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# **Annual General Meeting Presentation**

**18 November 2013**

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**Competent Person's Statement:** The information in this announcement that relates to the mineral resources is based on information evaluated by Rob Dyson who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Dyson is a fulltime employee of McElroy Bryan Geological Services Pty Ltd. Mr Dyson is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr Dyson consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

## Acacia Coal 2013 Overview

### ■ Continue development of the Comet Ridge Project

- Low risk, coking and thermal coal opencut operation, circa 350-450,000tpa
- Capital \$50 Million, earliest coal Q4 2015

### ■ Prudent cash management essential

- Difficult to raise capital in challenging market

### ■ Confident that the coking coal market will recover

- Bottom of cycle creates opportunities for development
- Coking coal becoming a rarer commodity
- Demand for Queensland coking coals to strengthen, as new frontiers flounder and world steel production increases

# Company Overview

## Projects

### Priority Project – Comet Ridge EPC 1230

- Indicated & Inferred Resource of 66Mt (0-50m depth)
- Pre Feasibility study completed March 2013
- Bankable Feasibility study in progress

### Second Project – Spring Creek EPC 1505

- Internal review underway

## Company Overview

Market Capitalisation (15 Nov 2013)	\$13.5m
Shares on issue	903.8m
Options on issue	89.0m
Cash (as at 31 Oct 2013)	\$4.6m

## Major Shareholders ( 4 Nov 2013)

Charlotte Investments Pty Ltd	12.00%
Argonaut Equity Partners Pty Limited	6.30%
Skye Equity Pty Ltd	4.92%
Management	1.78%

## Registered and Principal Office

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# Comet Ridge Project

## The Fundamentals

- Shallow Open Cut Coal
- Coking Coal
- Adjacent to proposed Triumph Creek Train Loading Infrastructure
- Low Capex

## 2013 Exploration (Sept – Oct)

- Detailed mine design drilling
- Investigations
  - Waste rock Geochemistry
  - Ground water monitoring
  - Geotechnical studies
- Confirmation and refinement of dry processing (drop shatter testing)
- 2013 Drilling Campaign average drill hole depth 35 metres (2011 – 99 m)

## JORC Coal Resource – Comet Ridge Dec 2012

Depth Increment	Indicated Resource (Mt)	Inferred Resource (Mt)
0 – 30m	10.2	9.7
30 – 50m	5.3	38.7
<b>Total</b>	<b>16*</b>	<b>50*</b>

\* Rounded

## Exploration Summary

Year	Drill Holes	Open Hole (m)	Cored (m)	Total (m)	Average Depth (m)
<b>2013</b>	<b>46</b>	<b>1,456</b>	<b>149</b>	<b>1,605</b>	<b>34.9</b>
2012	137	4,914	87	5,001	36.5
2011	60	4,857	130	5,987	99.8
<b>Total</b>	<b>243</b>	<b>11,227</b>	<b>366</b>	<b>12,593</b>	

# Comet Ridge Project

## Prefeasibility Study Summary

**Table 1 - Key Statistics**

ROM Coal Production (Mt)	10
Saleable Production (ktpa)	350 - 450
Product Coal Split (nominal)	65:35; Coking:Thermal
First Coal (earliest)	Q4 CY2015
CAPEX (Million)	\$50
Mine Life	> 8 years
CASH COST FOB (prod.t) *	\$120

