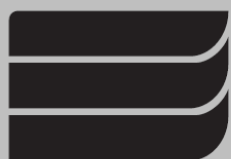


2018

**ANNUAL
REPORT**



NUCOAL
RESOURCES LTD

NuCoal Resources Ltd ABN 29 060 352 990
Annual Report - 30 June 2018

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Corporate Directory

Directors	G Galt B.Eng (Mining, Hons), B.Com, GDip App Fin (Finsia), MAusIMM, MAICD <i>Chairman</i> G Lewis MAICD M Davies B.A Hons, MBA
Secretary	M Etccl B.Com, CA, MAICD
Principal registered office in Australia	Unit 8, 24 Garnett Road Greenhills NSW 2323 +61 2 4015 0500
Share registry	Link Market Services Level 12, 680 George Street Sydney NSW 2000 1300 554 474
Auditor	Ernst and Young Ernst and Young Centre 200 George Street Sydney NSW 2000
Bankers	Australia and New Zealand Banking Group Limited 490 King Street Newcastle West NSW 2300 Westpac Banking Corporation Shop 39 Wallsend Plaza 24 Kokera Street Wallsend NSW 2287
Stock exchange listings	NuCoal Resources Ltd shares are listed on the Australian Securities Exchange. The home exchange is Sydney.
Website address	www.nucoal.com.au

A word from our Chairman



Fellow Shareholders

On behalf of your Directors, I present the Annual Report for the 2017/18 year.

The past year has once again seen us focused on pursuing justice for our shareholders following the expropriation, without compensation, of our Doyles Creek exploration licence by the State of NSW in early 2014, as discussed further below. On other matters, we have now sold all our land holdings and only water licences remain. These are also currently listed for sale. At the end of the fiscal year we have no debts or substantive liabilities and we retain one exploration asset - the Savoy Hill exploration licence.

As an oversight of our "justice" activities, we believe that as time progresses our case will only become stronger. The NuCoal case will continue to be a thorn in the sides of the NSW and Australian Governments and its implications will be more obvious to potential investors. Our job is to make sure that we persist and continually press our case in any and all available forums. The bottom line is that NuCoal is well funded to stay the course and has no intention of giving up on our pursuit of natural justice.

Internationally, we have been seeking to bring an action under the existing Free Trade Agreement between Australia and the USA. This initiative has progressed during the year and led to the sending of a request by the head of the USTR, Mr Lighthizer, to the Australian Trade Minister, Mr Ciobo, to have talks aimed at allowing an action to commence in the International Court of Arbitration. Despite the senior nature of this request, Mr Ciobo took no visible steps to respond appropriately to either the US Government or to NuCoal. The lack of a response has been noted in the USA – by officials and our shareholders. Notwithstanding that we now have to deal with a new Trade Minister in Australia and perhaps even another one after the coming Federal election, further efforts to press the matter are underway and will continue.

Domestically, we have maintained a program of meetings to keep our issue in front of the NSW Government. Compensation agreements with Shenua and BHP present clear precedents for compensating companies who relinquish their exploration properties. We have written and served a submission on our matter to the NSW Premier and met with parliamentary members of both houses and from all parties. Dr Phelps has been vocal about our matter in Parliament, calling out some of the key issues such as concealment of exculpatory evidence. Shareholders have written to their local State and Federal members and we are organising visits to Parliament by shareholders so politicians can hear for themselves about the damage that their expropriation law has done. We have proposed to the Premier and members that an independent ex-judge be appointed to consider our case and, if satisfied with our case, recommend appropriate compensation.

Our innocence is clear – having been stated in the Supreme Court of NSW by ICAC itself – and the record shows that the ICAC Commissioner recommended consideration of compensation and ex-Premier O'Farrell said he "would have paid compensation but had no money". Times have changed and NSW now has plenty of money. It should right this wrong.

I conclude this year by noting what might have been. Directors and shareholders established NuCoal with a noble goal – to explore for and, if lucky enough, start a new business to bring wealth to investors and to Australia. Despite this noble and completely legal aspiration, we and all the shareholders of NuCoal have been subjected to completely unjustified criticism and denied recourse to natural justice by the Government of NSW. The efforts and aspirations of an incredible number of entirely professional and honest workers and mums and dads have been removed and vilified by our Government with no regard to the rule of law with no sensible explanation of why such actions have been taken.

I always thank you, our shareholders, in my Chairman's letter and this year is no exception. Your response to our struggles with the Government has been overwhelmingly positive and we acknowledge your support – and thanks as always to my fellow Directors, including Mr James Beecher who left us recently, and to Ms Etcell our CEO, for your continued work on your shareholders' behalf.

Yours sincerely



Gordon Galt
Chairman – NuCoal Resources Ltd

Directors' report

Your Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of NuCoal Resources Ltd (referred to hereafter as the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2018.

The report has been divided into four sections as follows:

- A. General Information
- B. Principal activities and review of operations
- C. Remuneration report
- D. Other Information

A. General Information

Directors

The directors of the Company at any time during the financial year were, and until the date of this report, unless otherwise noted, are:

Non-executive Chairman

Gordon Galt

Non-executive Directors

James Beecher *

Michael Davies

Glen Lewis

* James Beecher resigned as a Non-executive Director of NuCoal effective 3 August 2018

The qualifications, experience, other directorships and special responsibilities of the directors in office at the date of this report are:

Gordon Galt – B.Eng (Mining, Hons), B.Com, GDip App Fin (Finsia), MAusIMM, MAICD

Non-executive Chairman, since February 2010

Experience and expertise:

Gordon is a mining engineer with extensive coal industry experience. From 1991 Gordon was Operations Manager, then General Manager at Ulan Coal in the NSW Hunter Valley. He became Managing Director at Cumnock Coal in 1996 before taking up roles as Managing Director with Newcrest Mining and in investment banking with ABN AMRO respectively.

Other current Directorships:

- Non-executive Chairman of ASX Listed Lefroy Exploration Ltd (formerly US Masters Holdings Ltd) and Realm Resources Ltd
- Non-executive Director of ASX Listed Finders Resources Ltd
- Alternate Director for Ouro Mining Incorporated
- Principal and Director of Taurus Funds Management Pty Ltd

Former Directorships in the last three years:

- Delta SBD Ltd (2010 to 2016)

Committees:

- Member of the Audit Committee

Glen Lewis – MAICD Non-executive Director, since March 2017

(former Managing Director since February 2010)

Experience and expertise:

Glen is a qualified Coal Mine Manager and has worked in the coal industry since 1980. Before joining NuCoal, he held the position of General Manager Underground Operations with Xstrata Coal NSW with overall responsibility for 6 operating mines and several projects under construction.

Former Directorships in the last three years:

- Realm Resources Ltd (Managing Director) (March 2017 to September 2017)

Directors' Report (continued)

Michael Davies – B.A (Hons), MBA *Non-executive Director, since February 2010*

Experience and expertise:

Michael is a specialist in resource financing, with over 20 years' experience in investment banking (Barclays, BZW and ABN AMRO). Michael has extensive commercial experience in the coal industry, having been involved in the negotiation of joint venture agreements and acquisition and sale of coal tenements.

Other current Directorships:

- Non-executive Director of ASX Listed Lefroy Exploration Ltd (formerly US Masters Holdings Ltd) and Realm Resources Ltd
- Principal and Director of Taurus Funds Management Pty Ltd

Committees:

- Member of the Audit Committee

Company Secretary

Megan Etcell – B.Com, CA, MAICD *Chief Executive Officer, Chief Financial Officer & Company Secretary*

Megan holds the role of Chief Executive Officer, Chief Financial Officer and Company Secretary. She holds a Bachelor of Commerce with majors in Financial Accounting, Management Accounting and Finance and is a qualified Chartered Accountant.

Directors' Meetings

The following table sets out the number of board and committee meetings attended by each of the directors who held office during the financial year:

Director	Board Committee Meetings							
	Board Meetings*		Audit Committee		Non-Financial Risk Committee [#]		Remuneration Committee [#]	
	A	B	A	B	A	B	A	B
Gordon Galt	6	6	2	2	-	-	-	-
Glen Lewis [^]	6	6	**	1	-	-	-	-
James Beecher [^]	6	6	2	2	-	-	-	-
Michael Davies	6	5	2	1	-	-	-	-

A Number of meetings held during the time the Director held office or was a member of the committee during the period.

B Number of meetings attended.

* NuCoal does not have a fully constituted Nominations Committee, however, as and when required the full Board participates as the Nominations Committee in order to fulfil its corporate governance responsibilities.

** Not a member of the relevant committee during the financial year, however his attendance at Committee meetings is by invitation.

[#] The Non-Financial Risk Committee and Remuneration Committee were disbanded effective 1 March 2015.

[^] J Beecher resigned as a Non-executive Director effective 3 August 2018. On this date Non-executive Director, Glen Lewis, was appointed as a member of the Audit Committee.

Committee membership

As at the date of this report, the Board only had a formal Audit Committee in place. The Non-Financial Risk and Remuneration Committees were disbanded on 1 March 2015 following the Board's decision to make the entire workforce redundant.

Directors' Report (continued)

Members acting on the Audit Committee as at the date of this report are:

Audit Committee	
Chairman	Gordon Galt
Members	Michael Davies Glen Lewis

B. Principal activities and review of operations

Sale of Remaining Properties

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 \$3.95 million as a result of the sale.

