



Acacia Coal Limited
ACN 009 092 068

Notice of Annual General Meeting

The Annual General Meeting of the Company will be held at Ground Floor, 16 Ord Street, West Perth WA 6005 on Monday, 26 October 2020, at 10.30 am or post completion of the general meeting (WST).

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on +61 8 9482 0520.

SHAREHOLDERS WILL NOT BE ABLE TO ATTEND THE MEETING IN PERSON.

Shareholders are urged to vote by lodging the proxy form attached to the Notice.

Acacia Coal Limited
ACN 009 092 068
(Company)

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Shareholders of Acacia Coal Limited will be held at Ground Floor, 16 Ord Street, West Perth WA 6005 on Monday, 26 October 2020, at 10.30 am or post completion of the general meeting (WST). **(Meeting)**.

The Board is closely monitoring the rapidly changing coronavirus (COVID-19) pandemic. The health of the Company's Shareholders, employees and other stakeholders is of paramount importance.

While the Board would like to host all Shareholders in person, in order to minimise the risk to Shareholders and to the Company and its ongoing operations, Shareholders will not be able to attend the Meeting in person.

Accordingly, the Directors strongly encourage all Shareholders to lodge Proxy Forms prior to the Meeting. The Company advises that a poll will be conducted for each of the Resolutions. Further information on how to participate in the Meeting is set out in the Explanatory Memorandum.

The Board will continue to monitor Australian Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at www.acaciacoal.com.au and the ASX announcements platform.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

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 as Shareholders on Saturday, 24 October 2020 at 5.00pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2020, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2 Resolutions

Resolution 1 – Remuneration Report

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

'That the Remuneration Report be adopted by Shareholders on the terms and conditions in the Explanatory Memorandum.'

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

Resolution 2 – Re-election of Director – Mr Brett Lawrence

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

'That, in accordance with Rule 3.6 of the Constitution, 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 elected as a Non-Executive Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Approval of 10% Placement Facility

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

'That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 3, if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under the 10% Placement Facility, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any associate of those persons;

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (b) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (c) the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

- (d) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Shares held by or for an employee incentive scheme must only be voted on a Resolution under the Listing Rules if and to the extent that they are held for the benefit of a nominated participant in the scheme; the nominated participant is not excluded from voting on the Resolution under the Listing Rules; and the nominated participant has directed how the Shares are to be voted.

Voting prohibitions

Resolution 1: In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (e) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (f) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

BY ORDER OF THE BOARD



Ben Donovan
Company Secretary
Acacia Coal Limited

Dated: 18 September 2020

Acacia Coal Limited
ACN 009 092 068
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Ground Floor, 16 Ord Street, West Perth WA 6005 on Monday, 26 October 2020, at 10.30 am or post completion of the general meeting (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 3	Financial Statements
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-election of Director – Mr Brett Lawrence
Section 6	Resolution 3 – Approval of 10% Placement Facility
Schedule 1	Definitions

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Voting in person

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company is not able to allow Shareholders to physically attend the Meeting. Please refer to the information below on how Shareholders can participate in the Meeting.

2.2 Proxies

All voting will be conducted by poll using proxy instructions received in advance of the Meeting. The poll will be conducted based on votes submitted by proxy and at the Meeting by shareholders who have indicated that they intend to vote at the Meeting in accordance with the instructions set out below.

The Directors instruct all shareholders who would like to have their vote counted to either:

- (a) vote by lodging a proxy form prior to Saturday 24 October 2020 at 5.00pm (WST) (**Proxy Cut-Off Time**) (recommended); or
- (b) Shareholders who wish to participate and vote at the Meeting should contact the Company at bdonovan@ventnorcapital.com or by phone at +61 8 9482 0520 prior to 5.00pm (WST) on Saturday 24 October 2020, at which point the Company will email you a personalised poll form for the purpose of voting on a poll at the Meeting.

