
Quarterly Activities Report

Period Ended 30 June 2015

HIGHLIGHTS

- Comet Ridge Project Mining Lease Application progressing
- Triumph Seam bulk sample testing underway
- R&D Tax Refund received
- Cash-at-bank of \$2.29 million

COMET RIDGE PROJECT (EPC 1230)

Acacia Coal Limited (Acacia or the Company) is still aiming to develop a low capital, shallow open cut mining operation at Comet Ridge, producing semi hard coking and thermal coals.

The 2013 Pre-Feasibility Study confirmed that the Comet Ridge Project (EPC 1230) is feasible.

QUARTERLY ACTIVITY SUMMARY

COMET RIDGE PROJECT

Comet Ridge Mining Lease Application (MLA 700005)

The Comet Ridge MLA is being progressed through the numerous Government Departments, including the Queensland Departments of Natural Resources and Mines, and Environment and Heritage Protection (DNRM and DEHP) and the Australian Government Department of Environment (DOE).

The DNRM has approved the Comet Ridge Project development plan and have visited site and inspected the MLA pegging.

The DEHP has responded to the Comet Ridge Environmental Application (EA) lodgement and has issued an Information Request Notice. The responses to the request for further information are being progressed by Acacia and upon initial review there were no major concerns identified at this stage.

The Federal DOE is also required to decide if the Comet Ridge Project impacts on the *Environment Protection and Biodiversity Act 1999*. The Comet Ridge Project application has progressed through the public comment period and is awaiting the outcome of the Decision process.

Triumph Creek Infrastructure

Acacia continues to hold registered Caveats preventing the transfer or assignment of the Springsure Creek Coal Mining Lease applications, that are directly associated with the Comet Ridge Project. In September 2014, Bandanna Energy Limited was placed under Voluntary Administration and in October 2014, its subsidiary, Springsure Creek Coal, was placed into Receivership. Acacia continues to protect its interests in the Triumph Creek Infrastructure Mining



Lease application, which is located over the Company's Comet Ridge Project (EPC 1230) and is adjacent to the Comet Ridge Mining Lease application area. Legal proceedings are on foot in the Supreme Court and Land Court of Queensland seeking to maintain such caveats.

Coal Dry Processing Research and Development (R&D)

The Company's investigations have focussed on testing the hypothesis that Acacia can develop the mining and processing techniques that prove that a low capital, low risk shallow open cut operation capable of producing a semi-hard coking coal is possible at Comet Ridge.

The information gained, and results of the testing, have allowed Acacia to plan the final stage of the R&D testing of the problematic Fair Hill and Triumph seam coal types. Acacia will be up-scaling the bore core laboratory drop shatter testing to anticipated operational performance by recovering two 20 – 30 tonne bulk samples of "run of mine" (ROM) coal from the Triumph and Fair Hill seams. This will provide further understanding and data from substantially upsized processing and testing to verify whether the results of the processing and findings from previous laboratory scale testing are correct.

During the quarter, Acacia recovered a 23 tonne ROM representative full working section of the Triumph Seam from the proposed Triumph Pit. Drilling for the Fair Hill sample in the proposed Georges Pit test site was also undertaken during the quarter. Acacia is planning to extract the Fair Hill ROM sample late in the September 2015 Quarter.

The bulk sample testing will correlate the laboratory testing with actual mining scale performance. Specifically the bulk sampling aims to:

- Understand seam breakout characteristics and sizing during ROM handling;
- Process a bulk sample through a scaled up drop shatter and screening process;
- Correlate laboratory drop shatter results with a simulated mining operation; and
- Produce a marketable coking coal sample from the bulk sample testing process.

CORPORATE

Acacia continues to look for opportunities in a distressed coal market. The Company has conducted due diligence on a number of assets. However, no value adding acquisitions have been identified at this stage.

Cash Management

Cash management savings, which included changes to salaries and Directors' fees are now in place, and have resulted in Acacia being in a stronger financial position for the longer term.

During the Quarter Acacia received a cash-back tax refund of \$243,000 in respect of the R&D expenditure incurred during the prior year.

At 30 June 2015 Acacia held \$2.292 million cash-at-bank.

Release Date: 31 July 2015

For more information, please contact:

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ACACIA at a GLANCE

Acacia Coal Limited is involved in coal exploration and development. The Company identifies, acquires and takes advantage of opportunities in coal resources to provide coking thermal and coal suitable for the export market.

Schedule of Tenements as at 30 June 2015

The Company has a 100% interest in a coal exploration permit covering approximately 80 km² in Queensland's Bowen Basin, being EPC 1230 Comet Ridge.

ASX Listing Code: AJC

Directors

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

Management

Mr Robert Waring	Chief Financial Officer
Mr Graham Colliss	Chief Project Officer
Mr Harvey Crowden	Chief Metallurgist

Registered and Principal Office

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PO Box 758, Chatswood NSW 2057 Telephone: 1300 222 625 Facsimile: +61 2 9475 0869

Website and Email Address

Please visit Acacia Coal's website for the Company's latest announcements and news: www.acaciacoal.com
Email: info@acaciacoal.com

Issued Capital and Market Capitalisation

At 29 July 2015 Acacia Coal's issued capital was 903,787,924 ordinary shares and 44,000,000 unlisted options exercisable at 2 cents. On 23 June 2015 a total of 65,000,000 options with an exercise price of 5 cents expired. At a share price of \$0.002 (30 July 2015) the undiluted market capitalisation was \$1.8 million.

Number of Shareholders and Major Shareholders

At 29 July 2015 Acacia Coal had 1,264 shareholders. The Share Register records the following as major shareholders at 30 June 2015 accounting for 39.67% of the Company's issued shares:

Major Shareholders

	%
Charlotte Investments Pty Ltd	12.00
Argonaut Equity Partners Pty Limited	6.30
Skye Equity Pty Ltd	4.92
Pershing Australia Nominees Pty Ltd <Argonaut Account>	3.33
HSBC Custody Nominees (Australia) Limited	2.57
UBS Wealth Management Australia Nominees Pty Ltd	2.56
AFM Perseus Fund Limited	2.41
UOB Kay Hian Private Limited <Clients A/C>	2.02
JP Morgan Nominees Australia Limited	1.84
Citicorp Nominees Pty Limited	1.73

Cash Balance

At 30 June 2015 Acacia Coal's cash balance was approximately \$2.292 million.

Shareholder Enquiries

Matters relating to shares held and changes of address should be directed to the Company's Share Registry:

Boardroom Pty Limited

Level 12, 25 George Street, Sydney NSW 2000

GPO Box 3993, Sydney NSW 2001 Telephone: +61 2 9290 9600 Facsimile: +61 2 9279 0664

Email: enquiries@boardroomlimited.com.au Website: www.boardroomlimited.com.au