Savoy Hill Coal Project (100%)

The Savoy Hill tenement, Exploration Licence 6812 (**EL 6812**) has been extended until 20 June 2018. An application for renewal of EL 6812 was lodged with the Department of Planning and Environment, Resources and Geosciences, on 19 June 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.

Expropriation of Doyles Creek Exploration Licence 7270 (EL 7270)

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 period, 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. An update on these actions is outlined below.

1. 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.

During the year, NuCoal lobbyists in the United States of America, BGR Group, have continued to progress this action. Along with individual U.S. shareholders, BGR has met with numerous relevant US Government Officials 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. U.S. shareholders in NuCoal who held shares at the time of expropriation).

2. Meetings with Politicians

NuCoal officers and advisers continue to meet with politicians and Ministers in NSW and federally. The aim of the meetings is to educate and eradicate any misconceptions about the facts surrounding NuCoal's circumstances and to ensure that people understand that the Company is well funded and has no intention to cease the pursuit of justice until appropriate compensation is received.

Directors' Report (continued)

3. NuCoal Submission

In December 2017 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 believe warrant substantive review by the NSW Government. These include, but are not limited to, the matters 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;
- MPs from either side of Parliament have publicly stated that the NSW Parliament may have been misled when it passed the Mining Amendment Act. Most recently, the Hon. Dr Peter Phelps highlighted the injustice of the Amendment Act publicly in Parliament, stating *"What we have here appears to me to be gross maladministration by ICAC. Even more 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 Carooona, to buy back NSW coal mining licences.

On 19 April 2018, NuCoal received a reply from the Department of Premier and Cabinet in response to its submission, and a follow up letter sent in March 2018.

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 "expropriation without compensation and legislate away the right to seek redress" 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.

NuCoal is continuing efforts on an international level with NuCoal's U.S. shareholders to bring an appropriate compensation proceeding against the Australian Government under the Australia US Free Trade Agreement. Unfortunately, as previously advised, Australian shareholders in NuCoal will not be a party to any compensation that may arise from these efforts."

Results of Operations

The Group recorded a loss from ordinary activities for the year ended 30 June 2018 before impairment of \$1,054,993 (2017: \$1,544,850). The loss from ordinary activities after impairment was \$1,054,993 compared to a loss of \$1,623,667 in 2017.

Net cash outflows from operating, investing and financing activities were \$972,610 compared to net cash inflows of \$1,423,739 in 2017.

The net asset position of the Group at 30 June 2018 was \$5,500,647 (30 June 2017: \$6,555,640).

Dividends - NuCoal Resources Ltd

No dividends were paid to members during the financial year ended 30 June 2018 (2017: nil). No dividend is recommended in respect of the financial year ended 30 June 2018.

Significant changes in the state of affairs

Other than those matters listed in this report, there have been no significant changes in the state of affairs of the Group during the period.

Directors' Report (continued)

Matters subsequent to the end of the financial year

Other than outlined above, or elsewhere in this report, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Group, the results of those operations or the state of affairs of the Group in the future financial years.

C. Remuneration report (Audited)

The audited remuneration report for the year ended 30 June 2018 outlines the remuneration arrangements of the Group in accordance with section 300A of the *Corporations Act 2001* (Cth) and its regulations. This information has been audited as required by section 308(3C) of the *Corporations Act 2001* (Cth).

The remuneration report details the remuneration arrangements for the Group's key management personnel (KMP) during the financial year ended 30 June 2018.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group and other designated senior executives. During the year, KMP comprised the Chief Executive Officer (referred to as an Executive KMP) and the Non-executive Directors of the Company.

The remuneration report is set out under the following main headings:

- (a) Remuneration governance
- (b) Principles used to determine the nature and amount of remuneration
- (c) Details of remuneration
- (d) Service agreements
- (e) Share-based compensation

(a) Remuneration governance

The Remuneration Committee established by the Board was in place from 1 July 2014 to 28 February 2015.

The Remuneration Committee was disbanded effective 1 March 2015 due to the Board's decision to make the Group's entire workforce redundant. From 1 March 2015, the roles and responsibilities of the Remuneration Committee have been carried out by the full Board.

(b) Principles used to determine the nature and amount of remuneration

The Group's remuneration guiding principle is to align remuneration with the creation of value for shareholders by attracting and retaining appropriately qualified and experienced employees who will contribute to the Group's success, and motivating them to achieve outstanding performance against the Group's business objectives. This guiding principle applies to employees at all levels, including Non-executive Directors and executive KMP.

Non-executive Directors are remunerated by way of fees and long-term incentives, but they do not receive retirement benefits.

Due to the nature of the Group's operations, which consists of minerals exploration and evaluation, the remuneration of Directors and other executive KMP's, at present, is paid as per the agreement entered into between the Company and the individual and is currently not directly related to annual financial reporting results.

Use of remuneration consultants

During the 2018 financial year no remuneration experts were engaged by the Remuneration Committee.

Remuneration approval at FY2017 Annual General Meeting

The 2017 remuneration report received positive shareholder approval at the 2017 year AGM with a vote of 99.54% in favour.

Directors' Report – remuneration report (continued)

Non-executive Director remuneration

Fees paid to Non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. The Chair's fees are determined independently to the fees of Non-executive Directors based on comparative roles in the external market. Fees paid to Non-executive Directors are reviewed annually by the Board.

Non-executive Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The current maximum aggregate remuneration of Non-executive Directors, approved by shareholders at a General Meeting on 28 May 2010, is \$350,000 excluding the fair value of any options and share rights granted.

The annual fee levels in 2018 (with comparative data for 2017) were as follows:

	2018 (\$)	2017 (\$)
Position		
Chair	87,200	87,200
Other Non-executive Directors	50,000	50,000
Committee fees		
Committee chair	10,000	10,000
Committee member	NIL	NIL

Despite the annual fee rate noted above, NuCoal Non-executive Directors Gordon Galt, James Beecher and Glen Lewis received reduced fees throughout FY2017 and FY2018. Non-executive Director Michael Davies has received NIL fees since July 2015.

Non-executive Directors are eligible to receive performance-related compensation via participation in the Company's Long-Term Incentive Employee Share Plan (ESP). Participation by Directors in the ESP is conditional on shareholder approval as per *ASX Listing Rule 10.14*.

Directors are also entitled to be reimbursed for all Group business related expenses, including travel on Group business, as may be incurred in the discharge of their duties.

Executive KMP remuneration policy and overview of incentive plans

During the current period, the Group employed one executive on a consulting basis, therefore there is no formal framework regarding Executive KMP remuneration.

(c) Details of remuneration

Details of the remuneration paid to Directors of the Company and executive KMP of the Group (as defined in *AASB 124 Related Party Disclosures*) are set out below.

During the year, KMP comprised the Chief Executive Officer (referred to as an Executive KMP) and the Non-executive Directors of the Company.

Directors' Report – remuneration report (continued)

Key management personnel remuneration

The following tables show details of the remuneration received by the Directors and executive KMP of the Group for the current and previous financial years.

Name	Year	Short-term benefits			Post-employment benefits	Long Term Benefits		Termination Payments (c)	Total
		Cash salary and fees	Cash bonus	Consulting Fees	Super-annuation	Annual Leave & Long Service Leave (a)	Shares (b)		
		\$	\$	\$	\$	\$	\$	\$	\$
Non-executive Directors									
Gordon Galt (1)	2018	29,067	-	-	-	-	-	-	29,067
	2017	29,067	-	-	-	-	-	-	29,067
J Beecher (1)(2)	2018	30,000	-	-	-	-	-	-	30,000
	2017	50,000	-	-	-	-	-	-	50,000
M Davies (3)	2018	-	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-	-
G Lewis (4)(5)	2018	27,500	-	-	-	-	-	-	27,500
	2017	6,667	-	112,200	-	-	-	-	118,867
Sub total non-executive Directors	2018	86,567	-	-	-	-	-	-	86,567
	2017	85,734	-	112,200	-	-	-	-	197,934
Other key management personnel (Group)									
M Etccl (4)	2018	-	-	198,750	-	-	-	-	198,750
	2017	-	-	117,900	-	-	-	-	117,900
Total key management compensation (Group)	2018	86,567	-	198,750	-	-	-	-	285,317
	2017	85,734	-	230,100	-	-	-	-	315,834

(a) Long service leave payments are non-cash.

(b) No shares were granted during the financial year and no shares vested or were provided for during the year as a result of vesting conditions being met.

(c) Includes redundancy and all remaining entitlements.

(1) Mr Galt and Mr Beecher received reduced Director fees for FY2017 and FY2018.

(2) Mr Beecher resigned as a Non-executive Director effective 3 August 2018.

(3) Mr Davies has received NIL Director fees since July 2015.

(4) The Board made the entire workforce, including all Executive KMP, redundant during February and March 2015. During FY2017, both Mr Lewis and Ms Etccl worked on a part-time basis. Ms Etccl continues to be employed on a part-time basis.

(5) On 5 March 2017, Mr Lewis ceased in the role of Managing Director and commenced in the role of Non-executive Director. Mr Lewis was paid reduced Director Fees from March 2017 to June 2018.

