



Quarterly Report

For the 3 Months ended September 2019

This Quarterly Report updates activities undertaken during the period 1 July 2019 to 30 September 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. The application is pending approval and following the standard departmental process for approval.

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

On 8 May 2019 Legislative Council member Rev Fred Nile gave notice in the NSW Upper House that he intended to introduce a Private Members Bill dealing with the appointment of an arbitrator to consider compensation for innocent NuCoal shareholders who were affected by the cancellation of the Doyles Creek Exploration Licence – EL 7270.

After this, on 6 June 2019, Rev Fred Nile introduced the *Mining Amendment (Compensation for Cancellation of Exploration Licence) Bill 2019* (the **Bill**) in the NSW Upper House.

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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

The Bill was referred to the Standing Committee on Law and Justice (**Standing Committee**) for enquiry and report. As part of the enquiry process, the Standing Committee accepted public submissions until 31 July 2019. Following a formal invitation from the Standing Committee, the Company lodged a submission on behalf of shareholders on 23 July 2019.

The Company's submission aimed to assist the Standing Committee's consideration of the Compensation Bill by providing relevant details about:

- NuCoal and the Licence;
- the Mining Amendment (ICAC Operations and Acacia) Act 2014 (NSW) (the Mining Amendment Act);
- the financial and emotional impacts on NuCoal's shareholders caused by the Mining Amendment Act;
- why the proposed Compensation Bill is appropriate; and
- why the Compensation Bill should be supported by the Parliament of NSW.

After the submission process, the Standing Committee invited the Company, along with a number of other individuals who also lodged a submission, to attend a public hearing. The public hearing was held on 9 August 2019 and the Directors appeared on behalf of the Company.

During the hearing, there were a number of questions taken on notice due to the level of detail requested by the Standing Committee. The Company prepared a detailed response to the questions taken on notice which was finalised and submitted to the Standing Committee on 6 September 2019.

The Standing Committee on Law and Justice tabled its report with the Clerk of the Parliaments on 30 October 2019. The report was made publicly available via the Standing Committee website on the same day.

As outlined in the report, the Committee has provided the following recommendations:

- **Recommendation 1** – That the *Mining Amendment (Compensation for Cancellation of Exploration Licence) Bill 2019* not proceed in its current form.
- **Recommendation 2** – That the NSW Government address the outstanding matters raised during this inquiry, where appropriate, including the issue of compensation for innocent shareholders.

NuCoal is considering the contents of the report in further detail. The Company notes that it has identified a number of references in the report that do not appropriately reflect the outcomes of subsequent legal judgements in the Supreme Court of NSW and will look to correct these matters.

NuCoal will continue to progress the matter with the NSW Government to ultimately gain compensation for NuCoal and its innocent shareholders.

NuCoal will continue to provide further updates to shareholders, as appropriate.

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.

With respect to the Compensation Bill – a number of US shareholders lodged individual submissions with the Standing Committee. In addition, the Company is aware that the USTR made fresh representations to DFAT around the time of the Committee hearings which reiterated its ongoing desire to resolve the claims of its NuCoal shareholders under the AUSFTA and which cited the proposed Compensation Bill as a potentially suitable way to resolve the matter.

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).

3. CORPORATE

Cash and deposits as at 30 September 2019 were A\$3.94 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.

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")

September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (three months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(69)	(69)
(e) administration and corporate costs	(170)	(170)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
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	(238)	(238)

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 (three 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	4,180	4,180
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(238)	(238)
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	3,942	3,942

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	522	760
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details) – Term Deposits	3,420	3,420
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,942	4,180

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	16
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	15
9.2	Development	-
9.3	Production	-
9.4	Staff costs	60
9.5	Administration and corporate costs	150
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows (inflows)	225

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: 31 October 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.