



Quarterly Report

For the 3 Months ended March 2019

This Quarterly Report updates activities undertaken during the period 1 January 2019 to 31 March 2019.

1. PROJECTS

Savoy Hill Coal Project (100%)

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

2. NUCOAL'S LEGAL CASES

Background

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

Since the passing of the legislation, NuCoal has continued to implement a legal and political strategy, both domestically and internationally, to seek redress for shareholders following the unfair and unjust cancellation of EL 7270 by the NSW Government.

Domestic Efforts

Domestic efforts continued during the quarter with the roll out of a television advertising campaign throughout the NSW Hunter, Newcastle and Sydney Metro areas. Shareholders are invited to view the TV ad and some further information regarding the fight for shareholder justice on the Company's website via the below links:

Television Advertisement → <http://nucoal.com.au/nucoal-television-commercial/>

Justice Summary → <http://nucoal.com.au/justice/>

Registered Office

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ASX:NCR • Share Information

Issued Shares: 768.6m

Board of Directors

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

Representations to a number of NSW Politicians also occurred throughout the period resulting in a number of crossbenchers signing a pledge outlining their intention to seek justice for the thousands of innocent NuCoal shareholders following the NSW State Election.

In an interview with The Australian Newspaper about the pledge - newly elected Legislative Council Member – Mark Latham, said *"These mum and dad investors have been ripped off. This could not happen at a federal level so in NSW it is a matter, not just of compensating the NuCoal investors, but of putting in place legal provisions that protect property rights across the board"*¹.

The Company still encourages shareholders to write and/or raise the issue with their local MP. Now is the time to keep up the pressure and keep the NuCoal issue front of mind.

International Efforts

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.

NuCoal lobbyists in the United States of America, BGR Group, have arranged a meeting with the newly appointed U.S. Ambassador to Australia, Arthur B Culvahouse Jr. to be held in April 2019.

As previously communicated, shareholders should note that any successful action directly under the AUSFTA will benefit only the shareholders who bring and participate in the action (ie. US shareholders in NuCoal who held shares at the time of expropriation).

Ian Macdonald and John Maitland Appeal

On 25 February 2019, the NSW Court of Criminal Appeal down judgment in the case of Ian Macdonald and John Maitland².

Per the Judgment Summary:

"The Court of Criminal Appeal has allowed an appeal against conviction, quashed the conviction and ordered a new trial in respect of both Mr Ian Macdonald and Mr John Maitland. Mr Macdonald and Mr Maitland were charged with offences arising out of a grant of consent to apply for an exploration licence and the subsequent grant of an exploration licence in the Doyles Creek area to Doyles Creek Mining Pty Ltd. At the time the offences occurred, Mr Macdonald was the Minister for Mineral Resources and Mr Maitland was the chairman of, and a shareholder in, Doyles Creek Mining Pty Ltd."

The Judgment Summary can be viewed at:

<http://nucoal.com.au/wp-content/uploads/2019/02/Judgment-Summary-Maitland-Macdonald-Appeal25.02.2019.pdf>

¹ The Australian – 15 March 2019, Mark Latham pushes case against state sponsored theft

² Maitland v R; Macdonald v R [2019] NSWCCA 32

During March 2019, the NSW Director of Public Prosecutions office gave notice that it will not be seeking leave to appeal to the High Court of Australia to challenge the decision of the NSW Court of Criminal Appeal on 25 February 2019.

The decision of the NSW Court of Criminal Appeal quashed the convictions of Ian Macdonald and John Maitland citing "... *the trial judge had misdirected the jury as to the state of mind required to be found guilty of the offence of wilful misconduct in public office*".³

Ian Macdonald and John Maitland may be subject to a retrial in 2020, however any retrial will be based on the conclusions reached by the NSW Court of Criminal Appeal.

NuCoal will continue to follow the case with interest and provide shareholders with any relevant updates.

3. CORPORATE

Cash and deposits as at 31 March 2019 were A\$3.83 million.

4. ADDITIONAL REPORTING REQUIREMENTS

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

Interests in Mining Tenements

The Company held the following mining tenements during the quarter.

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

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

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

³ Judgment Summary - **Maitland v R; Macdonald v R [2019] NSWCCA 32**

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

NuCoal Resources Ltd

ABN

29 060 352 990

Quarter ended ("current quarter")

March 2019

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (nine months) \$A'000 |
|---|----------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | - | (28) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (61) | (180) |
| (e) administration and corporate costs | (168) | (610) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 3 | 38 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Research and development refunds | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (226) | (780) |

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

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (nine months) \$A'000 |
|---|---|------------------------------------|---|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) property, plant and equipment | - | - |
| | (b) tenements (see item 10) | - | - |
| | (c) investments | - | - |
| | (d) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | - | - |

| | | | |
|-------------|---|----------|----------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | - | - |
| 3.2 | Proceeds from issue of convertible notes | - | - |
| 3.3 | Proceeds from exercise of share options | - | - |
| 3.4 | Transaction costs related to issues of shares, convertible notes or options | - | - |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | - | - |

| | | | |
|------------|--|--------------|--------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 4,053 | 4,607 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (226) | (780) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | - |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | - |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 3,827 | 3,827 |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Bank balances | 107 | 333 |
| 5.2 Call deposits | - | - |
| 5.3 Bank overdrafts | - | - |
| 5.4 Other (provide details) – Term Deposits | 3,720 | 3,720 |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 3,827 | 4,053 |

| 6. Payments to directors of the entity and their associates | Current quarter \$A'000 |
|--|----------------------------|
| 6.1 Aggregate amount of payments to these parties included in item 1.2 | 8 |
| 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 | |
| | |

| 7. Payments to related entities of the entity and their associates | Current quarter \$A'000 |
|--|----------------------------|
| 7.1 Aggregate amount of payments to these parties included in item 1.2 | - |
| 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 | |
| | |

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

| 9. | Estimated cash outflows for next quarter | \$A'000 |
|------------|--|------------|
| 9.1 | Exploration and evaluation | 50 |
| 9.2 | Development | - |
| 9.3 | Production | - |
| 9.4 | Staff costs | 60 |
| 9.5 | Administration and corporate costs | 200 |
| 9.6 | Other (provide details if material) | - |
| 9.7 | Total estimated cash outflows (inflows) | 310 |

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

Compliance statement

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

Sign here: 

Date: 30 April 2019

(Director/Company secretary)

Print name: Megan Etcell

Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.