



Quarterly Activities Report

Period Ended 31 March 2016

The Directors of Acacia Coal Limited (**Acacia** or the **Company**) are pleased to present the March 2016 quarterly report.

Highlights during, and subsequent to, the quarter were as follows:

- Board and Management Restructure completed
- Significant reduction to corporate overhead and operating costs implemented
- Acacia continuing to consider alternative opportunities
- As at 31 March 2016, the Company had cash at bank of \$1 million.

QUARTERLY ACTIVITY SUMMARY

COMET RIDGE PROJECT

Comet Ridge EPC 1230 and Mining Lease Application (MLA 700005)

Acacia continues to wind back expenditure with respect to Comet Ridge to an appropriate level in order to ensure that the tenement remains in good standing. Acacia has progressed an application for the Exploration Industry Expenditure Concession with the Queensland Department of Natural Resources and Mines and expects to obtain a 50% concession on its expenditure commitments in relation to Comet Ridge.

Triumph Creek Infrastructure

Acacia continues to hold registered caveats preventing the transfer or assignment of the Springsure Creek Coal Pty Ltd MLAs, which are directly associated with the Comet Ridge Project. Legal proceedings continue in the Supreme Court and Land Court of Queensland seeking to maintain those caveats. Acacia, as the Plaintiff in the Supreme Court proceedings, has prepared its case in order to protect its interests in the Triumph Creek Infrastructure Agreements and the Springsure Creek MLAs, which are pegged over Acacia's EPC 1230.

Background: 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 MLA, which is located over the Company's Comet Ridge Project (EPC 1230) and is adjacent to the Comet Ridge MLA area.



CORPORATE

The restructure of the Board and Management was finalised during the quarter. Expenditures relating to salaries, termination payments and redundancy costs of previous board and management since the new management were appointed have been approximately \$700,000. These costs are one off non-recurring items which were unavoidable in the course of the restructure and the Company has taken significant steps to ensure that the ongoing administration costs of the Company have been significantly reduced to a more sustainable level.

During the quarter, the Company relocated its offices from Sydney to Perth in order to take advantage of cost savings and administrative synergies. Acacia has since entered into a Heads of Agreement with a sub-tenant of its office space in Chatswood, which on execution of the associated sub-lease, will further reduce office costs.

Also during the quarter, 36 million options, which had been issued under the Acacia Coal Employee and Contractor Option Share Trust Plan, with an exercise price of \$0.02 and an expiry date of 5 December 2018, expired following termination of the Plan members.

The Company is also expecting to receive an additional approximately \$135,000 gross payment by way of a refundable R&D tax offset.

Acacia continues to explore alternative opportunities to deliver more immediate value for shareholders than can be delivered by Comet Ridge alone. Whilst the Company has interrogated a number of opportunities, the Board will not execute any related transaction until it considers such an opportunity to provide outstanding value to the Company and its shareholders.

Cash Management

At 31 March 2016 Acacia had approximately \$1 million cash-at-bank.

Release Date: 29 April 2016

For enquiries, please contact:

Adam Santa Maria
Executive Chairman
+61 8 9389 2000



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 31 March 2016

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

Registered and Principal Office

Level 7, 1008 Hay Street, Perth Western Australia 6000
Telephone: +61 8 9320 4700

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 31 March 2016 Acacia Coal's issued capital was 903,787,924 ordinary shares and 8,000,000 unlisted options exercisable at 2 cents. At a share price of \$0.003 (27 April 2016) the undiluted market capitalisation was \$2.7 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

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

ACACIA COAL LTD (ASX Code: AJC)

ABN

13 009 092 068

Quarter ended ("current quarter")

31 March 2016

Consolidated statement of cash flows

	Current Quarter \$A'000	Year to date (9 Months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(6)	(649)
(b) development	-	-
(c) production	-	-
(d) administration	(364)	(703)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	8	33
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 (a) Other - refund R&D cashback	-	-
(b) Other - mineral royalties	-	-
Net operating cash flows	(362)	(1,319)
Cash flows related to investing activities		
1.8 Payment for purchases of		
(a) prospects	-	-
(b) equity investments	-	-
(c) other non current assets	-	-
1.9 Proceeds from sale of		
(a) prospects	-	-
(b) equity investments	-	-
(c) other non current assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(362)	(1,319)

1.13	Total operating and investing cash flows (brought forward)	(362)	(1,319)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - share issue costs	-	-
	Net Financing Cash Flows	-	-
	Net increase (decrease) in cash held	(362)	(1,319)
1.20	Cash at beginning of quarter/year to date	1,335	2,292
1.21	Exchange rate adjustments to Item 1.20	-	-
1.22	Cash at end of quarter	973	973

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	16
1.24	Aggregate amount of loans to the parties included in item 1.10	-

Explanation necessary for an understanding of the transactions

Directors fees, redundancies and termination payments, consultancy services and office relocation costs incurred during the period.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

There are no available financing facilities.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outlays for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	-
4.3 Production	-
4.4 Administration	60
TOTAL	110

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is follows.

	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	66	35
5.2 Deposits at call	907	1,300
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	973	1,335

Changes in interests in mining tenements

	Tenement Reference	Nature of Interest [note (2)]	Interest at Beginning of Quarter	Interest at End of Quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	None		
6.2	Interests in mining tenements acquired or increased	None		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preferences securities <i>(description)</i>				
7.2 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks, redemptions				
7.3 Ordinary securities <i>Fully paid</i>	903,787,924	903,787,924		
7.4 Changes during quarter (a) Increases through issues (b) decreases through returns of capital, buybacks				
7.5 Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) increases through issues (b) decreases through securities matured, converted				
7.7 Options <i>Options (AJCAI)</i>	8,000,000	-	<i>Exercise price</i> 2c	<i>Expiry date</i> 5/12/2018
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Cancelled or expired during quarter <i>Options (AJCAI)</i>	36,000,000	-	2c	5/12/2018
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does/~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

Director

Date: 29 April 2016

Print name:

Adam Santa Maria

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.