Directors' Report – remuneration report (continued)

(d) Service agreements

On appointment to the Board, all Non-executive Directors enter into a service agreement with the Company in the form of a letter of appointment. In the past, remuneration arrangements for Executive KMP have been formalised in employment agreements.

The Group currently has no employment contracts in place with any Executive KMP.

(e) Share based compensation

The Employee Share Plan (ESP) is the Company's Long-Term Incentive (LTI) scheme for Directors (Executive and Non-executive), other executive KMP and other persons as nominated by the Board.

The Board approves participation in the ESP.

Under the ESP, eligible participants may be granted shares on terms and conditions determined by the Board and as documented in the Share Plan Rules and Trust Deed. Shares granted to participants are to be held in Trust until vesting conditions attached to the shares are satisfied. When vesting conditions are satisfied, the shares are exercised and delivered from the Trust to the eligible participant at nil cost. Shares granted under the ESP do not have an expiry date.

The terms and conditions of shares granted affecting remuneration in the current or a future reporting period are as follows:

Grant Date	Vesting conditions *	Exercise price	Fair value per share
26 October 2010	0.60 cents	\$ 0.00	\$ 0.29
26 October 2010	0.80 cents	\$ 0.00	\$ 0.22
26 October 2010	1.00 dollar	\$ 0.00	\$ 0.22
28 May 2010	0.60 cents	\$ 0.00	\$ 0.19
28 May 2010	0.80 cents	\$ 0.00	\$ 0.17
28 May 2010	1.00 dollar	\$ 0.00	\$ 0.16

* Shares will be issued to eligible participants from the Share Plan Trustee when vesting conditions are met. Shares will vest when the share price exceeds the nominated value for more than ten non-consecutive days of trading.

No shares have been granted since 2010. No shares vested or were provided for during the years ended 2018 or 2017 as a result of vesting conditions not being met.

Directors' Report – remuneration report (continued)

The numbers of shares held in the Company by the NuCoal Share Plan Trust during the financial year for each director of NuCoal Resources Ltd and other executive KMP of the Group, including their personally related parties, are set out below.

Name	Year	Balance at start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at end of the year	Vested and exercisable at the end of the year
Directors of NuCoal Resources Ltd							
G Galt	2018	4,000,000	-	-	-	4,000,000	-
	2017	4,000,000	-	-	-	4,000,000	-
G Lewis ⁽¹⁾	2018	-	-	-	-	-	-
	2017	-	-	-	-	-	-
J Beecher ⁽²⁾	2018	2,000,000	-	-	-	2,000,000	-
	2017	2,000,000	-	-	-	2,000,000	-
M Davies	2018	2,000,000	-	-	-	2,000,000	-
	2017	2,000,000	-	-	-	2,000,000	-
Other executive KMP of the Group							
M Etccl ⁽¹⁾	2018	-	-	-	-	-	-
	2017	-	-	-	-	-	-

(1) All long-term incentives held by G Lewis and M Etccl were forfeited when the Board made the entire workforce redundant during February and March 2015.

(2) J Beecher resigned as a Non-executive Director effective 3 August 2018. On this date, all long-term incentives held by Mr Beecher were forfeited.

The numbers of shares held in the Company during the financial year by each Director of NuCoal Resources Ltd and other key management personnel of the Company, including their personally-related parties, are set out below.

Name	Year	Balance at the start of the year	Received during the year as a result of vesting conditions being met	Other changes during the year	Balance at the end of the year
Directors of NuCoal Resources Ltd					
Ordinary Shares					
G Galt	2018	50,000	-	-	50,000
	2017	50,000	-	-	50,000
G Lewis	2018	28,000,000	-	-	28,000,000
	2017	28,000,000	-	-	28,000,000
J Beecher ⁽¹⁾	2018	990,068	-	-	990,068
	2017	990,068	-	-	990,068
M Davies	2018	22,950,440	-	-	22,950,440
	2017	22,950,440	-	-	22,950,440
Other executive KMP of the Group					
Ordinary Shares					
M Etccl	2018	100,000	-	-	100,000
	2017	100,000	-	-	100,000

(1) J Beecher resigned as a Non-executive Director effective 3 August 2018.

Directors' Report (continued)

The following information does not form part of the remuneration report.

D. Other Information

Environmental regulation

The Company's operations are subject to significant environmental regulations under both Commonwealth and State legislation in relation to its activities. The Board monitors compliance with environmental regulations and the Directors are not aware of any significant breaches of these regulations during the period covered by this report.

Insurance of officers

The Company indemnifies each of its directors, officers and company secretary. The Company indemnifies each director or officer to the maximum extent permitted by the *Corporations Act 2001* (Cth) from liability to third parties, except where the liability arises out of conduct involving lack of good faith, and in defending legal and administrative proceedings and applications for such proceedings.

The Company must use its best endeavours to insure a director or officer against liability which does not arise out of conduct constituting a wilful breach of duty or a contravention of the *Corporations Act 2001* (Cth). The Company must also use its best endeavours to insure a director or officer against liability for costs and expenses incurred in defending proceedings whether civil or criminal.

The Group has paid insurance premiums in respect of directors' and officers' liability and legal expenses insurance contracts for current and former directors, executive officers and secretaries. The Directors have not included details of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreements against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* (Cth) for leave to bring proceedings on behalf of the Company, or intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings. The Company was not a party to any such proceedings during the year.

Rounding of amounts

The company is of a kind referred to in Class Order 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in these financial statements. Amounts in these financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Non-audit services

Details of the fees and charges for the provision of audit and non-audit services provided by Ernst & Young are included in note 20 of the Financial Report. The Audit Committee has developed a policy to ensure that the independence of the Company's auditor is not impaired by providing non-audit services to the Company so that both the Company and the external auditor can comply with relevant auditor independence rules which apply in the various jurisdictions in which the Group operates.

No officer of the Group who held office during the financial year, and no current officer, was formerly a partner of Ernst & Young.

Directors' Report (continued)

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by *Corporations Act 2001* (Cth). The directors are satisfied that these services did not compromise the external auditor's independence for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Company to ensure they do not impact the integrity and objectivity of the auditor; and
- non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Auditor's independence declaration

The auditor's independence declaration, which forms part of the Directors' Report and required under section 307C of the *Corporations Act 2001* (Cth) for the year ended 30 June 2018 has been received and can be found on page 14 of this report.

This Directors' Report is signed in accordance with a resolution of Directors made pursuant to section 298(2) of the *Corporations Act 2001* (Cth).

On behalf of the Directors



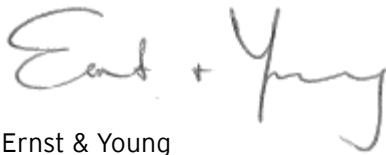
G Galt
Chairman
Sydney, 28 September 2018

Auditor's Independence Declaration to the Directors of NuCoal Resources Limited

As lead auditor for the audit of NuCoal Resources Limited for the financial year ended 30 June 2018, I declare to the best of my knowledge and belief, that there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of NuCoal Resources Limited and the entities it controlled during the financial year.



Ernst & Young



Scott Jarrett
Partner
28 September 2018

Corporate Governance Statement

The Board of Directors of NuCoal Resources Ltd (Company or NuCoal) is responsible for establishing the corporate governance framework of the Company, having regard to the ASX Corporate Governance Council *Corporate Governance Principles and Recommendations with 2010 Amendments* (ASX Recommendations). The Board is committed to best practice corporate governance principles appropriate for the size, type and activity of NuCoal.

Various corporate governance practices are discussed within this statement. Details of the main policies of corporate governance adopted by the Company and referred to in this statement are available on the Company website www.nucoal.com.au.

In accordance with *Listing Rule 4.10*, this Corporate Governance Statement discloses the extent to which the Company has followed the ASX Recommendations. Where a Recommendation has not been followed, the Company will disclose the reasons why the Recommendation has not been followed. Unless otherwise stated, the Company has adhered to the ASX Recommendations for the year ended 30 June 2018.

This Statement applies to NuCoal Resources Ltd (the Company) and all entities under its control, collectively referred to as the Group.

Principle 1: Lay solid foundations for management and oversight

The Board is responsible for the overall corporate governance of the Company.

Functions of the Board and delegations to Management

The Board has adopted a formal Board Charter, which sets out the functions reserved to the Board. The Board Charter is available on the Company's website.

The Board's primary role is the protection and enhancement of long-term shareholder value. It guides and monitors the business and affairs of the Group on behalf of the shareholders by whom they are elected and to whom they are accountable.

To fulfil this role, the Board, as set out in the Board Charter, is responsible for the overall corporate governance of the Group including:

- approving the Company's Corporate Strategy and monitoring its implementation;
- approving the appointment of the Managing Director / Chief Executive Officer;
- reviewing and monitoring systems of risk management and internal control, and ethical and legal compliance;
- approving major capital expenditure, acquisitions and divestitures; and
- monitoring and reviewing policies and processes aimed at ensuring the integrity of financial and other reporting.

The Board is responsible for reviewing the role and responsibilities of management through various committees it has developed. Directors are entitled to request additional information, including external advice, at any time to enable them to discharge their duties effectively. Review of the *Board Charter* occurs annually.

Terms of Directors' appointment

Directors are appointed in accordance with the terms of the Company's constitution.

