



# ASX Announcement

16 March 2018

## Interim Report for the half-year ended 31 December 2017

NuCoal Resources Ltd (ASX: NCR) is pleased to announce the release of its Interim Report for the half-year ended 31 December 2017.

For and on behalf of NuCoal Resources Ltd.

Megan Etccl  
Company Secretary  
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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:	J. Beecher
Non Executive Director:	M. Davies
CEO, CFO & Company Secretary:	M. Etccl

# **NuCoal Resources Limited**

ABN 29 060 352 990

## **Interim report for the half-year ended 31 December 2017**



# NuCoal Resources Limited ABN 29 060 352 990

## Interim report - 31 December 2017

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any announcements made by NuCoal Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## Directors' report

Your Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of NuCoal Resources Limited (referred to hereafter as the Company) and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

### Directors

The following persons were directors of NuCoal Resources Limited during the whole of the half-year up to the date of this report.

Gordon Galt  
*Non Executive Chairman*

Glen Lewis  
*Non Executive Director (Managing Director until 5 March 2017)*

James Beecher  
*Non Executive Director*

Michael Davies  
*Non Executive Director*

### Financial Overview

The consolidated statement of comprehensive income shows a net loss from ordinary activities for the half-year of \$466,649 compared with a net loss from ordinary activities of \$1,029,915 for the half-year ended 31 December 2016.

Net cash outflows from operating, investing and financing activities for the half-year ended 31 December 2017 were \$262,571 compared to net cash inflows of \$2,300,591 for the half-year ended 31 December 2016.

### Operational Highlights

#### Savoy Hill Coal Project (100%)

As previously notified, the Savoy Hill tenement, Exploration Licence 6812 (**EL 6812**) has been extended until 20 June 2018. An application for a further extension of EL 6812 will be completed during Q2 2018.

The Company has completed necessary exploration across the tenement to consider the longer term mining options for the project and has undertaken initial marketing analysis for a potential open-cut operation, supplying the nearby domestic power stations. Further work will be undertaken as required.

#### Expropriation of Doyles Creek Exploration Licence 7270 (EL 7270)

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**) with no compensation payable to NuCoal. The legislation was passed following an inquiry by the Independent Commission Against Corruption (**ICAC**).

During the period, NuCoal continued to implement the legal and political strategy previously announced to seek redress for shareholders following the unfair and unjust cancellation of EL 7270 by the NSW Government. An update on these actions is outlined below.

#### **1. Free Trade Actions**

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.

During the last number of months, NuCoal lobbyists in the United States of America, BGR Group, has continued to progress this action and met with numerous relevant US Government Officials. In addition, individual U.S. shareholders continue to work closely with NuCoal in pursuit of compensation and have continued to write to and meet with their political representatives.

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).

## Directors' report (continued)

### 2. Meetings with Politicians

NuCoal officers and advisers continue to meet with politicians and Ministers in NSW and federally to continue to educate and eradicate any misconceptions about the facts surrounding NuCoal's circumstances. The Company wants to ensure that people understand that the Company is well funded and that the intention is not to cease the pursuit of justice until appropriate compensation is received.

### 3. NuCoal Submission

In December 2017 NuCoal lodged a submission with the NSW Premier, the Hon. Gladys Berejiklian MP, requesting her to consider NuCoal's position following a number of developments during 2017 which NuCoal believe warrant substantive review by the NSW Government. These include, but are not limited to, the matters below:

- the acquittal of Mr Craig Ransley, former Founder and Director of Doyles Creek Mining Limited (DCM), on allegations related to the granting of EL 7270, the evidence tabled and conclusions drawn in this case and the failure to bring any charges against Mr Andrew Poole and Mr Michael Chester, both also former Directors of DCM;
- MPs from either side of Parliament have publicly stated that the NSW Parliament may have been misled when it passed the Mining Amendment Act. Most recently, the Hon. Dr Peter Phelps highlighted the injustice of the Amendment Act publicly in Parliament, stating *"What we have here appears to me to be gross maladministration by ICAC. Even more importantly, I believe we may have been misled by the then Premier into introducing and passing three bills that have expropriated a property right completely unjustifiably."*; and
- the compensation paid to Shenhua in respect of Watermark, and to BHP for Carroona, to buy back NSW coal mining licences.