How Shareholders can participate:

- (a) Shareholders are strongly urged to appoint the Chair as their proxy. Shareholders can complete the proxy form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business, and the Chair must follow your instructions. Lodgement instructions (which include the ability to lodge proxies online) are set out in the Proxy Form attached to the Notice. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting.
- (b) Shareholders who intend to participate and vote on a poll at the Meeting must contact the Company at bdonovan@ventnorcapital.com or by phone at +61 8 9482 0520 to notify the Company that you intend to participate and vote on a poll at the Meeting by emailing the Company a poll form. You will also need to register and access the Shareholder Meeting by videoconference to follow the meeting and timing of the poll (see below). After giving notice and following the Proxy Cut-Off Time, the Company will send you a personalised poll form. The personalised poll form must be completed and returned to the Company after the poll has been called and prior to the close of polling. During the Meeting, the Chair will notify you when and how you are able to complete and return the personalised poll form. The results of the Meeting will then be announced on the ASX in accordance with the Listing Rules.
- (c) Shareholders who have completed a proxy form but have not notified the Company that you intend to participate and vote on a poll at the Meeting will have an opportunity to participate in the meeting through the videoconference facility described below. In this circumstance, the person you have appointed as proxy will cast your vote on your behalf. Shareholders are encouraged to complete a Proxy Form to provide specific instructions to the Chair on how the Shareholder's vote is to be exercised on each item of business. The Chair must follow your instructions.

A Proxy Form is enclosed with this Notice. The Directors strongly encourage all Shareholders to sign and return the Proxy Form to the Company or Share Registry in accordance with the instructions thereon.

2.3 **Chair's voting intentions**

The Chair intends to exercise all available proxies in favour of all Resolutions unless the Shareholder has expressly indicated a different voting intention.

2.4 **Submitting questions**

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at bdonovan@ventnorcapital.com by Saturday 24 October 2020.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

2.5 Remote attendance via video conference

The Meeting will be accessible to all Shareholders via a **live webinar**, which will allow Shareholders to listen and observe the Meeting and ask questions in relation to the business of the Meeting. To register and access the Meeting by webinar Shareholders should copy the link below to your web browser:

Link:

<https://us02web.zoom.us/j/89540402713?pwd=N3N3UE5jRUZCbjBjNkRXZGFPSWI5Zz09>

Alternatively you can dial in:

Dial by your location

- +61 7 3185 3730 Australia
- +61 8 6119 3900 Australia
- +61 8 7150 1149 Australia
- +61 2 8015 6011 Australia
- +61 3 7018 2005 Australia
- +1 253 215 8782 US (Tacoma)
- +1 669 900 6833 US (San Jose)
- +1 346 248 7799 US (Houston)
- +1 929 436 2866 US (New York)
- +1 301 715 8592 US (Germantown)
- +1 312 626 6799 US (Chicago)

Further details on how to dial in to the videoconference will also be available on the Company's website.

3. Financial Statements

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the Annual Report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Directors' Report, the Remuneration Report, the Financial Report and the Auditor's Report.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <http://acaciacoal.com.au/investors/announcements/>;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Remuneration Report

Subsection 250R(2) of 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. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors or the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

The Company's Remuneration Report did not receive a Strike at the 2019 annual general meeting. If at least 25% of the votes cast on this Resolution are voted against adoption of the Remuneration Report at this Meeting, and at the Company's 2021 annual general meeting, the Company will be required to put to Shareholders at the second annual meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting (**Spill Meeting**) within 90 days of the Company's 2021 annual general meeting. All of the Directors who were in office when the Company's 2021 Directors' Report 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 is approved will be the Directors of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

Resolution 1 is an ordinary resolution.

Given the material personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding Resolution 1.

5. Resolution 2 – Re-election of Director – Mr Brett Lawrence

5.1 General

Rule 3.6 of the Constitution requires that at each annual general meeting, one-third of the Directors are subject to retirement by rotation (or, if the number of Directors is not a multiple of three then the whole number nearest to one third must retire from office as Directors) and are eligible for re-election.

Rule 3.7 of the Constitution requires that the Directors to retire are those that have held office the longest since last being elected or appointed.

Listing Rule 14.5 requires the Company to hold an election of directors at each annual general meeting.

Non-Executive Director, Mr Lawrence was appointed as Non-Executive Director of the Company on 2 August 2016 and was re-elected last at the annual general meeting held on 19 November 2018 and accordingly retires and seeks re-election in accordance with Listing Rule 14.5 and Rule 3.6 of the Constitution.