Before a director is appointed, or put forward to shareholders as a candidate for election, the Group will undertake appropriate checks. These checks may include, but are not limited to, checks on a person's character, experience, education, criminal record and bankruptcy history. The Group will also provide shareholders with relevant information about any Director standing for election or re-election.

Each Director has entered into a formal letter of appointment with the Company, which sets out core terms of the Director's responsibilities and obligations to the Company.

Corporate Governance Statement (continued)

Company Secretary

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with proper functioning of the Board. The role of the Company Secretary is outlined in the *Board Charter*.

Diversity and Equal Opportunity

The Board will determine the appropriate policy concerning diversity from time to time. This policy will include a recommendation as to whether it is appropriate for the Board to establish measurable objectives for achieving gender diversity for the Board to assess annually. Given the change in corporate structure, the Company does not have any employees so any policy would only apply to management and the Board. To the extent this position changes, the Board will consider the appropriate policy.

Having regard to gender diversity the Company notes that in respect of Board representation, the Company Secretary role is held by a female.

Performance Evaluation – Board and Committees

The Board acknowledges the importance of regular review of its performance and the performance of its Committees against appropriate measures. The Board is committed to periodically reviewing the Board, its Committees and the Directors' performance and effectiveness.

No formal evaluation was conducted during the year; however, the Board is considering utilising an independent consulting group to facilitate a formal board review.

Performance Evaluation – Executive KMP

The annual formal performance assessment of Executive KMP's occurs in January each year - Further details of how the Company assesses performance are set out in the Remuneration Report.

Principle 2: Structure the Board to add value

As at the date of this report, the NuCoal Board comprises the following Directors:

- Gordon Galt (Chairman)
- Michael Davies (Non-executive Director)
- Glen Lewis (Non-executive Director)

The size and composition of the Board is determined in accordance with the Company's constitution and NuCoal considers that its Board holds a diverse mix of skills appropriate for its size, type and activity.

The formal *Board Charter* requires that the Board comprise Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds. Board composition is reviewed annually to consider whether it has the appropriate mix of Directors with the expertise and experience suitable for the purpose of fulfilling its collective responsibilities on behalf of shareholders. Where a vacancy exists, for whatever reason, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board will select candidates with the relevant qualifications, skills and experience.

Information about the skills, experience and expertise and period in office of each Director who served during the year ended 30 June 2018 is set out in the Directors' Report on pages 3 to 4.

Corporate Governance Statement (continued)

Nominations Committee

The Company does not have a fully constituted Nominations Committee as the Board believes that establishing a separate Nominations Committee at this time would contribute little to the Company's effective governance. As and when required, the full Board participates as the Nominations Committee in order to fulfil its corporate governance responsibilities in regard to:

- Board appointments and performance;
- Directors' induction program;
- Committee membership; and
- Other relevant matters.

Skills Matrix

The skills and diversity out the board are set out in the Directors' Report on pages 3 to 4.

Board Independence

The Board has adopted the definition of independence as set out in the ASX Principles and Recommendations. Having regard to the definition, the Board considers a Director to be independent if he or she is not a member of management and is free of any interest and any business or other relationship which would, or could reasonably be perceived to, materially interfere with the independent exercise of their judgement. The Board assesses the materiality of any given relationship that may affect independence on a case-by-case basis. Each Non-executive Director is required to regularly disclose to the Board all information that may be relevant to this assessment, including their interest in contracts and other directorships and offices held.

The Company has noted *ASX Recommendation 2.4* that the Board consist of a majority of independent Directors, and that it has not followed this recommendation during the 2017/2018 year.

Gordon Galt (Chairman) and Michael Davies are Executive Directors of one of the Company's major shareholders, Taurus Funds Management Pty Ltd, and as a result of this relationship are not considered to be independent by the Board. In addition, Glen Lewis, in his previous role as Managing Director, is not considered to be independent by the Board.

Notwithstanding the Council's recommendation that the majority of the Board should be independent, the Board is of the opinion that the objectives and current strategy of the Group are best served and achieved by a Board comprised of a majority of persons associated with the Group since its inception, irrespective of their degree of independence. In addition, the Board considers the expertise and skill of Directors to be paramount to the Group's success and believes that the current Board composition provides a range of skills and expertise to properly fulfil its responsibilities.

The Board also acknowledges that all Directors, whether independent or not, should bring an independent judgement to bear on Board decisions. To facilitate this, each Director has access in appropriate circumstances to independent professional advice at the Company's expense.

Role of Chairman and Chief Executive Officer

The role of the Chair and Chief Executive Officer are exercised by separate individuals (*ASX Recommendation 2.5*).

The Chairman, Gordon Galt, is responsible for leading the Board. His role includes ensuring the efficient organisation of the Board's functions, facilitating effective contribution by all Directors and promotion of constructive relations between the Board and management. The Chairman's role also includes ensuring that the Board is provided with all information related to the Company's operation and strategies to assist in the discharge of the Board's duties, reviewing corporate governance matters with the Company Secretary and reporting on those matters to the Board.

Corporate Governance Statement (continued)

The Company has noted *ASX Recommendation 2.5* that the Chairperson be an independent Director, and that it has not followed this recommendation during the 2017/2018 year. Although the Chairman is not considered to be independent, by virtue of his directorship of Taurus Funds Management Pty Ltd, the Board believes that he is the most appropriate person for the role, given his extensive business experience, particularly in the areas of coal mining and exploration.

The Chief Executive Officer, Megan Etccl, is responsible to the Board for the discharge of the management function and the implementation of corporate objectives determined by the Board.

Board induction and training

The Group has a program for inducting new directors and provides resources to directors to help develop and maintain the appropriate skills and knowledge needed to perform their role effectively.

Principle 3: Promote ethical and responsible decision making

Code of Conduct

NuCoal has adopted a *Corporate Code of Conduct* to guide Directors, executive KMP, management and employees in carrying out their duties and responsibilities. The *Corporate Code of Conduct* sets out the principles and standards which the Board, management and employees of the Company are expected to adopt when dealing with each other, shareholders and the community as a whole.

In addition, the *Corporate Code of Conduct* specifically addresses conflicts of interest, business gifts and entertainment, improper use of the Company's property and assets, dealing with Government officials, political activities and reporting unlawful and unethical behaviour. The *Corporate Code of Conduct* is available on the Company's website.

Principle 4: Safeguard integrity in financial statements

The Board has ultimate responsibility for ensuring the integrity of the Company's financial reporting. To assist in discharging its responsibility, the Board has put in place a structure of review and authorisation designed to ensure the truthful and factual presentation of the Company's financial position.

Audit Committee

The Board has established an Audit Committee. The Audit Committee has a formal charter, which is available on the Company's website.

As at the date of this report, the Audit Committee comprises the following Non-executive Directors:

- Gordon Galt – not independent
- Michael Davies – not independent
- Glen Lewis – not independent

The Company does not adhere to *ASX Recommendation 4.1*, in that the majority of the Audit Committee members are not independent. The reason for this departure from ASX guidelines is due to the current Board composition comprising a majority of non-independent Directors.

The relevant qualifications and experience of the members of the Audit Committee are disclosed on page 3 to 4 of the Director's Report.

The Audit Committee meets as required, but at least twice per year. The Chief Executive Officer and the Company's external auditors are invited to attend the Audit Committee meetings.

Corporate Governance Statement (continued)

Assurance by the Chief Executive Officer / Chief Financial Officer

The Board receives assurances from the person responsible for making a declaration in accordance with section 295A of the *Corporations Act 2001* (Cth) that any such declaration, as to the financial records and statements made, has been founded on a sound systems of risk management and internal compliance and controls and that the system is operating effectively in all material respects in relation to financial reporting risks.

Auditor

The Board and the Audit Committee also, to a certain extent, rely on the auditors (Ernst & Young) to ensure compliance with relevant accounting standards, and give full co-operation to its auditors without absolving itself of responsibility. Where appropriate, the Board and the Audit Committee engage independent experts or professional advisors to assist with the identification and/or management of any key risk areas identified. The external auditor attends the AGM and is available to answer questions in relation to the conduct of the audit.

Principle 5: Make timely and balanced disclosures

Continuous disclosure

NuCoal has adopted a *Continuous Disclosure Policy*, a copy of which is available on the Company's website.

The *Continuous Disclosure Policy* sets out the Company's commitment to continuous disclosure and establishes a best practice procedure relating to compliance with continuous disclosure obligations.

NuCoal is committed to providing up to date information to its shareholders and the broader investment community in accordance with its continuous disclosure obligations under the *ASX Listing Rules* and the *Corporations Act 2001* (Cth).

The Company Secretary is primarily responsible for the management of the *Continuous Disclosure Policy* and for all communications with the ASX in relation to continuous disclosure issues. However, no announcements are made to the ASX without the prior approval of the Chairman or the Chief Executive Officer (or their delegate).

JORC

In accordance with *Listing Rule 5.6* and the *2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (JORC Code), NuCoal has procedures in place to ensure it obtains the relevant Competent Person's signoff in relation to the disclosure of exploration results, mineral resources and ore reserves.

Principle 6: Respect the rights of security holders

Shareholder Communications

NuCoal has adopted a *Shareholder Communications Policy* and *Privacy Policy*, copies of which are available on the Company's website.

