

Quarterly Report

For the 3 Months ended September 2020

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This Quarterly Report updates activities undertaken during the period 1 July 2020 to 30 September 2020.

1. PROJECTS

Savoy Hill Coal Project (100%)

The application for renewal of the Savoy Hill tenement, Exploration Licence 6812 (**EL 6812**) is pending approval and following the standard department process for approval. The application was lodged with the Department of Planning and Environment, Resources and Geosciences, on 19 June 2018.

In accordance with the licence conditions of EL 6812, an Annual Report was completed and lodged with the DRG on Friday 17 July 2020. The Annual Report was assessed and accepted for archiving on 9 September 2020.

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

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 last year. Following a detailed process, the Standing Committee tabled its report with the Clerk of the Parliaments on

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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

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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 and further letters and requests to relevant members of NSW Parliament have continued. All representations request an opportunity to meet and discuss the matter with a view to obtaining a mutually agreed compensation position.

Shareholder communication

In May 2020, NuCoal sent out an email broadcast to shareholders who have an email address registered against their shareholding requesting assistance from them to contact relevant NSW State Government Cabinet Ministers to voice their ongoing concerns and to seek an update on compensation.

We have received a number of replies from shareholders who have contacted the NSW Government and we encourage all shareholders to make contact. If you would like to assist with the ongoing efforts for compensation the link below contains a list of Cabinet Ministers that you can contact.

http://nucoal.com.au/wp-content/uploads/2020/05/Email-to-Shareholders.pdf

If you require any further information or assistance in preparing your correspondence, please feel free to get in contact with NuCoal directly.

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:

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"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 is accepting submissions until Friday 31 July 2020. NuCoal is preparing a submission for lodgement.

NuCoal's submission will point 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.

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.

Non-Executive Director, Glen Lewis visited Washington DC in February 2020 and met a number of US Government politicians and officials to update them on the status of the Company's compensation efforts.

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 2020 were A$3.97 million.

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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.

This announcement has been authorised by the Board.

Date of Document: 30 October 2020

For further enquiries please contact:

Megan Etcell
Company Secretary
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	Quarter ended ("current quarter")
29 060 352 990	September 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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	(31)	(31)
	(e) administration and corporate costs	(69)	(69)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	5
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)	-	-
1.9	**Net cash from / (used in) operating activities**	**(95)**	**(95)**

2.	**Cash flows from investing activities**		
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	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
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)	-	-
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	4,074	4,074
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(95)	(95)
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)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**3,979**	**3,979**

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	659	754
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	3,320	3,320
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**3,979**	**4,074**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	5
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.

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7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

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.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(95)
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)	(95)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,979
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,979
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	41

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.

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:

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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:	

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.

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: 30 October 2020

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.

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.

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