If elected, the Board considers Mr Lawrence to be an independent Director.

If Resolution 2 is passed, Mr Lawrence will be appointed as a Non-Executive Director of the Company.

If Resolution 2 is not passed, Mr Lawrence will not be appointed as a Non-Executive Director of the Company.

Details regarding Mr Lawrence are set out in Section 5.2 below.

5.2 Background

Mr Lawrence has over 12 years of diverse experience in the resources industry, including seeking new venture opportunities with ASX listed companies. Mr Lawrence holds a Master of Petroleum Engineering, a Bachelor of Engineering (Mining) and Bachelor of Commerce

(Finance) from Curtin University in Western Australia. Mr Lawrence is a Non-Executive Director of Tamaska Oil and Gas Ltd (ASX: TMK).

On Completion of the acquisition by the Company of 100% of the issued capital of Graphene Technology Solutions Ltd ACN 629 889 550 in accordance with the Share Sale Agreement announced by the Company on 22 July 2020 (**Acquisition**), Mr Lawrence will resign from the Board

5.3 **Board recommendation**

Resolution 2 is an ordinary resolution.

The Board has reviewed Mr Lawrence's performance since his appointment to the Board and considers that Mr Lawrence's skills and experience around project understanding and capital raisings will continue to enhance the Board's ability to perform its role. Therefore, the Directors (other than Mr Lawrence) recommend Shareholders vote in favour of the re-election of Mr Lawrence for the following reasons:

6. **Resolution 3 - Approval for Additional 10% Placement Facility**

6.1 **General**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed entity can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Listing Rule 7.1A provides that an eligible entity may seek Shareholder approval by way of a special resolution passed at its annual general meeting, to allow it to issue Equity Securities totalling up to 10% of its issued capital through placements over a period up to 12 months after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

Resolution 3 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 this Resolution for it to be passed.

Resolution 3 seeks Shareholder approval by way of a special resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.1(e) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.10 below).

If Resolution 3 is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

The Board believes that this Resolution is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this resolution.

(a) **What Equity Securities can be issued?**

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue being:

- (i) 4,067,651,670 fully paid ordinary Shares (20,338,258 Shares on a post-Consolidation basis).

In addition, the Company has on issue:

- (ii) 75,000,000 Unquoted Options expiring 8 October 2020 and exercisable at \$0.0015 (375,000 Unquoted Options on a post-Consolidation basis);
- (iii) 42,500,000 Unquoted Options expiring 5 December 2021 and exercisable at \$0.006 (212,500 Unquoted Options on a post-Consolidation basis); and
- (iv) 195,000,000 Unquoted Options expiring 9 August 2023 and exercisable at \$0.0015 (975,000 Unquoted Options on a post-Consolidation basis).

(Unquoted Options).

The above figures are provided on a pre-Consolidation basis unless expressed otherwise. Shareholders should note that the Company has despatched a notice of general meeting to Shareholders on Monday 21 September 2020 (**EGM Notice**). The EGM Notice contains a number of resolutions which relate to the Company's proposed Acquisition, which if approved, will affect the capital structure of the Company. In particular, the EGM Notice includes resolutions seeking, among other things:

- (v) to consolidate the Share capital of the Company so that:
 - (A) every 200 Shares be consolidated into one Share; and
 - (B) all Options on issue be adjusted in accordance with Listing Rule 7.22;(together, the **Consolidation**), and
- (vi) approval under Listing Rule 11.1.2 to undertake the Acquisition; and
- (vii) to issue Securities in conjunction with the Acquisition, including the issue of Shares by way of a public offer (**Public Offer**).

Shareholders should note that in the event the resolutions set out in the EGM Notice are passed and the Acquisition proceeds, it will affect the Securities on issue in the Company. For further information on how the Acquisition, Public Offer and Consolidation will impact the capital structure of the Company, please see Section 4.12 of the EGM Notice.