NuCoal aims to ensure that its shareholders, on behalf of whom the Boards acts, are informed of all information necessary to assess the performance of the Directors and the Company.

Information is communicated to shareholders and the market through:

- The Annual Report;
- Other periodic reports (Half Year and Quarterly Reports), which are lodged through the ASX and are available for shareholder scrutiny;
- Other announcements made in accordance with the ASX Listing Rules;
- Special purpose information memoranda issued to shareholders, as appropriate;
- The Annual General Meeting and other meetings, as appropriate; and
- The Company's website.

Corporate Governance Statement (continued)

The Group is committed to minimising its impact on the environment, and for this reason encourages shareholders to receive communication from and send communications to, the Group and its share registry, electronically. Communicating with shareholders by electronic means, particularly through the Group's website, is an efficient way of distributing information in a timely and convenient manner.

General Meetings

Shareholders are encouraged to attend the Company's Annual General Meeting (AGM). Shareholders are given the opportunity to ask questions at the AGM and to vote.

Principle 7: Recognise and manage risk

Risk Committee

A Risk Committee was in place to support and assist the Board to recognise and monitor all non-financial risks arising from the Company's activities from July 2014 – March 2015. The Risk Committee was disbanded effective 1 March 2015 due to the Board's decision to make the Group's entire workforce redundant; therefore all processes of a Risk Committee are now the responsibility of the Board.

Further, the Company's Audit Committee monitors the Company's financial risks. Refer to page 18 of the Corporate Governance Statement which outlines the specific roles and responsibilities of the Audit Committee.

Internal audit

The Group does not have an internal audit function; however the Company has designed and implemented a risk management and internal control system to manage the Company's material business risks. The Board and Audit Committee receive reports from management in respect of the effectiveness of the Company's material business risks.

Principle 8: Remunerate fairly and responsibly

Remuneration Policies

The Board had in place a Remuneration Committee to support and assist the Board with remuneration matters from July 2014 – March 2015. The Remuneration Committee was disbanded effective 1 March 2015 due to the Board's decision to make the Group's entire workforce redundant; therefore all processes of a Remuneration Committee are now the responsibility of the Board.

The Company's remuneration policies and details of the nature and amount of remuneration paid to Directors' and key executives during the year are set out in the Directors' Report on pages 7 to 11 (*ASX Recommendations 8.2 and 8.3*).

Remuneration Review

The remuneration levels of Directors and executive KMP are reviewed by the Board (with abstentions from relevant Directors where there is a conflict of interest). Where the Board considers that particular expertise or information is required, appropriate external advice may be taken and reviewed prior to a final decision by the Board. In respect of the Group's equity based remuneration scheme, executive KMP are not permitted to enter into transactions which limit the economic risk of participating in the scheme.

NuCoal Resources Ltd ABN 29 060 352 990
Annual Report – 30 June 2018

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This financial report is the consolidated financial report for the consolidated entity consisting of NuCoal Resources Ltd and its subsidiaries. This financial report is presented in the Australian currency.

NuCoal Resources Ltd is a for profit company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). The registered office and principal place of business is:

Unit 8, 24 Garnett Road
Greenhills NSW 2323

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' report on pages 5 to 7, which is not part of these financial statements.

The financial report of NuCoal Resources Ltd for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of Directors on 28 September 2018. The company has the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available on our website: www.nucoal.com.au.

	Notes	2018 \$	2017 \$
Continuing operations			
Other income	5	67,290	152,313
Administration expenses		(38,879)	(53,749)
Accounting and audit fees		(98,460)	(41,724)
Consultants		(461,831)	(573,483)
Depreciation	9	(6,274)	(52,122)
Directors fees		(86,567)	(90,525)
Employee benefits expense		(33,338)	(39,888)
Exploration		(44,036)	(11,283)
Finance costs		(3,053)	(1,657)
Impairment	9	-	(78,817)
Insurance		(102,163)	(103,679)
Land management and maintenance expense		(17)	(376)
Legal fees		(118,928)	(456,910)
Listing fees		(42,129)	(39,783)
Other expenses		(9,573)	(152,300)
Property expenses		(1,348)	(28,292)
Rent		(56,638)	(57,641)
Ship or Pay		-	35,086
Travel and accommodation		(19,049)	(28,837)
Loss before income tax		(1,054,993)	(1,623,667)
Income tax expense	6	-	-
Loss for the year		(1,054,993)	(1,623,667)
Loss is attributable to:			
Equity holders of NuCoal Resources Ltd		(1,054,993)	(1,623,667)
Non-controlling interest		-	-
Other comprehensive income / (loss)		-	-
Total comprehensive loss for the year		(1,054,993)	(1,623,667)
Total comprehensive loss is attributable to:			
Equity holders of NuCoal Resources Ltd		(1,054,993)	(1,623,667)
Non-controlling interest		-	-
Earnings per share for loss attributable to the ordinary equity holders of the company:		Cents	Cents
Basic loss per ordinary share	27	(0.14)	(0.21)
Diluted loss per ordinary share	27	(0.14)	(0.21)

The above Statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

	Notes	2018 \$	2017 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	588,341	1,560,951
Term deposits	7	4,000,000	-
Restricted cash and cash equivalents	7	20,000	20,000
Trade and other receivables	8	88,317	76,945
Assets held for sale	12	-	3,950,000
Total current assets		4,696,658	5,607,896
Non-current assets			
Property, plant and equipment	9	15	122,841
Water licences	10	866,000	866,000
Total non-current assets		866,015	988,841
Total assets		5,562,673	6,596,737
LIABILITIES			
Current liabilities			
Trade and other payables	13	62,026	41,097
Total liabilities		62,026	41,097
Net assets		5,500,647	6,555,640
EQUITY			
Share Capital	15	88,138,807	88,138,807
Reserves	16	4,608,035	4,608,035
Accumulated Losses	17	(87,246,195)	(86,191,202)
Total equity		5,500,647	6,555,640

The above statement of financial position is to be read in conjunction with the accompanying notes.

	Attributable to the owners of NuCoal Resources Ltd			
	Contributed equity	Reserves	Accumulated losses	Total Equity
	\$	\$	\$	\$
Balance at 30 June 2016	88,138,807	4,608,035	(84,567,535)	8,179,307
Loss for the year	-	-	(1,623,667)	(1,623,667)
Other comprehensive income / (loss) for the year	-	-	-	-
<i>Total comprehensive loss for the year</i>	-	-	<i>(1,623,667)</i>	<i>(1,623,667)</i>
Balance at 30 June 2017	88,138,807	4,608,035	(86,191,202)	6,555,640
Loss for the year	-	-	(1,054,993)	(1,054,993)
Other comprehensive income / (loss) for the year	-	-	-	-
<i>Total comprehensive loss for the year</i>	-	-	<i>(1,054,993)</i>	<i>(1,054,993)</i>
Balance at 30 June 2018	88,138,807	4,608,035	(87,246,195)	5,500,647

The above statement of changes in equity is to be read in conjunction with the accompanying notes.

	2018	2017
Notes	\$	\$
Cash flows from operating activities		
Receipts	29,527	1,558
Payments to suppliers and employees (inclusive of goods and services tax)	(1,068,564)	(2,323,367)
Payments for exploration and evaluation	(44,036)	(11,283)
Interest received	20,542	14,690
Rental income received	12,087	67,141
Net cash outflows used in operating activities	(1,050,444)	(2,251,261)
	26	
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	4,077,834	2,735,000
Proceeds from disposal of EL 6594	-	940,000
Net cash inflows used in investing activities	4,077,834	3,675,000
Proceeds from financing activities		
Transfer of funds to term deposit	(4,000,000)	-
Net cash flows from financing activities	(4,000,000)	-
Net (decrease) increase in cash and cash equivalents	(972,610)	1,423,739
Cash and cash equivalents at the beginning of the financial year	1,560,951	137,212
Cash and cash equivalents at the end of year	588,341	1,560,951
	7	

The above statement of cash flows is to be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied unless otherwise stated. The financial statements have been prepared for the consolidated entity consisting of NuCoal Resources Ltd and its subsidiaries for the year ended 30 June 2018.

(a) Basis of preparation

This financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001* (Cth). The financial report also complies with International Financial Reporting Standards (IFRS) including interpretations as issued by the International Accounting Standards Board (IASB).

Historical cost convention

The financial report has been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments). Cost is based on the fair values of the consideration given in exchange for assets.

Critical accounting estimates and significant judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Material assumptions and estimates significant to the financial statements are outlined in note 3.

Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

Going concern

The Group recorded a net loss after tax of \$1,054,993 for the year ended 30 June 2018, however given the strong cash position of the Company and nil committed expenditure, the consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will realise its assets and extinguish its liabilities on normal terms and conditions.

The directors have prepared a detailed cash flow forecast for the 15 month period from 1 July 2018 which indicates that the Group has sufficient funds available to meet liabilities as and when they fall due.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of NuCoal Resources Ltd and its subsidiaries as at 30 June 2018. NuCoal Resources and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the Group on the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

1 Summary of significant accounting policies (continued)

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated comprehensive income statement and statement of financial position and statement of changes in equity respectively.

(c) Revenue Recognition

Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount on initial recognition.

