



Quarterly Activities Report

Ended 30 June 2018

The Directors of Acacia Coal Limited (**Acacia** or the **Company**) provide a summary of activities in the June 2018 quarter.

On 18 June 2018 the Company signed a binding term sheet to acquire the Mt Bruce Project and the Mt Windarra Project, located in the Pilbara and Goldfields regions of Western Australia which are prospective for cobalt, copper and nickel and cover a combined area of approximately 60km².

The Mt Windarra Project comprises one granted Exploration Licence (EL39/1996) and is situated 25km west of Laverton. Consideration for the acquisition of the Mt Windarra Project will see the Company issue a total of 43.75m fully paid ordinary shares to the Vendors, subject to shareholder approval.

The Mt Bruce Copper-Cobalt Project is located in central WA, approximately 1km from the town of Tom Price, and also comprises one Exploration Licence (EL 47/3627). Consideration for the Mt Bruce Project will see the Company issue a total of 18.75m fully paid ordinary shares to the Vendors, subject to shareholder approval.

In conjunction with these acquisitions, the Company plans to raise capital via a private placement and a rights issue to shareholders to raise a total of \$2,443,201 at an offer price of \$0.001 per share.

Bell Potter Securities and Nascent Capital as Joint Lead Managers have received firm commitments for a share placement of 400,000,000 fully paid ordinary shares at an issue price of \$0.001 per share to sophisticated and professional investors to raise a total of \$400,000 before costs, subject to shareholder approval.

On 23 July 2018 the Company held a shareholder meeting and received shareholder approval for the issue of the vendor shares and placement shares.

Following completion of the project acquisitions, expected to be finalised in the coming weeks, the Company intends to undertake a rights issue to existing shareholders at the same price as the Placement to offer up to 2,043,200,834 shares on a one-for-one basis, to raise a total of \$2,043,201 before costs.

The Company looks forward to completing the acquisition of the prospective Mt Bruce and Mt Windarra projects and undertaking a maiden exploration program as previously announced to the ASX on 18 June 2018. Further the Company continues to evaluate additional resource projects to add to its portfolio.

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