

Holly Stephenson

From: Gordon Galt
Sent: Friday, 3 March 2023 2:23 PM
To: Angel He; Adrian.Smythe@asx.com.au
Cc:
Subject: FW: EL6812 Press Release; 9 Feb 2023
Attachments: 2023.03.02 ASX Announcement - EL 6812 Exploration Update.pdf

Dear Ms He and Mr Smythe

We attach a draft Exploration Update Release. The information in the Release is the considered and agreed view of

- the NSW Government,
- our consultants (Palaris) as industry experts,
- ourselves as experienced professionals in this industry, and
- our legal counsel.

It is our view that the proposed program is a properly reasoned program that will achieve the best results for our shareholders.

We again request a face to face meeting with representatives of the ASX to discuss the situation before any further steps are taken by the ASX to suspend NCR.

Yours faithfully

Gordon Galt
Chairman, NuCoal Resources Ltd

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ASX Announcement

2 March 2023

EL 6812 Exploration Update Planned Exploration Program, Expenditure Commitments and Resource Statement

NuCoal Resources Ltd (ASX:NCR) (**NuCoal** or **Company**) advises that further to the announcement of 11 November 2022 regarding the planned exploration program intended for Exploration Licence 6812 (**EL 6812**), the Company is now proceeding to undertake the work schedule specified in the renewal:

- as agreed with the NSW Government; and
- as advised by our consultants, Palaris.

Palaris is a senior consultancy in Australia and is an industry expert on exploration programs for coal in NSW. Its views reflect best practice for exploration in NSW.

The program includes a phase 3 drilling program of seven cored holes to provide data on resource quantum and quality for the 6 coal seams known to occur on EL 6812.

Planned Exploration Program

The planned exploration program is being undertaken without delay, and allows for obtaining the required approvals with relevant stakeholders before on the ground drilling is possible, which in our case comprises AGL and the NSW Government. In AGL's case, site access requires completion of an access and compensation agreement. NuCoal is proceeding on the basis that it is implementing an aggressive program which is intended to achieve on the ground drilling status "as fast as possible". If this can occur, we will advise shareholders accordingly.

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Board of Directors

Chairman:	G. Galt
Non Executive Director & Company Secretary:	G. Lewis
Non Executive Director:	M. Davies

In support of this program timetable, Palaris has commented as follows:

"The proposed forward work program defines planned activities including a review of environmental factors, stakeholder engagement, landowner negotiations and the submission of an application for the proposed Phase 3 drilling program within Year 1. The Phase 3 on the ground drilling program is planned to be completed within Years 2 and 3 of the approved work program.

The Phase 3 drilling activities proposed in the forward work program are Category 2/3 prospecting operations in line with the conditions set within EL 6812. Such activities require environmental assessment with a Review of Environmental Factors (REF) required for all Category 3 prospecting operations. Assessments are expected to take approximately 2 months to complete, with an expected 3-4 months for approval.

In order to undertake the review of environmental factors, detailed design and consideration of the drilling locations is required. These works should occur when existing data gaps have been identified. The exploration program includes drilling, coal quality testing and geophysical data required to support further study phases.

Overall, it is the view of Palaris that the planned program properly reflects the time needed to consider the outcomes from the current project studies update, then plan, assess and seek approval for drilling activities (in line with the requirements under EL 6812, the Instrument of Renewal and the relevant Codes of Practice in place)."

Expenditure Commitments

Commitments included in the EL 6812 renewal documents total \$2,189,000 as shown in the table below:

Year	Work Scheduled	Expenditure Commitment as per EL renewal documentation
Year 1 (2023)	Apply for all required approvals for phase 3 drilling and conduct a complete third party review of all previous exploration activities and studies.	\$300,000
Year 2 (2024)	Drilling of 3 holes including coal quality testing.	\$241,000
Year 3 (2025)	Complete drilling of another 4 holes (7 in total) including 4 groundwater monitoring holes	\$498,000
Year 4 (2026)	Complete remaining 4 groundwater monitoring holes (8 in total)	\$220,000
Year 5 (2027)	Commence Environmental Impact Statement (EIS) and Pre-Feasibility Studies.	\$490,000
Year 6 (2028)	Continue EIS and prepare Feasibility documentation including Renewal	\$440,000

Resource Statement

One aspect of the work scheduled for Year 1 of the EL 6812 program is the likelihood that existing drilling will allow the preparation of a Statement of Resources for the area. This would allow interested parties, including NuCoal, to better evaluate the current value of the area's resources. From a strategic sense, and taken in the context of the newly announced coal production reservation arrangements in the Hunter Valley, the existence of a resource within a few kilometres of the Bayswater Power Station could be important for both the state of NSW and existing producers.

In addition, at the existing prices for coal in export markets, it may be that the resources in EL 6812 are economically exploitable, with infrastructure required for coal preparation and transportation being readily available in the nearby area.

Further information on a Resource Statement is expected in the next month.

This announcement has been authorised by the Board.

Date of Document: 2 March 2023

For further enquiries please contact:

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