In conjunction with the Acquisition the Company will undertake the Public Offer. The Company is satisfied that upon completion of the Public Offer the Company will have sufficient working capital to meet its stated objections and confirms that it has no immediate intentions to use the 10% Placement Facility. The Company seeks approval

for the 10% Placement Facility to maintain maximum optionality to raise money through the issue of Shares over the period following completion of the Public Offer.

(b) **How many Equity Securities can be issued?**

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid Shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include any issue of Shares under the Company's 15% annual placement capacity without Shareholder approval; and
- (iv) less the number of fully paid Shares cancelled in the 12 months.

Note that "A" has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(c) **What is the interaction with Listing Rule 7.1?**

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(d) **At what price can the Equity Securities be issued?**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 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 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

(Minimum Issue Price).

(e) **When can Equity Securities be issued?**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the later of the:

- (i) date of Meeting; and
- (ii) the reinstatement of the Shares to official quotation following completion of the Public Offer, Consolidation and Acquisition; and

will expire on the earlier to occur of:

- (iii) the date that is 12 months after the date of the Meeting;
- (iv) the time and date of the Company's next annual general meeting; or
- (v) the time and date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

Shareholders are advised that the Listing Rule 11.1.2 resolution set out in the EGM Notice, will be approved prior to this Resolution 3, and accordingly, will not cause the 10% Placement Period to expire.

(f) **What is the effect of this Resolution?**

The effect of this Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

6.2 Technical Information Required by Listing Rule 7.1A

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

(a) **Minimum Issue Price**

The Minimum Issue 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 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 10 Trading Days of the date, the date on which the Equity Securities are issued.

The Company will not issue Equity Securities under Listing Rule 7.1A for non-cash consideration.

(b) **Date of Issue**

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period.

Shareholder approval of the 10% Placement Facility will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2. For the avoidance of doubt, Shareholders are advised that the Listing Rule 11.1.2 resolution set out in the EGM Notice will be approved prior to this Resolution 3, and accordingly, will not cause the 10% Placement Period to expire.

(c) **Risk of voting dilution**

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

If this Resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Facility, the economic and voting dilution of existing Shares would be as shown in the table below (in the case of Options, only if the Options are converted into Shares).

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice, on a pre-Consolidation basis.

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 Facility.

Share on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.001 50% decrease in Current Market Price	\$0.001 Current Market Price	\$0.002 100% increase in Current Market Price
4,067,651,670 Shares Variable A	10% Voting Dilution	406,765,167 Shares	406,765,167 Shares	406,765,167 Shares
	Funds raised	\$203,383	\$406,765	\$813,530
6,101,477,505 Shares 50% increase in Variable A	10% Voting Dilution	610,147,751 Shares	610,147,751 Shares	610,147,751 Shares
	Funds raised	\$305,074	\$610,148	\$1,220,296

Share on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.001 50% decrease in Current Market Price	\$0.001 Current Market Price	\$0.002 100% increase in Current Market Price
8,135,303,340 Shares 100% increase in Variable A	10% Voting Dilution	813,530,334 Shares	813,530,334 Shares	813,530,334 Shares
	Funds raised	\$406,765	\$813,530	\$1,627,061

*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. The current Shares on issue are the Shares on issue as at 22 July 2020 when the Company's shares were suspended.
2. The current issue price set out above is the last price at which Shares were traded prior to 22 July 2020 when the Company's shares were suspended at \$0.01.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Facility.
4. The issue of Equity Securities under the 10% Placement Facility consists only of Shares (it does not include Partly Paid Shares or Quotes Options even though those securities may be issued under the 10% Placement Facility). It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
5. 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.
6. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.

Shareholders should note that there is a risk that:

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

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

(d) Purpose of Issue under 10% Placement Facility

The Company may decide to issue Equity Securities under the 10% Placement Facility for cash consideration to raise funds for the purpose of advancing any of its projects and working capital.

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

(e) **Allocation under the 10% Placement Facility**

The allottees of the Equity Securities to be issued under the 10% Placement Facility have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be a related party or an associate of a related party of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Facility, 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 Company's circumstances, including, but not limited to, its financial position and solvency;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous Approval under Listing Rule 7.1A**

The Company obtained approval under Listing Rule 7.1A at its previous annual general meeting on 29 November 2019. In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has not issued Equity Securities under Listing Rule 7.1A.

