



Quarterly Activities Report

Period Ended 30 September 2016

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

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

- Revitalised coal market provides opportunities for Acacia
- Acacia to acquire the Riversdale Anthracite Colliery (RAC)
- Work underway to progress RAC

QUARTERLY ACTIVITY SUMMARY

Acacia and its advisors spent the majority of the September quarter actively evaluating a number of projects in line with its announced strategy to pursue opportunities that would deliver more immediate and ongoing value for its shareholders. The Company assessed multiple projects across a range of commodities and alternative investment opportunities, and is delighted to have been able to enter into an agreement to acquire the Riversdale Anthracite Colliery (**RAC**) from Rio Tinto as announced to the market on 17 October 2016.

RIVERSDALE ANTHRACITE COLLIERY

On 16 October 2016 Acacia Coal entered into a Sale and Purchase Agreement with Coalvent Ltd to acquire a 74% interest in the RAC, with its partner African Onca to acquire the remaining 26%.

Drilling and feasibility studies completed previously have demonstrated the RAC as a high grade, low impurity anthracite asset that is ideally positioned to service a South African anthracite market facing significant shortages in low impurity product, as well as provide product into the seaborne market for export.

Acacia will prioritise efforts, and has already commenced work to update the RAC's 2004 JORC Resource in accordance with JORC 2012 standards, and will work to refresh and update the bankable feasibility study completed in 2010, so that development of the RAC may proceed. Acacia sees the RAC as a near term opportunity with a relatively simple development pathway which lends itself to meeting Acacia's strategic objective of creating value for shareholders.

In order to assist with the development of the RAC, Acacia is pleased that a proven, on the ground, management team will join Acacia on completion of the transaction and looks forward to developing this opportunity to deliver quality product into a market with favourable economics.



COMET RIDGE PROJECT

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

Acacia continues to wind back expenditure with respect to Comet Ridge whilst ensuring that the tenement remains in good standing.

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 in the Supreme Court and Land Court of Queensland are continuing seeking to maintain those caveats and the Company is considering alternative courses of action given the purported termination of the Infrastructure Agreements by the Administrators of Bandanna Energy.

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

During the Quarter, the Company continued to execute its aggressive cost management strategy to ensure that shareholder value was retained in the Company. Notwithstanding, the Company was mindful to ensure that adequate resources were devoted to the assessment and investigation of potential opportunities that became available for consideration.

Subsequent to the quarter, the Company undertook a capital raising to raise approximately \$2 million. The Capital Raising included a 1:2 non renounceable entitlements offer to ensure that existing shareholders were invited to participate in the Company's future growth potential.

During the quarter 8,000,000 options lapsed in accordance with the terms and conditions of the options. The Company now has no options on issue.

Cash Management

At 30 September 2016 Acacia had approximately \$0.81 million cash-at-bank.

Release Date: 31 October 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.

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 Lawrence	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 9389 2000

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 30 September 2016 Acacia Coal's issued capital was 903,787,924 ordinary shares. Based on a share price of \$0.007 (27 October 2016), and taking into account the Company's placement of 135,568,188 shares on 24 October 2016, the undiluted market capitalisation was \$7.3 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 and oil and gas 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, 01/05/13, 01/09/16

Name of entity

ACACIA COAL LTD (ASX CODE: AJC)

ABN

13 009 092 068

Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(59)	(59)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(111)	(111)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(164)	(164)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3months) \$A'000
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	20	20
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	20	20
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	953	953
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(164)	(164)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	20	20
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	809	809

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	32	121
5.2	Call deposits	777	832
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	809	953

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
27
-

Director's fees and administrative reimbursements

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

NIL

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
NIL		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	200
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	75
9.6 Other (provide details if material)	450 ¹
9.7 Total estimated cash outflows	725

1. Payment to Coalvent under RAC Share Sale Agreement to pay deposit to Rio Tinto and Khulani Resources and RAC Transaction & Capital Raising costs

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director)

Date: 31 October 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.