NuCoal hopes that its submission is given the consideration it deserves by the NSW Government and notes that this domestic action is being progressed in conjunction with international efforts via the U.S.

### Significant changes in the state of affairs

Other than those matters listed in this report, there have been no significant changes in the state of affairs of the Group during the period.

### Matters subsequent to the end of the half-year

On 16 February 2018, the Company announced the finalisation of the Sales Contract to sell all remaining properties held within the Jerrys Plains area. The Company's cash balance increased by \$3.95 million as a result of the sale, bringing total cash on hand to over \$5 million as at that date.

Other than outlined above, or elsewhere in this report, no other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Consolidated Group, the results of those operations or the state of affairs of the Group in the future financial years.

### Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3 and forms part of this report.

This directors' report is signed in accordance with a resolution of Directors made pursuant to s.298 (2) of the *Corporations Act 2001*.



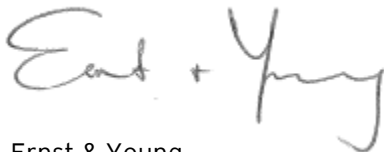
Chairman  
Sydney, 16 March 2018

## Auditor's Independence Declaration to the Directors of NuCoal Resources Limited

As lead auditor for the review of NuCoal Resources for the half-year ended 31 December 2017, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of NuCoal Resources Limited and the entities it controlled during the financial period.



Ernst & Young



Scott Jarrett  
Partner  
Sydney  
16 March 2018

	31 December 2017 \$	31 December 2016 \$
Other income	49,661	115,337
Accounting and audit fees	(31,892)	(31,810)
Administration expense	(17,348)	(20,579)
Consultants	(231,821)	(336,527)
Depreciation	(5,733)	(26,394)
Directors' fees	(43,283)	(39,533)
Employee benefits expense	(17,280)	(20,366)
Exploration	(4,180)	(4,351)
Finance costs	(800)	(959)
Insurance	(40,542)	(48,961)
Legal fees	(51,018)	(430,341)
Listing fees	(23,974)	(24,086)
Other expenses	(5,265)	(125,850)
Rent	(28,319)	(29,363)
Rental property expense	(964)	(14,688)
Ship or Pay	-	35,086
Travel and accommodation	(13,891)	(26,530)
<b>Loss before income tax</b>	<b>(466,649)</b>	<b>(1,029,915)</b>
Income tax expense	-	-
<b>Loss for the half-year</b>	<b>(466,649)</b>	<b>(1,029,915)</b>
Loss is attributable to:		
Equity holders of NuCoal Resources Limited	(466,649)	(1,029,915)
Other comprehensive income / (loss)	-	-
<b>Total comprehensive loss for the half-year</b>	<b>(466,649)</b>	<b>(1,029,915)</b>
Total comprehensive loss is attributable to:		
Equity holders of NuCoal Resources Limited	(466,649)	(1,029,915)
	<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for loss attributable to the ordinary equity holders of the company:</b>		
Basic earnings per ordinary share	(0.06)	(0.13)
Diluted earnings per ordinary share	(0.06)	(0.13)

*The above statement of comprehensive income is to be read in conjunction with the accompanying notes.*