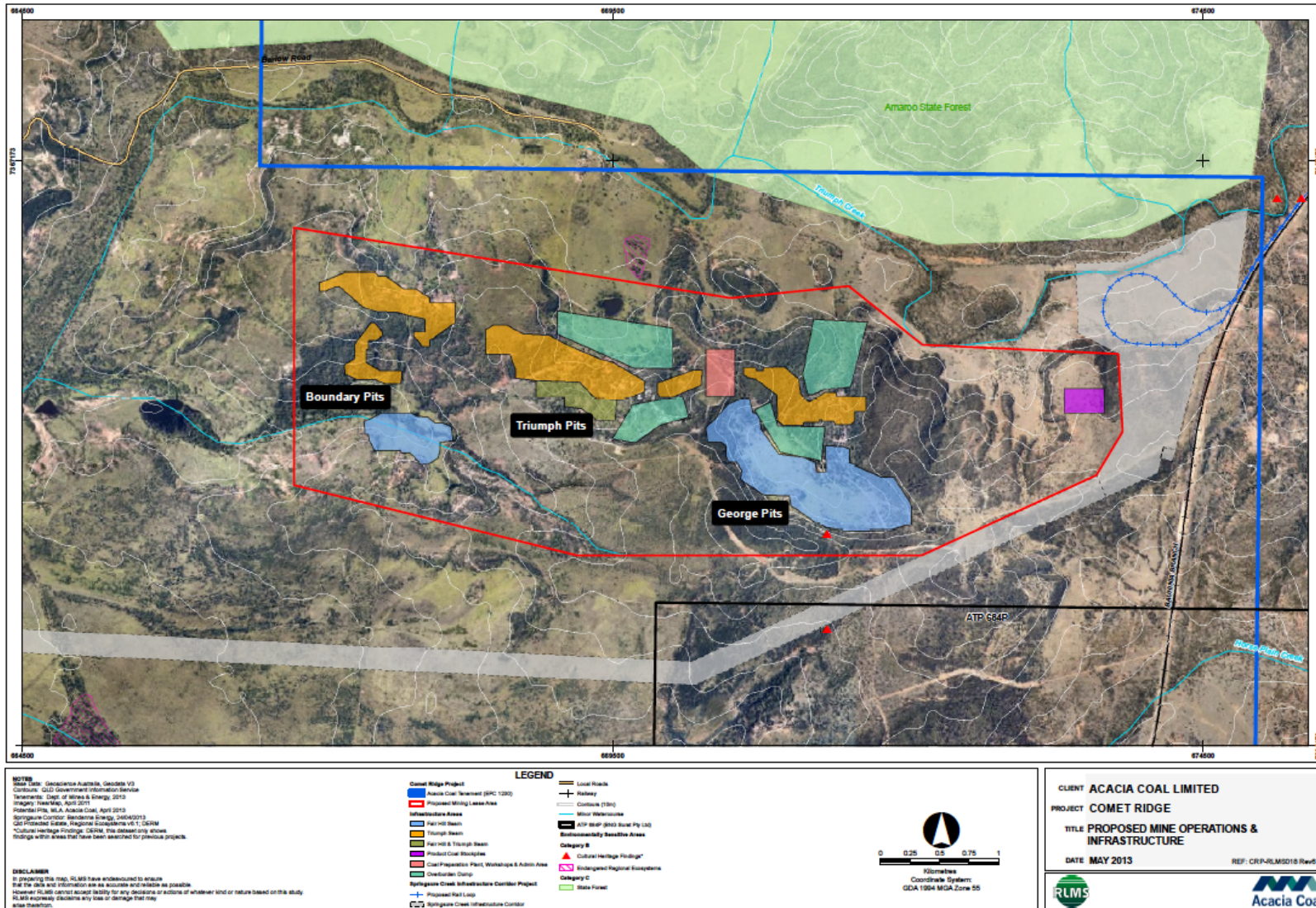
\* Cash cost estimate does not include royalties

- The Pre-Feasibility Study confirms the Comet Ridge Project (EPC 1230) is feasible.
- A unique set of circumstances exist at Comet Ridge, comprising shallow Permian Coal Measures, coking coal and direct access to the rail network.
- Production target ranging from 350kt to 450kt per annum for at least eight years.
- Very marketable low ash semi hard coking coal, with a high ash thermal coal by-product.
- Binding Agreement with Bandanna Energy (ASX:BND) to ship product via the proposed Triumph Creek Train Loading Facility.
- Earliest first coal end 2015.