6.3 Voting Exclusion

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

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ or A\$	means Australian Dollars.
Annual Report	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 2020.
Acquisition	means the acquisition of Graphene Technology Solutions Ltd ACN 629 889 550 in accordance with the Share Sale Agreement and the Ancillary SSAs.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Auditor's Report	means the auditor's report on the Financial Report.
Board	means the board of Directors.
Business	means the business carried on by the Company, including the business of acquiring, exploring, evaluating and exploiting mineral resource project opportunities.
Business Day	means a day on which banks are open for business in Perth, New South Wales, other than a Saturday, Sunday or public holiday.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Closely Related Party	means: <ul style="list-style-type: none">(a) a spouse or child of the member; or(b) has the meaning given in section 9 of the Corporations Act.
Company	means Acacia Coal Resources Limited (ACN 009 092 068).
Completion	means completion of the Acquisition in accordance with the Share Sale Agreement.
Consolidation	has the meaning given in Section 6.1(a).
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director 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.
EGM Notice	has the meaning given in Section 6.1(a).

Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Financial Report	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
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.
Listing Rules	means the listing rules of ASX.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Notice	means this notice of annual general meeting.
Option	means an option to acquire a Share.
Proxy Form	means the proxy form attached to the Notice.
Public Offer	has the meaning given in Section 6.1(a).
Remuneration Report	means the remuneration report of the Company contained in the Directors' Report.
Resolution	means a resolution referred to in the Notice.
Rule	means a rule of the Constitution.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Share Sale Agreement	means the share sale agreement dated 21 July 2020 between the Company, Graphene Technology Solutions Ltd ACN 629 889 550 and the Proposed Directors which contemplates the Acquisition.
Spill Meeting	has the meaning given in Section 4.
Trading Day	has the meaning given in the Listing Rules.

VWAP

means volume weighted average market price.

WST

means Australian Western Standard Time being the time in Perth, Western Australia.

Acacia Coal Limited

ACN 009 092 068

PROXY FORM

The Company Secretary
Acacia Coal Limited

By post: PO Box 902, West Perth WA 6872
By hand delivery: Ground Floor, 16 Ord Street, West Perth, WA
By email: bdonovan@ventnrnorcapital.com

**Name of
Shareholder:¹**

**Address of
Shareholder:**

**Number of Shares
entitled to vote:**

Please mark ☒ to indicate your directions. Further instructions are provided overleaf.

STEP 1 – APPOINT A PROXY TO VOTE ON YOUR BEHALF

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the Meeting.

I/We being Shareholder/s of the Company hereby appoint:

**The Chair of
the Meeting
(mark box)**

☐

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy²

Or failing the person/body corporate named, or if no person/body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at the offices of Ventnor Capital, at 16 Ord Street West Perth, Western Australia on Monday, 26 October 2020 at 10.30am (WST), and at any adjournment or postponement of that Meeting.

CHAIR'S VOTING INTENTIONS IN RELATION TO UNDIRECTED PROXIES

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

Important: If the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chair to exercise the proxy in respect of Resolutions 1, 2 and 3 even though these Resolutions are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

STEP 2 - INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

	For	Against	Abstain*
Resolution 1 – Remuneration Report			
Resolution 2 – Re-election of Director – Mr Brett Lawrence			

	For	Against	Abstain*
Resolution 3 – Approval of 10% Placement Facility			

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

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

Authorised signature/s This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

Individual or Shareholder 1	Shareholder 2*	Shareholder 3*
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
Sole Director/Company Secretary	Director	Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹Insert name and address of Shareholder

² Insert name and address of proxy

*Omit if not applicable

PROXY NOTES

A Shareholder entitled to attend and vote at the Annual General Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Annual General Meeting. If the Shareholder is entitled to cast 2 or more votes at the Annual General Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Annual General Meeting, the representative of the body corporate to attend the Annual General Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Annual General Meeting the appropriate 'Certificate of Appointment of Representative' should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be provided to the Company Secretary at an address provided above by post, hand delivery or email not less than 48 hours prior to the time of commencement of the Annual General Meeting (WST).