(d) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

The Company and its wholly-owned Australian controlled entities have elected to implement tax consolidation legislation. As a consequence, all members of the tax-consolidated group are taxed as a stand-alone taxpayer. The head entity within the tax-consolidated group is NuCoal Resources Ltd.

(e) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1 Summary of significant accounting policies (continued)

(f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are reported at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Cash

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits at call with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Restricted cash and cash equivalents relates to short-term deposits with an original maturity of more than three months.

For the purposes of the statement of cash flows - cash and cash equivalents includes cash on hand, deposits held at-call with financial institutions net of outstanding bank overdrafts.

(h) Trade receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Trade receivables are normally due for settlement no more than 30 days from the date of recognition.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the amounts due according to the original terms of receivables. Bad debts are written off when identified.

(i) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses. Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

The Group acquires property to assist with the future development of projects, and in some instances the purchase price paid exceeds the fair value of the property at the time of acquisition. This excess purchase price is capitalised to exploration and evaluation expenditure as a direct cost of the relevant project.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

1 Summary of significant accounting policies (continued)

Increases in the carrying amounts arising on revaluation of land and buildings are credited, net of tax, to other reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost, net of tax, is transferred from the property, plant and equipment revaluation reserve to retained earnings.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight-line basis so as to write off the net cost of each asset over its expected useful life. Assets are depreciated or amortised from the date of acquisition, or in respect of internally constructed assets, from the time the asset is completed and held ready for use. Depreciation is calculated using the straight line method to their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Buildings 20 years
- Leasehold improvements 5 years
- Plant and equipment 10 years
- Office equipment 4 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit and loss.

(j) Water licences

Water licence assets held by the Group meet the definition of an intangible asset. Given this, the water licence assets are carried at cost or fair value as indicated, less, where applicable, any accumulated impairment losses.

In accordance with AASB 136 *Intangible Assets*, the Group tests its water licence assets for impairment either annually or whenever there is an indication that the asset may be impaired. In doing this, the Group carries out an assessment of the recoverable value of the water licence assets and compares this to the carrying amount. Any excess amount of the carrying amount over the recoverable amount is treated as an impairment loss and included in profit and loss.

(k) Assets held for sale

Non-current assets are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, are generally measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held-for-sale, the relevant property, plant and equipment is no longer amortised or depreciated.

(l) Exploration, evaluation and development expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

1 Summary of significant accounting policies (continued)

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; and
 - (b) exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Where an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

As the Doyles Creek Exploration Licence was cancelled by the NSW Government in January 2014, the Directors have determined that any future costs associated with this Project are to be written off when incurred.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Onerous contracts

Onerous contract provisions are recognised for losses on contracts where the forecast costs of fulfilling the contract throughout the contract period exceed the economic benefit expected to be received under it. The provision is calculated based on discounted cash flows to the end of the contract.

(o) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or rights are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or rights for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

1 Summary of significant accounting policies (continued)

(p) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (note 28).

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(r) Rounding of amounts

The company is of a kind referred to in Class Order 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in these financial statements. Amounts in these financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(s) New and Amended standards and interpretations

There are no new standards or interpretations effective from 1 July 2017 that are applicable to the Group. The Group has not elected to early adopt any new or amended standards or interpretations that are issued but not yet effective.

1 Summary of significant accounting policies (continued)

(t) New accounting standards and interpretations not yet adopted

The following recently issued standards and interpretations are relevant to current operations. They are available for early adoption but have not been applied by the Group in this Financial Report.

- *AASB9 Financial Instruments* becomes mandatory for the Group's 2019 financial report and includes changes to the classification and measurement of financial assets including a new expected credit loss model for calculating impairment. It also includes the new hedge accounting model to simplify hedge accounting requirements and more closely align hedge accounting with risk management activities.
- *AASB 16 Leases* becomes mandatory for the Group's 2020 financial report and removes the classification of leases between finance and operating leases effectively treating all leases as finance leases for the lessee. The purpose is to provide greater transparency of a lessee's financial leverage and capital employed.

The Group has assessed the impact of both new standards noted above and do not expect any material impact to the financial statements.

2 Financial risk management

The Group's activities expose it to a variety of financial risks such as market risk (including interest rate risk), credit risk and liquidity risk. The Board of Directors has the overall responsibility for the establishment and oversight of the risk management framework. Management continually assess, monitor and manage the operational, financial reporting and compliance risks of the Company and report material risks to the Board.

Fair Values

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximate their fair value due to the relatively short period to maturity of these instruments.

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The following outlines the Group's fair value hierarchy.

Level 1 – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.

Level 2 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable).

Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

For financial instruments that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There are no off-balance sheet financial assets or liabilities at year end.

Market risk

Interest rate risk: Interest rate risk arises from the Group's term deposits. The Group seeks to maximise interest on its funds by exposure to short term fixed investments. Refer note 22 for further information.

2 Financial risk management (continued)

Credit risk

Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum exposure to credit risk in relation to each class of recognised financial asset is the carrying value of those assets. Credit risk, with respect to cash, is managed by depositing funds only with recognised financial institutions that maintain strong credit ratings.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. The consolidated entity manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Refer note 22 for further information.

Capital management

The Board's policy is to maintain a strong capital base and net asset position, so as to maintain investor, creditor and market confidence and to sustain future development of the business. In the event that management consider that the consolidated entity would benefit from strengthening its capital base and/or net asset position, multiple options would be considered, for example raising additional capital and/or introduction of strategic investors. The Directors would assess such options that are expected to be most beneficial for shareholders. The ultimate objective of managing the Company's equity is to enable an adequate Total Shareholder Return (TSR). TSR includes the total increase (decrease) in the consolidated entity's share price, after adjusting for the effects of bonus issues. There were no changes in the consolidated entity's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Assets held for sale

Non-current assets are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, are generally measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held-for-sale, the relevant property, plant and equipment is no longer amortised or depreciated.

(ii) Water licences

Water licence assets are recognised as an intangible asset with an indefinite useful life. As per Note 0(j)– the Group is required to test these assets for impairment, at least annually. For the year ending 30 June 2018, the Group performed an annual impairment test for the water licence assets which involved the assessment of various judgements and assumptions. No impairment was required to be recognised as at 30 June 2018 in respect of the water licence assets, therefore the carrying value remained unchanged at \$866,000.

4 Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. Following the adoption of AASB 8, identification of the Group's reportable segments has not changed.

The Group operates in the coal industry in New South Wales, Australia. As operating results are not currently reported to the chief operating decision-maker on a project by project basis, detailed segment reporting has not been performed.

5 Other income

	Consolidated 2018 \$	2017 \$
Interest income	20,543	14,690
Other income	46,747	137,623
Total Other Income	<u>67,290</u>	<u>152,313</u>

6 Income tax expense

	Consolidated 2018 \$	2017 \$
(a) Income tax expense		
Current tax	(293,668)	(297,828)
Deferred tax	-	-
Tax losses not recognised	<u>293,668</u>	<u>297,828</u>
	-	-
Deferred income tax expense / (benefit) included in income tax expense comprises:		
Decrease / (increase) in deferred tax assets (note 11)	9,867	11,470
(Decrease) / increase in deferred tax liabilities (note 14)	<u>(9,867)</u>	<u>(11,470)</u>
Deferred tax expense	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
(Loss) from continuing operations before income tax expense	(1,054,995)	(1,623,666)
Tax at the Australian tax rate of 27.5% (30 June 2017 – 27.5%)	(290,124)	(446,508)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Impairment	-	21,675
Legal fees	-	125,650
Other	(3,544)	1,355
Other income	-	-
Tax losses not recognised – current year	293,668	297,828
Tax losses not recognised – prior year	-	-
Income tax expense – current and deferred	<u>-</u>	<u>-</u>

6 Income tax expense (continued)

Deferred tax assets have only been recognised to the extent that they offset deferred tax liabilities. The company has unrecognised tax losses for which no tax loss has been booked as a deferred tax asset of approximately \$68 million in 2018 (2017: \$67 million). The benefit of income tax losses will only be obtained if:

- (i) The Group derive future income of a nature and of an amount to enable the benefit from the deductions for the losses to be realised;
- (ii) The Group continue to comply with the conditions for deductibility imposed by tax legislation; and
- (iii) No changes in tax legislation adversely affect the Group in realising benefit from the deductions from the losses.

7 Current assets – Cash

	Consolidated	
	2018	2017
	\$	\$
Cash at bank and in hand	588,341	1,560,951
Total Cash and cash equivalents	588,341	1,560,951
Term deposits	4,000,000	-
Restricted cash and cash equivalents	20,000	20,000

(a) Risk exposure

All cash investments are held in transactional bank accounts or on term deposit held with international banks. The credit risk exposure of the Group in relation to cash and deposits is the carrying amount and any accrued unpaid interest.

(b) Term Deposits

The \$4 million balance shown as term deposit relates to a term deposit with a maturity of 3 months or more.

(c) Restricted Cash and Cash equivalents

Restricted cash and cash equivalents relates to a term deposit with a maturity of 3 months or less. The term deposit is security for a bank guarantee provided to Industry and Investment NSW – Mineral Resources in respect of EL 6812.

8 Current assets – Trade and other receivables

	Consolidated	
	2018	2017
	\$	\$
GST and other tax receivables	13,053	28,420
Other receivables	4,094	10,245
Prepayments	71,170	38,280
	88,317	76,945

(a) Impaired trade receivables

There are no trade receivables that have been impaired as at 30 June 2018. In addition, no trade receivables are past due.

