



# Quarterly Report

For the 3 months ended December 2022

This Quarterly Report updates activities undertaken during the period 1 October 2022 to 30 December 2022.

## 1. PROJECTS

### Savoy Hill Coal Project (100%)

In accordance with the licence conditions of Exploration Licence 6812 (**EL 6812**), an Annual Report was completed and lodged with the Division of Resources and Geoscience – NSW Government on Wednesday 20 July 2022.

On 18 October 2022 EL 6812 was renewed for a period ending on 20 June 2028.

As announced, the Company will now proceed to undertake the work schedule specified in the renewal. This includes a phase 3 drilling program of seven cored holes which will provide data on resource quantum and quality for 6 coal seams known to occur on the EL. Drilling will commence after all required access agreements are completed with relevant landholders. In the interim, work will commence on a comprehensive review of existing data.

Details of the planned exploration program intended for EL 6812 are as follows:

<b>Year 1 (2023)</b>	Apply for all required approvals for phase 3 drilling and conduct a complete third party review of all previous exploration activities and studies.
<b>Year 2 (2024)</b>	Commence phase 3 drilling of 3 holes including coal quality testing.
<b>Year 3 (2025)</b>	Complete phase 3 drilling of another 4 holes (7 in total) including 4 groundwater monitoring holes.
<b>Year 4 (2026)</b>	Complete remaining 4 groundwater monitoring holes (8 in total).
<b>Year 5 (2027)</b>	Commence Environmental Impact Statement ( <b>EIS</b> ) and Pre-Feasibility Studies.
<b>Year 6 (2028)</b>	Continue EIS and prepare Feasibility documentation including Renewal Application for EL 6812.

**Board of Directors**

The timings in the planned program allow for the negotiation of approvals with relevant stakeholders required for the exploration drilling, including approvals from both AGL and the NSW Government. We have commenced the process of contacting appropriate personnel at each of these organisations to obtain the necessary approvals. We have allowed for a period of 12 months to obtain the approvals at this point. If we can achieve a shorter period, then we will advise shareholders accordingly.

## 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**).

Information regarding the ongoing legal and political strategy, both domestically and internationally, to seek redress for shareholders is outlined below.

### Domestic Efforts

The Standing Committee on Law and Justice (**Standing Committee**) considered a bill introduced by the Hon. Rev Fred Nile, the *Mining Amendment (Compensation for Cancellation of Exploration Licence) Bill 2019* (**Compensation Bill**), during the second half of 2019. Following a detailed process, the Standing Committee 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 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.

As is standard protocol, the NSW Government was required to formally respond to Parliament within 6 months of the Standing Committee's report being published. On 30 April 2020, NuCoal received a copy of a letter from the NSW Attorney General, Mark Speakman, addressed to the Clerk of the Parliaments. The letter acknowledges the Standing Committee for their efforts, notes that the Government supports the Standing Committee with respect to Recommendation 1 (as noted above) and further notes that the position of the Government is reserved with respect to Recommendation 2 (also noted above).

Since receiving the correspondence NuCoal has continued its representations to the NSW Government. A follow-up letter was sent to the NSW Attorney General, Mark Speakman, dated 8 May 2020 asking what the next steps will be in this matter. Further letters and requests to relevant members of NSW Parliament have continued since then and are still

being made. All representations request an opportunity to meet and discuss the matter with a view to obtaining a mutually agreed compensation position. The Government maintains that it is still considering the matter.

### Committee on the Independent Commission Against Corruption

On 8 May 2020, the Committee on the Independent Commission Against Corruption commenced an inquiry into the reputational impact on an individual being adversely named in the ICAC's investigations. The terms of reference for the Committee are noted below:

*"That the Committee on the Independent Commission Against Corruption (ICAC) inquire into and report on the reputational impact on an individual being adversely named in the ICAC's investigations, with particular reference to:*

- whether the existing safeguards and remedies, and how they are being used, are adequate, and*
- whether additional safeguards and remedies are needed, and*
- whether an exoneration protocol should be developed to deal with reputational impact, and*
- relevant practices in other jurisdictions, and*
- any other related matters."*

The Committee accepted public submissions until Friday 31 July 2020 and NuCoal provided a submission on that date.

The submission pointed out that damage to the reputation of individuals is only one impact of ICAC's investigations, with NuCoal's shareholders having incurred huge financial loss as a result of the fundamentally flawed Acacia investigation and ICAC's recommendations. Accordingly, an exoneration protocol that only deals with reputational damage to individuals is totally inadequate. NuCoal's view is that damage caused by ICAC can only be corrected by providing damages commensurate with the damage done and in an appropriate form and quantum.

A public hearing was held at Parliament House on Friday 18 September 2020 however, the public was not able to attend as Parliament House was closed. The hearing was livestreamed on the Parliament's website.

Further public hearings were held on Wednesday 2 December 2020 and 25 February 2021 and NuCoal volunteered to attend to provide further information regarding its submission, but the Committee did not extend an invitation to NuCoal.

The Committee handed down its report in November 2021 and noted the following recommendation:

*"the Legislative Council Standing Committee on Law and Justice's inquiry on the Mining Amendment (Compensation for Cancellation of Exploration Licence) Bill 2019, recommended for the Government to address the outstanding matters in relation to NuCoal, including the issue of compensation for 'innocent stakeholders'. The Government's response reserves its position this matter. Given the time that has passed since then, the Committee urges the NSW Government to respond to the Legislative Council's Law and Justice report as a matter of urgency."*

The report was unanimous and bipartisan, so its recommendations were uncontroversial and should have been taken up by the Government without further delay. Since the report was published, NuCoal has held discussions with a number of NSW Government representatives to continue to progress the matter of compensation. These efforts are continuing.

