



Quarterly Report

For the 3 Months ended March 2018

This Quarterly Report updates activities undertaken during the period 1 January 2018 to 31 March 2018.

1. PROJECTS

Savoy Hill Coal Project (100%)

As previously notified, the Savoy Hill tenement, Exploration Licence 6812 (**EL 6812**) has been extended until 20 June 2018. An application for a further extension of EL 6812 is currently being completed for lodgement in Q2, 2018.

The Company has completed necessary exploration across the tenement to consider the longer term mining options for the project and has undertaken initial marketing analysis for a potential open-cut operation, supplying the nearby domestic power stations. Further work will be undertaken as required.

2. NUCOAL'S LEGAL CASES

Background

On 31 January 2014, the NSW Government passed the *Mining Amendment (ICAC Operations Jasper and Acacia) Act 2014* (NSW) (**Mining Amendment Act**), cancelling Exploration Licence 7270 (**EL 7270**) with no compensation payable to NuCoal. The legislation was passed following an inquiry by the Independent Commission Against Corruption (**ICAC**).

During the quarter, NuCoal continued to implement the legal and political strategy previously announced to seek redress for shareholders following the unfair and unjust cancellation of EL 7270 by the NSW Government.

Free Trade Actions

The Company is continuing to pursue claims against the Australian Government on behalf of U.S. shareholders under the Australia US Free Trade Agreement (**AUSFTA**). This potential international action is being progressed with a view to obtaining compensation from the Australian Government for the decision by the NSW Parliament to expropriate EL 7270 without payment of compensation.

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ASX:NCR • Share Information

Issued Shares: 768.6m

Board of Directors

Chairman:	G. Galt
Non Executive Director:	G. Lewis
Non Executive Director:	J. Beecher
Non Executive Director:	M. Davies
CEO, CFO and Company Secretary:	M. Etcell

During the last number of months, NuCoal lobbyists in the United States of America, BGR Group, have continued to progress this action and have met with numerous relevant US Government Officials. Via public record, NuCoal is able to confirm that representations have been made by the US Trade Representative, Robert Lighthizer, to The Hon Steven Ciobo requesting consultations under the AUSFTA in respect of the NuCoal matter.

During a House Ways and Means Committee held in March 2018, Congressman Jason Smith asked the following of Ambassador Lighthizer¹:

"Ambassador Lighthizer, I understand that your office has formally requested consultations with Australia under AUSFTA on behalf of aggrieved U.S. investors. Since the agreement was entered into in 2005, this is the first time that the investor state dispute settlement provisions have been invoked by either party, which is truly a milestone. Given this historical significance, which will have a profound impact on any future disputes arising under the treaty, particularly state-sponsored expropriations, how does your agency intend to continue to pursue this matter?"

A: The administration places a high priority on ensuring full compliance with obligations in our and trade and investments agreements, including the AUSFTA. Accordingly, we initiated consultations under the Investment Chapter of that Agreement to address a discrete investment dispute in the energy sector involving U.S. investors. We are continuing to engage with Australia regarding this ongoing matter."

Given the above, U.S. shareholders continue to work closely with NuCoal and BGR in pursuit of compensation. As previously communicated, shareholders should note that any successful action directly under the AUSFTA will benefit only the shareholders who bring and participate in the action (ie. US shareholders in NuCoal who held shares at the time of expropriation).

NuCoal Submission

During the last quarter, NuCoal lodged a submission with the NSW Premier, the Hon. Gladys Berejiklian MP, requesting her to consider NuCoal's position following a number of developments during 2017 which NuCoal believed warranted substantive review of the expropriation by the NSW Government. A copy of the entire submission is available on the Company's website at <http://nucoal.com.au/wp-content/uploads/2018/04/Submission-to-Premier-Final-18.12.17.pdf>.