9 Non-current assets – Property, plant and equipment

Consolidated	Land	Buildings	Furniture fittings & equipment	Leasehold Improvements	Motor Vehicles	Property Plant & Equipment	Total
	\$	\$	\$	\$	\$	\$	\$
Cost or valuation							
At 1 July 2016	8,929,376	423,948	102,585	12,452	21,364	157,229	9,646,954
Additions	-	-	-	-	-	-	-
Disposals & write offs	-	-	-	-	-	(36,364)	(36,364)
Transfers ⁽¹⁾	(3,950,000)	-	-	-	-	-	(3,950,000)
Adjustment	-	-	(38,215)	-	-	-	(38,215)
At 30 June 2017	4,979,376	423,948	64,370	12,452	21,364	120,865	5,622,375
Additions	-	-	-	-	-	-	-
Disposals	(4,979,376)	(214,331)	(21,575)	(12,452)	(21,364)	(119,743)	(5,368,841)
Transfers	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-
At 30 June 2018	-	209,617	42,795	-	-	1,122	253,534
Depreciation and impairment							
At 1 July 2016	(5,110,176)	(125,990)	(95,759)	(6,686)	(14,026)	(54,543)	(5,407,180)
Depreciation charge for the year	-	(28,341)	(4,425)	(2,490)	(2,670)	(14,196)	(52,122)
Disposals	-	-	-	-	-	-	-
Impairment ⁽²⁾	130,800	(209,617)	-	-	-	-	(78,817)
Adjustment	-	-	38,585	-	-	-	38,585
At 30 June 2017	(4,979,376)	(363,948)	(61,599)	(9,176)	(16,696)	(68,739)	(5,499,534)
Depreciation charge for the year	-	-	(1,437)	(1,576)	(249)	(3,012)	(6,274)
Disposals	4,979,376	154,331	20,241	10,752	16,945	70,644	5,252,289
Impairment	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-
At 30 June 2018	-	(209,617)	(42,795)	-	-	(1,107)	(253,519)
Net Book Value							
At 30 June 2017	-	60,000	2,771	3,276	4,668	52,126	122,841
At 30 June 2018	-	-	-	-	-	15	15

(1) Assets transferred to Held For Sale in FY2017 related to all remaining land holdings held by the Group in the Jerrys Plains area and subject to a Contract of Sale as at 30 June 2017. Refer note 12 for further information.

(2) For the year ended 30 June 2017, the Group recorded an impairment loss of \$210,000 due to the estimated realisable market value of a number of portable buildings being determined to be less than the carrying value. The impairment loss was offset by a reversal of impairment to the value of \$131,000 relating to a number of land holdings. A third party valuation completed in May 2017 identified an increase in value for a number of land holdings resulting in previous impairment being reversed.

10 Non-current assets – water licences

	Consolidated 2018 \$	2017 \$
Water licences	866,000	866,000
Total water licences	<u>866,000</u>	<u>866,000</u>

11 Non-current assets – Deferred tax assets

	Consolidated 2018 \$	2017 \$
Temporary differences attributable to:		
Accruals	10,500	4,500
Carry-forward tax losses recognised	10,851	6,984
Total deferred tax assets	<u>21,351</u>	<u>11,484</u>
Set-off of deferred tax liabilities pursuant to set-off provisions (note 14)	<u>(21,351)</u>	<u>(11,484)</u>
Net deferred tax assets	<u>-</u>	<u>-</u>

12 Assets Held for Sale

	Consolidated 2018 \$	2017 \$
Land ⁽¹⁾	-	3,950,000
Total assets held for sale	<u>-</u>	<u>3,950,000</u>

(1) Assets transferred to Held For Sale in FY2017 related to all remaining land holdings held by the Group in the Jerrys Plains area and subject to a Contract of Sale as at 30 June 2017. The contract was finalised on 16 February 2018.

13 Current liabilities – Trade and other payables

	Consolidated 2018 \$	2017 \$
Trade payables	62,026	41,097
	<u>62,026</u>	<u>41,097</u>

14 Non-current liabilities – Deferred tax liabilities

	Consolidated 2018 \$	2017 \$
Temporary differences attributable to:		
Prepayments	21,351	11,484
Total deferred tax liabilities	<u>-</u>	<u>-</u>
Set-off of deferred tax liabilities pursuant to set-off provisions (note 11)	<u>(21,351)</u>	<u>(11,484)</u>
Net deferred tax liabilities	<u>-</u>	<u>-</u>

15 Contributed equity

	Consolidated 2018 \$	2017 \$
(a) Share capital		
Closing balance	<u>88,138,807</u>	<u>88,138,807</u>

(b) Movements in ordinary share capital

The Group has had no movement in share capital since 30 June 2012. The current number of shares on issue is 768,612,354.

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Employee share scheme

Information relating to the Long-term Incentive Employee Share Plan, including details of shares issued under the Plan is set out in note 28.

(e) Share buy-back

There were no share buy-backs in the period.

16 Reserves

	Consolidated 2018 \$	2017 \$
(a) Reserves		
Share-based payments reserve	<u>4,608,035</u>	<u>4,608,035</u>

(b) Nature and purpose of reserves

The share-based payments reserve is used to recognise the fair value of shares issued but not vested under the Long-term Incentive Employee Share Plan. There has been no movement in the share-based payments reserve since 2012.

17 Accumulated losses

Movements in accumulated losses were as follows:

	Consolidated 2018 \$	2017 \$
Opening accumulated losses	(86,191,202)	(84,567,535)
Net loss for the year	(1,054,993)	(1,623,667)
Balance 30 June	<u>(87,246,195)</u>	<u>(86,191,202)</u>

18 Dividends

No dividends were announced or paid during the year ended 30 June 2018 (2017: nil).

19 Key management personnel disclosures

The company has taken advantage of the relief provided by Corporations Regulation 2M.6.04 and has transferred the detailed remuneration disclosures to the Directors' Report. The relevant information can be found in sections (a) to (e) of the Remuneration Report on pages 7 to 11.

20 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity.

	Consolidated	
	2018	2017
	\$	\$
Audit and review of financial statements	30,100	28,000
Other services	-	-
Total remuneration for audit and other services	30,100	28,000

Total auditors remuneration

It is the Group's policy to employ Ernst & Young on assignments additional to their statutory audit duties where their expertise and experience with the Company are important. It is Company policy to seek competitive tenders for all major consulting projects.

21 Commitments

The Group has no capital expenditure commitments.

22 Financial instruments

This note is to be read in conjunction with note 2.

(a) Credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Note	Consolidated	
		2018	2017
		\$	\$
Cash and cash equivalents	7	588,341	1,560,951
Trade and other receivables	8	88,317	76,945
		676,658	1,637,896

Impairment losses

None of the Group's receivables are past due or impaired (2017: nil).

(b) Market risk

Interest rate risk: At the reporting date, the interest rate profile of the Group's interest bearing financial instruments was:

	2018		2017	
	Weighted	Total	Weighted	Total
	average	\$	average	\$
	interest rate		interest rate	
Variable rate instruments				
Cash and cash equivalents	0.78%	588,341	1.17%	1,560,951
Term deposit	2.40%	4,000,000	-	-
Restricted cash and cash equivalents	1.88%	20,000	2.16%	20,000
		4,608,341		1,580,951

22 Financial Instruments (continued)

The Group has considered sensitivity analysis and noted that if the interest rate were to increase/decrease by 100 basis points, the impact to the profit and loss would be \$46,105.

The effective interest rate for the cash and cash equivalents of the Group was 0.78% (2017: 1.17%).

(c) Liquidity risk

The following are the contractual maturities of financial liabilities.

30 June 2018

	Carrying amount	Contractual cash flow	12 Mths or less	1-2 years	2-5 years	More than 5 years
Trade and other payables	62,026	62,026	62,026	-	-	-
Total	62,026	62,026	62,026	-	-	-

30 June 2017

	Carrying amount	Contractual cash flow	12 Mths or less	1-2 years	2-5 years	More than 5 years
Trade and other payables	41,097	41,097	41,097	-	-	-
Total	41,097	41,097	41,097	-	-	-

23 Related party transactions

(a) Parent entities

The ultimate parent entity within the Group is NuCoal Resources Ltd.

(b) Subsidiaries

Interests in subsidiaries are set out in note 24.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 19.

(d) Transactions with related parties

The Group engaged the services of Glen Lewis, via Lewis Mining Consulting Pty Ltd, and Megan Etccl, via Etccl Consulting Pty Ltd on commercial terms. Details of transactions with both parties are outlined below.

	Consolidated	
	2018	2017
	\$	\$
Lewis Mining Consulting Pty Ltd	27,500	118,867
Etccl Consulting Pty Ltd	198,750	117,900

24 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity holding *	
			2018 %	2017 %
Doyles Creek Mining Pty Limited	Australia	Ordinary	100	100
NuCoal Share Plan 1 Pty Ltd	Australia	Ordinary	100	100
Dellworth Pty Ltd	Australia	Ordinary	100	100

The proportion of ownership interest is equal to the proportion of voting power held.

25 Events occurring after the reporting period

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Group, the results of those operations or the state of affairs of the Group in the future financial years.