# Comet Ridge Project

## EPC 1230 Location Plan – Infrastructure & Target Open Cuts



# Comet Ridge Project

## Plan & Development Strategy

- **Bankable Feasibility Study early 2014**
- **An approved project ready to commence by end 2014**
- **Construction period of 12 months (post approvals)**
- **Construction trigger dependent on market conditions and confirmed target completion date of the Triumph Creek rail loadout facility**



# Comet Ridge Project

## Development – Indicative Timeframe

Activity / Milestone	CY 2013				CY 2014				CY 2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Completed Pre-Feasibility Study (March 2013)	◆											
Confirmation Drilling & Testing (resources, geotechnical & geochemical)												
Mine Planning, Engineering, Cost Modelling, Optimisation												
Environmental Field Surveys, Studies and Reports												
Complete Bankable Feasibility Study						◆						
Assumed construction of the Triumph Creek Rail Loadout facility (BND)												
WICET Stage 1 Terminal Completion Target (currently April 2015)										◆		
BND first coal (WICET dependent) mid 2015 (refer BND ASX Release dated 19 June)										◆		
Project Review (status of Train Load Out, Market Conditions and Financial Model)						◆						
Prepare and Lodge EMP & EA												
Lodge Mining Lease Application				◆								
Project Assessment, Objection/Decision Period												
Comet Ridge Project Approval								◆				
Granting of the Mining Lease								◆				
Comet Ridge Project Earliest Commitment to Commence Development								◆				
Detailed Design, Procurement and Construction Period												
Commence Pre-Strip, Waste Removal												
Earliest First Coal												◆

Development milestones dependent on WICET and Bandanna (BND) completion dates

## Comet Ridge Project

### Achievements, past 12 months

- ✓ Rail Infrastructure Agreement signed - Major capital savings
- ✓ Drill campaign completed - > 1600 metres drilled
- ✓ Triumph seam delineation and coking potential confirmed
- ✓ Metallurgy test results confirm concept for mining/processing
- ✓ Prefeasibility completed
- ✓ Environmental studies in progress

### In Progress – Bankable Feasibility Study

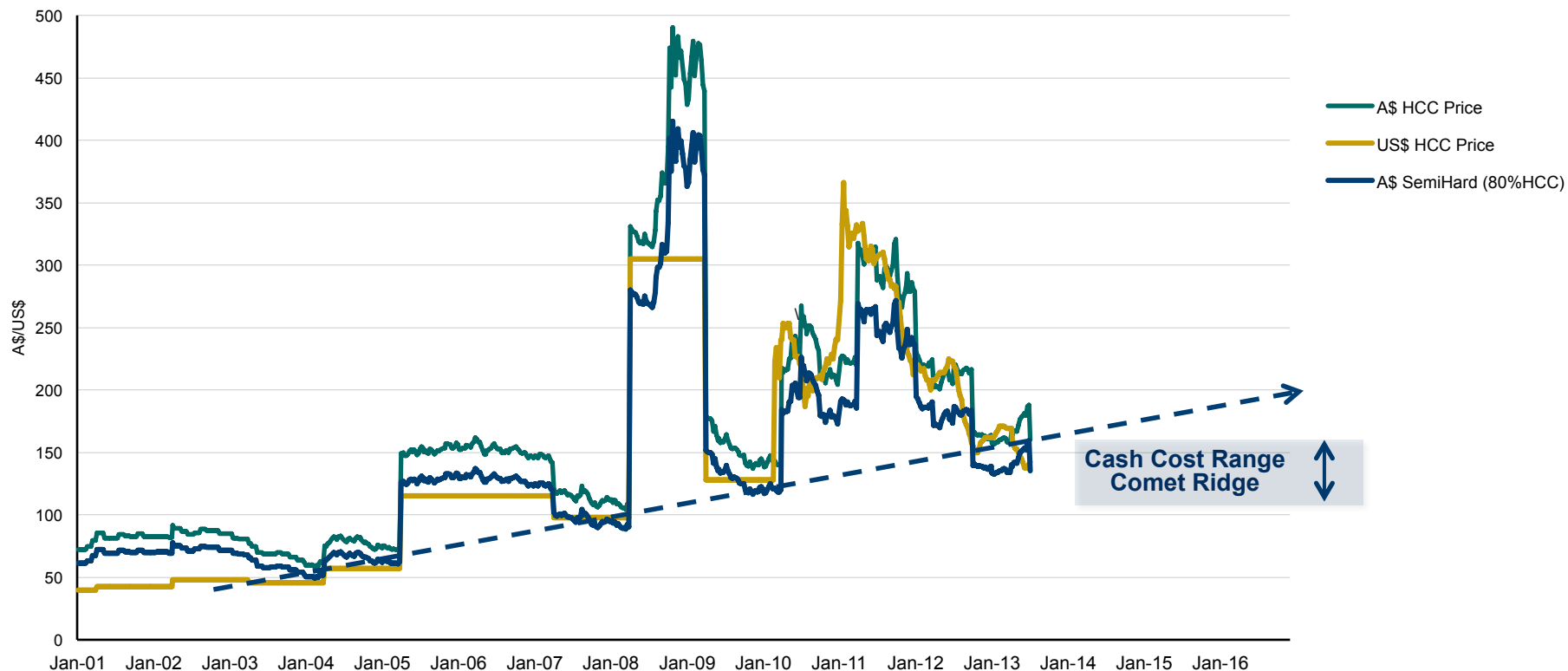
- JORC Reserve – due Q4 2013
- Conceptual mine plans
- Process design