The developments outlined within the submission, included, but were not limited to, the matters noted below:

- the acquittal of Mr Craig Ransley, former Founder and Director of Doyles Creek Mining Limited (DCM), on allegations related to the granting of EL 7270, the evidence tabled and conclusions drawn in this case and the failure to bring any charges against Mr Andrew Poole and Mr Michael Chester, both also former Directors of DCM;
- public statements by NSW MPs from both sides of Parliament that the NSW Parliament may have been misled when it passed the Mining Amendment (ICAC Operations Jasper and Acacia) Act 2014. Most recently, the Hon. Dr Peter Phelps, highlighted the injustice in respect of the introduction of the Amendment Act publicly in Parliament, stating "What we have here appears to me to be gross maladministration by ICAC. Even more

¹ <https://waysandmeans.house.gov/event/hearing-u-s-trade-policy-agenda-2/>

importantly, I believe we may have been misled by the then Premier into introducing and passing three bills that have expropriated a property right completely unjustifiably.”; and

- the compensation paid to Shenhua in respect of Watermark and to BHP for Caroona to buy back NSW coal mining licences.

NuCoal’s submission included 12 pages of new material, plus a number of historical documents which have been previously provided to the NSW Government. In March 2018, NuCoal sent a follow up letter to the Premier in respect of the submission, and as announced on 19 April 2018 – a reply letter was sent to NuCoal from the Department of Premier and Cabinet in response to NuCoal’s original submission and follow up letter.

In response to the reply, NuCoal Chairman, Gordon Galt stated:

*“Despite formal correspondence and numerous requests to Premier Berejiklian to meet with NuCoal, no meeting has been offered and we have now been told via a short form letter that the NSW Government is content with the decision which it led the Parliament to make in January 2014. Similar short form letters were sent to other interested parties who have been pressing this matter.
...”*

Notwithstanding the above, NuCoal will be continuing its domestic and international efforts to seek redress for all shareholders following the unfair and unjust expropriation via cancellation of Exploration Licence 7270 by the NSW Government in early 2014.

3. OTHER RELEVANT MATTERS

Social media – “Wave the Flag”

A number of relevant articles have been posted to WaveTheFlag.org.au over the last few months with matters concerning the NuCoal story continuing to be a key focus.

We continue to invite all shareholders to participate in this forum as it is a good opportunity to collectively be the “voice for reason” amongst numerous unreasonable voices of mal-aligned intentions.

4. CORPORATE

Cash and deposits as at 31 March 2018 were A\$4.86 million.

On 16 February 2018, the Company announced the finalisation of the Sales Contract to sell all remaining properties held within the Jerrys Plains area. The Company’s cash balance increased by approximately \$3.95 million as a result of the sale.

ADDITIONAL REPORTING REQUIREMENTS

The following additional information is provided in accordance with ASX Listing Rule 5.3.3.

Interests in Mining Tenements

The Company held the following mining tenements during the quarter.

Tenement	Location	% interest at the beginning of the quarter	Acquired and/or disposed	% interest at the end of the quarter
EL 6812	Savoy Hill, New South Wales	100	N/A	100

Beneficial percentage interests held in farm-in or farm-out agreements

NuCoal does not hold any interests in farm-in or farm-out agreements.

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

NuCoal Resources Ltd

ABN

29 060 352 990

Quarter ended ("current quarter")

March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (nine months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(2)	(12)
(b) development	-	-
(c) production	-	-
(d) staff costs	(58)	(177)
(e) administration and corporate costs	(345)	(656)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	12	40
1.5 Interest and other costs of finance paid	-	(1)
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	(393)	(806)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (nine months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	3,941	4,091
	(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	3,941	4,091

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	1,317	1,580
4.2	Net cash from / (used in) operating activities (item 1.9 above)	3,548	3,285
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,865	4,865

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	4,845	1,297
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details) – Term Deposits	20	20
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,865	1,317

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	24
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	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

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.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	100
9.2 Development	-
9.3 Production	-
9.4 Staff costs	60
9.5 Administration and corporate costs	200
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows (inflows)	360

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: 

Date: 30 April 2018

(Director/Company secretary)

Print name: Megan Etcell

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.