



13 February 2023

Reference: 67238

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

By email only.

Dear Mr Galt

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

We refer to our previous correspondence including most recently your email of 3 February 2023.

As noted in our letter dated 1 February 2023, ASX reiterates that it is not satisfied that NCR has resumed exploration activities in accordance with a material exploration program announced to the market and as such, ASX is not of the opinion that NCR's current operations are sufficient for the purposes of Listing Rule 12.1 to warrant the continued quotation of its securities.

In case it was not clear and to avoid any confusion, we do not consider that the activities proposed to be conducted in Year 1 of the work program announced to the market on 11 November 2022 (being the commencement or completion of a third party review of all previous exploration activities and studies) constitute a "material exploration program" and as such NCR's proposed activities for 2023 will not satisfy us for the purposes of Listing Rule 12.1.

In these circumstances, and noting that NCR considers 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 to carry out a material exploration program, our expectation would be that NCR announce a revised material exploration program involving the commencement of exploration activity in the short term, if it is to satisfy ASX that it has sufficient activities for the purposes of Listing Rule 12.1.

In light of the above, we expect NCR to submit a draft announcement for ASX to review:

- (a) setting out a revised material exploration program which includes an expenditure program, noting again that in these circumstances we would expect such a program to outline commitments to spend at least half of its cash and assets in a form readily convertible to cash. As noted, we would expect exploration drilling to commence without delay in 2023 in accordance with a revised timetable before we could be satisfied that NCR has sufficient activities for the purposes of Listing Rule 12.1; and
- (b) (as previously stated) demonstrating to our satisfaction that NCR has a present right to explore EL 6812 and that there are no legal, regulatory, statutory or contractual impediments to NCR entering EL 6812 to recommence exploration activities (including that NCR has obtained the required approvals from both AGL and the NSW Department of Planning and Environment to undertake exploration drilling). As noted in our letter of 1 February 2023, 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 above statement.

The draft announcement would assist us to assess whether the planned activities are sufficient activities for the purposes of Listing Rule 12.1.

ASX requires NCR to confirm by **12PM AEDT, 17 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.

Yours sincerely

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Adviser, Listings Compliance