26 Reconciliation of loss after income tax to net cash flow from operating activities

	Consolidated 2018 \$	2017 \$
Loss for the year	(1,054,993)	(1,623,667)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation	6,274	52,122
Loss (gain) on disposal of fixed assets	(11,282)	35,993
Impairment	-	78,817
Net cash provided by operating activities before change in assets and liabilities	(1,060,001)	(1,456,735)
Change in operating assets and liabilities		
(Increase) decrease in trade debtors	21,516	13,056
(Increase) decrease in prepayments	(32,888)	9,929
Increase (decrease) in trade creditors	20,929	(217,511)
Increase (decrease) in other liabilities	-	(600,000)
Net cash inflow (outflow) from operating activities	(1,050,444)	(2,251,261)

27 Earnings per share

	Consolidated 2018 Cents	2017 Cents
(a) Basic earnings per share		
Loss from continuing operations attributable to the ordinary equity holders of the company	(0.14)	(0.21)
Total basic loss per share attributable to the ordinary equity holders of the company	(0.14)	(0.21)
(b) Diluted earnings per share		
Loss from continuing operations attributable to the ordinary equity holders of the company	(0.14)	(0.21)
Total diluted loss per share attributable to the ordinary equity holders of the company	(0.14)	(0.21)
(c) Reconciliations of earnings used in calculating earnings per share		
	Consolidated 2018 \$	2017 \$
<i>Basic earnings per share</i>		
Loss from continuing operations attributable to the ordinary equity holders of the company used in calculating basic earnings per share	(1,054,993)	(1,623,667)
<i>Diluted earnings per share</i>		
Loss from continuing operations attributable to the ordinary equity holders of the company used in calculating diluted basic earnings per share	(1,054,993)	(1,623,667)
(d) Weighted average number of shares used as the denominator		
	Consolidated 2018 Number	2017 Number
<i>Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share</i>	768,612,354	768,612,354
Adjustments for calculation of diluted earnings per share	-	-
<i>Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share</i>	768,612,354	768,612,354
(e) Information concerning the classification of securities		
<i>Shares granted under the Long-term incentive Employee Share Plan</i>		

Shares granted to employees under the ESP are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. Details relating to the shares are set out in the Remuneration Report on pages 7 to 11.

28 Share based payments

Long-term Incentive Employee Share Plan

The establishment of the Long-term Incentive Employee Share Plan (ESP) was approved by shareholders at the 28 May 2010 general meeting. The Long-term Incentive Employee Share Plan is designed to provide long-term incentives for the Group's key management personnel (being directors and executive management) to deliver long-term shareholder returns. Pursuant to *Listing Rule 10.14*, approval from Shareholders has been obtained for Directors to be eligible to participate in the Long-term Incentive Employee Share Plan.

Under the ESP, eligible participants may be granted shares on terms and conditions determined by the Board and as documented in the Share Plan Rules and Trust Deed. Shares granted to participants are to be held in Trust until vesting conditions attached to the shares are satisfied. If the vesting conditions are satisfied, the shares are exercised and delivered from the Trust to the eligible participant at nil cost. The shares granted under the ESP do not have an expiry date.

Shares held by eligible participants who cease being a Director or employee of the Group are forfeited immediately.

Consolidated – 2018

No shares were granted or exercised under the ESP during the year ended 30 June 2018.

Consolidated – 2017

No shares were granted or exercised under the ESP during the year ended 30 June 2017.

For details of shares forfeited, refer to page 11 of the Director's Report.

29 Parent entity disclosures

A. Financial position

	30 June 2018 \$	30 June 2017 \$
ASSETS		
Current assets	4,654,335	1,615,499
Non-current assets	908,348	4,981,248
Total assets	<u>5,562,683</u>	<u>6,596,747</u>
LIABILITIES		
Current liabilities	62,036	41,107
Non-current liabilities	-	-
Total liabilities	<u>62,036</u>	<u>41,107</u>
Net assets	<u>5,500,647</u>	<u>6,555,640</u>
EQUITY		
Share Capital	84,056,997	84,056,997
Accumulated Losses	(83,164,385)	(82,109,392)
RESERVES		
Share based payment reserve	4,608,035	4,608,035
Total equity	<u>5,500,647</u>	<u>6,555,640</u>

B. Financial performance

	Year ended 30 June 2018 \$	Year ended 30 June 2017 \$
Loss for the year	(1,054,993)	(1,602,169)
Other comprehensive income / (loss)		
Total comprehensive loss	(1,054,993)	(1,602,169)

C. Other information

No guarantees or contingencies were entered into during the year ended 30 June 2018 by the parent Company (2017: nil).

Investments in subsidiaries are accounted for at cost in the individual financial statements of NuCoal Resources Ltd.

Lease commitments for the Group as disclosed in note 21 are specifically related to the parent entity. The parent entity has no other commitments.

In the Directors' opinion:

- (a) the financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2018 and of their performance for the financial year ended on that date,
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors



G Galt
Chairman
Sydney, 28 September 2018

Independent Auditor's Report to the Members of NuCoal Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of NuCoal Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures provide the basis for our audit opinion on the accompanying financial report.

1. Impairment assessment of Water Licences

Why significant

At 30 June 2018, the Group's consolidated statement of financial position included water licence assets with a value of \$866,015. These are recognised as an intangible asset with an indefinite useful life.

As disclosed in Note 1 of the financial report and, in accordance with the requirements of Australian Accounting Standards, the Group performed an annual impairment test for water licence assets.

This was considered to be a Key Audit Matter due to the value of the balance in the consolidated statement of financial position relative to total assets, and the significant judgments and assumptions involved in the impairment assessment.

How our audit addressed the key audit matter

Our audit procedures included the following:

- ▶ Assessed whether the methodology used by the Group met the requirements of Australian Accounting Standards.
- ▶ Assessed the inputs used by the Group in the impairment assessment. This included consideration of recent sales of water licences.
- ▶ Considered the competence, capabilities and objectivity of the Group's external expert who produced the valuation.
- ▶ Tested the mathematical accuracy of the water licence valuation.
- ▶ We evaluated the adequacy of the related disclosures in the financial report including those made with respect to judgements and estimates.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2018 Annual Report, but does not include the financial report and our auditor's report thereon. We obtained the Directors' Report and the Corporate Governance Statement that are to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

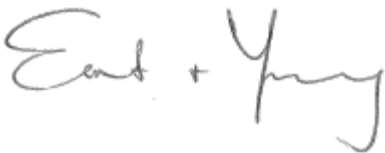
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 10 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of NuCoal Resources for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young



Scott Jarrett
Partner
Sydney
28 September 2018

Shareholder information for listed public companies

Shareholder information for listed public companies

The shareholder information set out below was applicable as at 5 September 2018.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Distribution	Number of shareholders
1 – 1,000	1,080
1,001 – 5,000	316
5,001 – 10,000	213
10,001 – 100,000	808
100,001 and over	432
TOTAL	2,849

There were 2,152 holders of less than a marketable parcel of ordinary shares.

B. Equity security holders

Quoted equity securities

Total quoted equity securities: 768,612,354

The names of the twenty largest holders of quoted equity securities are listed below.

Ordinary Shares	Number held	Percentage
1 Bond Street Custodians Limited	127,761,247	16.62%
2 Big Ben Holdings Pty Limited	30,000,000	3.90%
3 Baysoni Pty Ltd	26,769,200	3.48%
4 HSBC Custody Nominees (Australia) Limited	25,514,024	3.32%
5 NuCoal Share Plan 1 Pty Ltd	25,180,000	3.28%
6 JP Morgan Nominees Australia Limited	24,075,977	3.13%
7 Aigle Royal Superannuation Fund Pty Ltd	24,016,318	3.12%
8 Mr Michael Davies	22,950,440	2.99%
9 Chembank Pty Limited	20,000,000	2.60%
10 Aquila Resources Ltd	18,000,000	2.34%
11 Bond Street Custodians Limited	17,693,858	2.30%
12 UBS Nominees Pty Ltd	13,500,000	1.76%
13 Citicorp Nominees Pty Limited	11,827,207	1.54%
14 Chifley Portfolios Pty Limited	10,879,250	1.42%
15 Quangi Pty Ltd	10,750,593	1.40%
16 Gleneagle Securities (Aust) Pty Ltd	9,150,000	1.19%
17 Berkshire Nominees Pty Ltd	8,750,000	1.14%
18 Mr Andrew Poole & Mrs Maxine Poole	8,558,083	1.11%
19 Mr Dmitry Gamayunov & Mrs Ina Gamayunov	8,329,024	1.08%
20 Lonway Pty Limited	7,586,902	0.99%
Total	451,292,123	58.72%

Shareholder information for listed public companies (continued)

Unquoted equity securities

The Company does not have any unquoted equity securities.

C. Substantial holders

Substantial holders in the Company are set out below.

Ordinary Shares	Number held	Percentage
Taurus Funds Management Pty Limited	145,455,105	18.92%
TOTAL	145,455,105	18.92%

D. Voting Rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

E. Interests in Mining Tenements

Tenement	Location	% interest
EL6812	Savoy Hill, New South Wales	100

F. Other Information

NuCoal Resources Ltd is incorporated and domiciled in Australia, and is a publicly listed Company limited by shares.

