning in Section 7.2(b).

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Capital Raising** has the meaning given in Section 8.1.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Acacia Coal Limited (ACN 009 092 068).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Placement** has the meaning given in Section 8.1.

**Proxy Form** means the proxy form accompanying the Notice.

**RAC** has the meaning given in Section 8.1.

**Ratification** has the meaning given in Section 8.1.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2016.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Unlisted Options** means an Option exercisable at \$0.006 on or before the date that is five years after their issue and otherwise on the terms and conditions set out in Schedule 3.

**Variable A** means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

**WST** means Western Standard Time as observed in Perth, Western Australia.

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**SCHEDULE 1 – NOTICE OF INTENTION AND NOMINATION**

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13 October 2016

Acacia Coal Limited  
Level 7, 1008 Hay Street  
Perth WA 6000

Dear Sirs

**NOTICE OF INTENTION AND NOMINATION**

I, Adam Santa Maria, being a Director of Acacia Coal Limited (Company), request that a general meeting of the Company be held at the first available time, in any event no later than 2 months from the date of this notice, to consider and, if thought fit, pass resolutions that:

- a) Rothsay Resources be removed as auditor of the Company; and
- b) Pitcher Partners BA&A (WA) Pty Ltd be appointed as the new auditor of the Company.

Furthermore, for the purposes of Section 328B(1) of the Corporations Act 2001, I hereby give you notice of the nomination of Pitcher Partners BA&A (WA) Pty Ltd, as auditor of the Company.

Regards



Adam Santa Maria  
CEO/Chairman

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**SCHEDULE 2 – ISSUES OF EQUITY SECURITIES SINCE 28 NOVEMBER 2015**


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| Date                    | Quantity    | Class           | Recipients                               | Issue Price And Discount To Market Price (If Applicable) <sup>1</sup>   | Form Of Consideration  |
|-------------------------|-------------|-----------------|--|---|--|
| Issue – 24 October 2016 | 135,568,188 | Ordinary Shares | Professional and Sophisticated Investors | \$0.003<br><br>(being a 40% discount to the closing price of the Company's Shares on the day prior to announcing the Placement) | Cash<br><br>Amount Raised = \$406,704 (before costs)<br><br>Use Of Funds = Will be used for deposit on the acquisition of the RAC, costs of the Capital Raising, planned expenditure on the Company's Comet Ridge Coal Project and working capital |

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### SCHEDULE 3 – TERMS AND CONDITIONS OF UNLISTED OPTIONS

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- (a) Each Option gives the holder the right to subscribe for one Share upon the exercise of each Option.
- (b) The Options have no vesting period.
- (c) The Options are exercisable on or prior to the date which is five years post the date of their issue (the "**Expiry Date**") by notice in writing to the Directors of the Company accompanied by payment of the exercise price.
- (d) An Option not exercised on or before the Expiry Date will automatically lapse.
- (e) Subject to paragraph (m), the amount payable upon exercise of each Option will be \$0.006 (**Exercise Price**), which represents a 100% premium to the issue price of the Placement shares.
- (f) The Options held may be exercised in whole or in part, and if exercised in part, multiples of 10,000 must be exercised on each occasion.
- (g) The Optionholder may exercise the Incentive Options by lodging with the Company, on or before the Expiry Date:
  - i. a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
  - ii. a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised.
- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (i) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Incentive Options specified in the Exercise Notice.
- (j) The Options shall be freely transferable and subject to compliance with the Corporations Act.
- (k) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (l) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (m) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (n) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (o) An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

## PROXY FORM

ACACIA COAL LIMITED (ACN 009 092 068)

### ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10.00am, on Monday 28 November 2016 at Level 7, 1008 Hay Street Perth WA 6000, and at any adjournment thereof.

#### AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 9-11 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 9-11 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

#### CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

| Voting on business of the Meeting |   | FOR                      | AGAINST                  | ABSTAIN                  |
|-----------------------------------|---|--------------------------|--------------------------|--------------------------|
| Resolution 1                      | Adoption of Remuneration Report                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2                      | Election of Director – Mr Adam Santa Maria                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3                      | Election of Director – Mr Logan Robertson                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4                      | Election of Director – Mr Brett Lawrence                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5                      | Removal of Auditor  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6                      | Appointment of Auditor  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7                      | Approval of 10% Placement Capacity– Shares                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8                      | Ratification of Prior Issue – Shares Pursuant to Placement    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 9                      | Issue of Unlisted Options to Related Party – Adam Santa Maria | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 10                     | Issue of Unlisted Options to Related Party – Logan Robertson  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 11                     | Issue of Unlisted Options to Related Party – Brett Lawrence   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 12                     | Section 195 Approval  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name:

Contact ph (daytime):

E-mail address:

Consent for contact by e-mail in  
relation to this Proxy Form:

YES ☐ NO ☐

## Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Acacia Coal Ltd, PO Box 7209, CLOISTERS SQUARE WA 6850; or
  - (b) facsimile to the Company on facsimile number +61 8 9389 2099; or
  - (c) email to the Company at [info@acaciacoal.com.au](mailto:info@acaciacoal.com.au),so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**