### Future Milestones

- Lodge Mining Lease Application
- BFS by early 2014

# Background to Acacia Coal's Strategy – Coking Coal

## Hard Coking/Semi Hard Coal Benchmark Price - US\$/A\$ Sales Prices



Source: RBS Morgans

# Company Overview

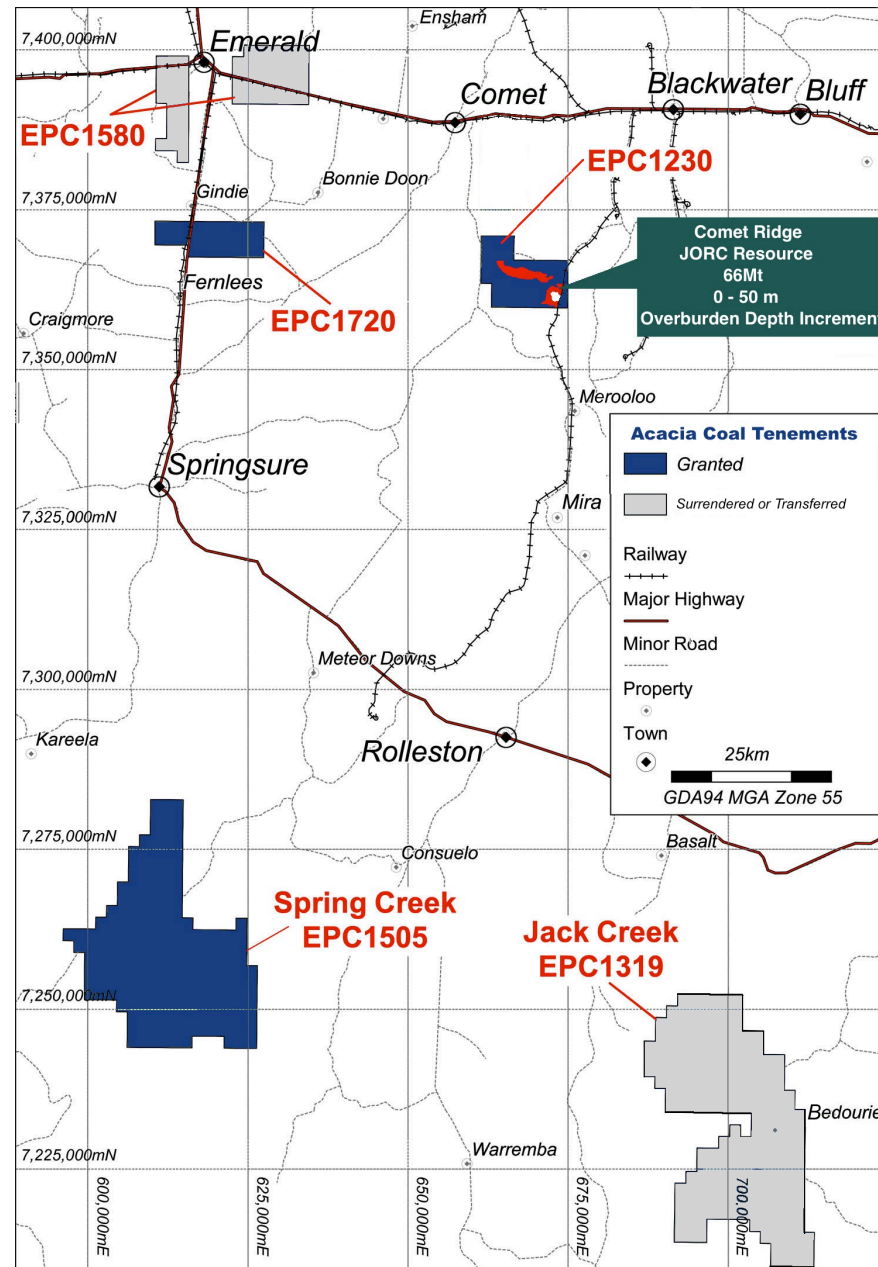
## Bowen Basin Tenements

### Priority Project

#### Comet Ridge Project EPC 1230

#### Other EPCs in Bowen Basin

- Spring Creek (EPC 1505)
  - Transferred
- Emerald (EPC 1580)
- Sandhurst Creek (EPC 1720)
  - Under review
- Jack Creek (EPC 1319)
  - Relinquished, high risk thermal prospect



# Company Overview

## Board and Management

**Kym Livesley**      **Non-Executive Chairman**

**Gavin May**      **Managing Director**

**Michael Mulroney**      **Non-Executive Director**

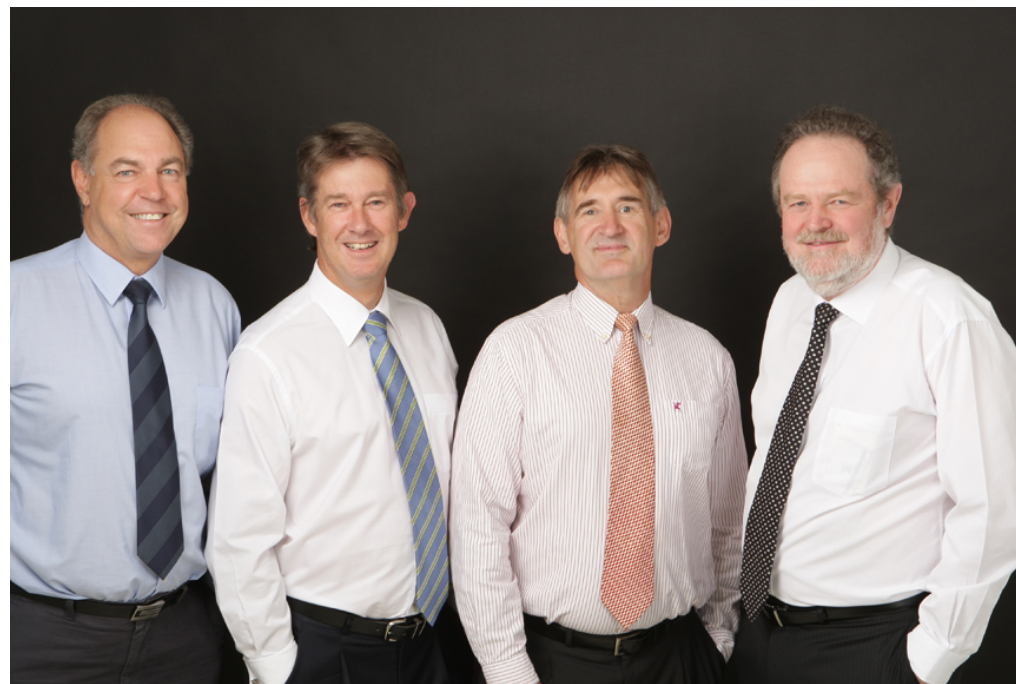
**Amanda Ward**      **Non-Executive Director**

**Robert Waring**      **Chief Financial Officer**

**Graham Colliss**      **Chief Projects Officer**

**Harvey Crowden**      **Chief Metallurgist**

## Management Team



(left to right) Graham Colliss, Gavin May, Harvey Crowden, Robert Waring.

## Outlook

- **Challenging market to continue beyond 2013**
- **Maintain prudent cash management**
- **Acacia has sufficient funds to advance Comet Ridge beyond BFS**
- **Acacia confident in the long term strength of the coking coal market**
- **Acacia will be ready to develop Comet Ridge as market recovers**
- **Continue to pursue other coking coal opportunities**

**Acacia remains on target to be a coking coal producer**





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