### International Efforts

The Company is continuing to pursue claims against the Australian Government on behalf of U.S. shareholders pursuant to 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 have 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 Standing 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.

Our lobbyists in Washington continue to present our case to new officials in the USTR appointed under the Biden administration. To progress our international efforts the Company met with representatives from the USTR via zoom on Friday 21 January 2022. During this meeting the Company updated the USTR on our continuing quest to obtain compensation for the cancellation of EL 7270. The USTR remains interested in the NuCoal matter and the Company agreed to update them on any relevant developments as they occur.

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 (i.e. US shareholders in NuCoal who held shares at the time of expropriation).

### Acquittal of John Maitland – December 2022

Mr John Maitland, former Chairman of Doyles Creek Mining Pty Ltd (**DCM**), was acquitted of all charges against him on 20 December 2022, in the Supreme Court of NSW, by Justice Hament Dhanj. The judgement basically said that Mr Maitland was nothing more than a lobbyist on behalf of the company of which he was the Chairman. So, there was no case against him at all.

The charges brought against Mr Maitland by the Crown were pursuant to the original award of EL 7270, Doyles Creek, to DCM in December 2008. DCM was subsequently purchased by NuCoal in February 2010.

Mr Maitland and three other directors of DCM were named by the ICAC as being corrupt in December 2013. Because of this finding of corruption (now completely disproven and

debunked), the ICAC recommended cancellation of EL 7270, but also found that NuCoal was innocent of any wrongdoing and recommended that NuCoal should be considered for compensation if EL 7270 was cancelled.

The finding against the DCM directors was used by the NSW Parliament, led by Premier O'Farrell in January 2014, to cancel EL 7270; however, no compensation was ever considered, which expressly went against the ICAC recommendation. This action destroyed the vast majority of value of NuCoal, which had been independently valued at circa \$400million. No explanation for this lack of compensation has ever been made.

In subsequent years, none of the original DCM directors have been found guilty of any wrongdoing. Two have been tried, with both being acquitted. One other director won a civil case against his D&O insurer, which affirmed his innocence, and the fourth director has never had an action brought against him.

Current directors of NuCoal brought a defamation action against Mr O'Farrell pursuant to statements made by Mr O'Farrell in 2015. This was settled by an unequivocal apology to the directors from Mr O'Farrell that his statements were incorrect.

### NuCoal's Current Conclusions and Corporate Position

It has been nearly nine years since the NSW Parliament cancelled EL 7270, and three full years since the Parliament's Law and Justice Committee recommended, after consideration of a Private Member's Bill which sought to resolve our compensation matter, *"that the NSW Government address the outstanding matters raised during this inquiry, where appropriate, including the issue of compensation for innocent shareholders."*

Despite this lapse in time, the Company's energy level in pursuing what is right and fair is undiminished. The Company is a long-term going concern, with substantial cash reserves of approximately \$3.2m and an ongoing cost base which is minimal. The Company remains committed and will continue to seek every opportunity to push our case with all and every relevant person.

**In summary, in the period between December 2013 and now, NuCoal's innocence has been affirmed by ICAC, the Supreme Court of NSW, and two NSW Parliamentary Committees, with the last of these recommending (November 2021) that urgent action should be taken to compensate NuCoal for the cancellation of EL 7270.**

The declared and agreed innocence of NuCoal and its shareholders, the findings of the two Parliamentary Committees, Mr O'Farrell's apology to NuCoal directors, and the complete failure of the State to find evidence of any wrongdoings, ever, **including now the acquittal of Mr Maitland**, clearly demonstrate that:

- no DCM or NuCoal director was ever guilty of any wrongdoing;
- the cancellation of EL 7270 by the O'Farrell Government had no basis in fact and was therefore completely incorrect and unjust; and

- NuCoal should be compensated urgently by the NSW Government.

The acquittal of Mr Maitland is the latest in a continuing list of matters that all demonstrate conclusively that NuCoal should be compensated.

**There is not one item that has gone against your Company** in our quest for our rights.

The Board of NuCoal intends to continue to push for just compensation for its innocent shareholders.

### 3. ASX CORRESPONDENCE

Further to the information published within the 30 June 2022 Annual Report, the Company wishes to advise shareholders that it is still working with the ASX with respect to the correspondence received in February 2022 in relation to the Company's compliance with Listing Rule 12.1.

Whilst there is nothing further to advise shareholders at this time, the Company will continue to update shareholders about this matter as appropriate.

### 4. CORPORATE

#### Cash and deposit

Cash and deposits as at 30 December 2022 were A\$3.2m.

### 5. 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.

### Related Party Payments

Related party payments total \$27k for the quarter and relate to Director Fees paid. Refer to Item 6 in Appendix 5B.

This announcement has been authorised by the Board.

Date of Document: 31 January 2023

For further enquiries please contact:

Gordon Galt  
Chairman  
Telephone: +61 2 4013 6181

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

NuCoal Resources Ltd

ABN

29 060 352 990

Quarter ended ("current quarter")

December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	(1)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(39)	(53)
	(e) administration and corporate costs	(61)	(92)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	6
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(100)</b>	<b>(140)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:	-	-
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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) – proceeds from loan receivable	65	65
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>65</b>	<b>65</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	<b>3,200</b>	<b>3,240</b>
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(100)	(140)
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)	65	65

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,165</b>	<b>3,165</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	345	180
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) – Term Deposits	2,820	3,020
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,165</b>	<b>3,200</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	27
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(100)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(100)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,165
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,165
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>31</b>
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

## Compliance statement

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

Date: 31 January 2023

Authorised by: By the Board  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.

**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

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3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.