



1 February 2023

Reference: 67238

Mr Gordon Galt  
Chairman  
NuCoal Resources Ltd  
Level 7  
28 Honeysuckle Drive  
Newcastle NSW 2300

By email:

Dear Mr Galt

**NuCoal Resources Limited ('NCR'): Demonstrating sufficient operations under Chapter 12**

ASX refers to its previous correspondence with NCR regarding NCR's compliance with Listing Rule 12.1.

As noted in our letter dated 18 July 2022, ASX considers that NCR may be able to demonstrate compliance with Listing Rule 12.1 once it has provided confirmation that:

- (a) the renewal of EL 6812 has occurred, and that such renewal has been approved by the NSW Department of Industry; and
- (b) exploration activities have resumed in accordance with a material exploration program that NCR has announced to the market.

ASX acknowledges that EL 6812 has been renewed. However, ASX is not satisfied that NCR has resumed exploration activities in accordance with a material exploration program announced to the market. As such, ASX is not of the opinion that NCR's current operations are sufficient to warrant the continued quotation of its securities.

In forming this view, ASX has had regard to the following factors:

- the renewal of NCR's licence for EL 6812;
- the work program submitted to the NSW Department of Industry, details of which were included in NCR's announcement dated 11 November 2022;
- NCR has only spent an aggregate amount of \$3,000 on 'Exploration and Evaluation' in the last 8 quarters;
- NCR has not yet obtained all approvals required to undertake exploration drilling on EL 6812 from the relevant stakeholders, including approvals from both AGL and the NSW Department of Planning and Environment; and
- the only activity NCR intends to undertake in 2023 as a mining exploration entity (other than apply for all relevant approvals) is to conduct a third party review of previous exploration activities and studies.

In light of NCR's submissions, we have provided below some further guidance to NCR about the level of operations that we would consider to be sufficient to warrant the continued quotation of the securities of a mining exploration entity in NCR's circumstances.

In our view, for the purposes of assessing the level of its activities, NCR's circumstances are similar to the circumstances of an exploration entity seeking admission to the official list under the assets test. Having regard

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to the level of operations expected to be demonstrated by a mining exploration entity seeking admission to the official list under the assets test, ASX would be satisfied that NCR complies with Listing Rule 12.1 if:

1. NCR announces to the market an expenditure program outlining commitments to spend at least half of its cash, and assets in a form readily convertible to cash, on a material exploration program in relation to EL 6812. ASX notes that NCR's current cash position based on its December 2022 Appendix 5B is A\$3,165,000; and
2. NCR can confirm in that announcement that it has a present right to explore EL 6812 and that there are no legal, regulatory, statutory or contractual impediments to NCR entering EL 6812 and carrying out exploration activities such that NCR will be able to spend its cash in accordance with the commitments that it has announced to the market (including that it has obtained the required approvals from both AGL and the NSW Department of Planning and Environment to undertake exploration drilling).

If NCR is prepared to provide the confirmation in 2 above, we would expect NCR to include a solicitor's report with the announcement or otherwise explain in the announcement, to ASX's satisfaction, NCR's basis for making the statement.

If NCR believes it will be able to make an announcement along the lines set out above by no later than **15 February 2023**, ASX will defer its decision whether to suspend NCR pending receipt and review of the draft announcement. If ASX is satisfied with the announcement and NCR releases it to the market, ASX will not suspend NCR's securities but will require NCR to report its progress against its expenditure program in its quarterly activity reports as though Listing Rule 5.3.4 applied. ASX will monitor NCR's progress and will be likely to consider any material deviation from its planned expenditure to be a potential breach of Listing Rule 12.1 and grounds for immediate suspension.

ASX requires NCR to confirm by **12PM AEDT, 8 February 2023** whether it intends to prepare a draft announcement for ASX's review. If NCR is not able to do so, then ASX intends to suspend NCR's securities from quotation in accordance with our previous correspondence. This will take effect no earlier than two business days after ASX confirms to NCR that its securities will be suspended.

Should NCR's securities be suspended, NCR will need to demonstrate compliance with the Listing Rules, including Listing Rule 12.1, to be reinstated. This will be assessed at the point of reinstatement and NCR may need to meet additional requirements based on its activities, circumstances and financial position at the time.

If NCR proposes to enter into any transaction it must consult with ASX so it may consider the application of Listing Rule 11.1 and, in particular, Listing Rule 11.1.3, which may require NCR to re-comply with Chapters 1 and 2 of the Listing Rules. ASX may aggregate separate transactions in making its assessment under Listing Rule 11.1. Please refer to ASX Guidance Note 12 which provides further information on significant changes to listed entity activities and the application of the Listing Rules to those changes.

If you have any further enquiries regarding this letter, please do not hesitate to contact me.

Yours sincerely

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**Angel He**  
Adviser, Listings Compliance