		31 December 2017 \$	30 June 2017 \$
	Notes		
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	1,298,380	1,560,505
Restricted cash and cash equivalents		20,000	20,446
Trade and other receivables		46,821	76,945
Assets held for sale		3,950,000	3,950,000
Total current assets		<u>5,315,201</u>	<u>5,607,896</u>
<b>Non-current assets</b>			
Water licences, plant and equipment		868,530	988,841
Total non-current assets		<u>868,530</u>	<u>988,841</u>
<b>Total assets</b>		<u>6,183,731</u>	<u>6,596,737</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		95,185	41,097
Other liabilities		-	-
Total current liabilities		<u>95,185</u>	<u>41,097</u>
<b>Non-current liabilities</b>			
Other liabilities		-	-
Total non-current liabilities		<u>-</u>	<u>-</u>
<b>Total liabilities</b>		<u>95,185</u>	<u>41,097</u>
<b>Net assets</b>		<u>6,088,546</u>	<u>6,555,640</u>
<b>EQUITY</b>			
Share Capital	4	88,138,807	88,138,807
Reserves		4,608,035	4,608,035
Accumulated Losses		<u>(86,658,296)</u>	<u>(86,191,647)</u>
<b>Total equity</b>		<u>6,088,546</u>	<u>6,555,195</u>

*The above statement of financial position is to be read in conjunction with the accompanying notes.*



Attributable to the owners of  
 NuCoal Resources Limited

	Contributed equity	Shared based payment Reserve	Accumulated losses	Total Equity
	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	<b>88,138,807</b>	<b>4,608,035</b>	<b>(84,567,537)</b>	<b>8,179,305</b>
Loss for the half-year	-	-	(1,029,915)	(1,029,915)
Other comprehensive loss for the half-year	-	-	-	-
<i>Total comprehensive loss for the half-year</i>	-	-	(1,029,915)	(1,029,915)
<b>Balance at 31 December 2016</b>	<b>88,138,807</b>	<b>4,608,035</b>	<b>(85,597,452)</b>	<b>7,149,390</b>
 <b>Balance at 1 July 2017</b>	 <b>88,138,807</b>	 <b>4,608,035</b>	 <b>(86,191,647)</b>	 <b>6,555,195</b>
Loss for the half-year	-	-	(466,649)	(466,649)
Other comprehensive loss for the half-year	-	-	-	-
<i>Total comprehensive loss for the half-year</i>	-	-	(466,649)	(466,649)
<b>Balance at 31 December 2017</b>	<b>88,138,807</b>	<b>4,608,035</b>	<b>(86,658,296)</b>	<b>6,088,546</b>

*The above statement of changes in equity is to be read in conjunction with the accompanying notes.*

	31 December 2017 \$	31 December 2016 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees (inclusive of goods and services tax)	(408,738)	(1,390,394)
Interest received	7,023	4,963
Rental income received	9,505	40,373
<b>Net cash (outflow) from operating activities</b>	<b>(392,210)</b>	<b>(1,345,058)</b>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation	(4,179)	(4,351)
Proceeds from disposal of property, plant and equipment	133,818	2,710,000
Proceeds from disposal of EL 6594	-	940,000
<b>Net cash inflow from investing activities</b>	<b>129,639</b>	<b>3,645,649</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(262,571)</b>	<b>2,300,591</b>
Cash and cash equivalents at the beginning of the half-year	1,560,951	137,211
<b>Cash and cash equivalents at the end of the half-year</b>	<b>1,298,380</b>	<b>2,437,802</b>

*The above consolidated statement of cash flows is to be read in conjunction with the accompanying notes.*

## **1 Basis of preparation of half-year report**

The interim financial report for the half-year reporting period ended 31 December 2017 has been prepared in accordance with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by NuCoal Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

### **(a) Basis of preparation**

The half-year consolidated financial report has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard, *AASB 134 Interim Financial Reporting* and other mandatory professional reporting requirements. The half-year financial report has been prepared on a historical cost basis, except for certain property, plant and equipment and exploration expenditure that were measured at fair value at the time of acquisition.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period. The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

### **(b) Significant accounting policies**

#### *New and Amended standards and interpretations*

There are no new standards or interpretations effective from 1 July 2017 that are applicable to the Group. The Group has not elected to early adopt any new or amended standards or interpretations that are issued but not yet effective.

#### *New accounting standards and interpretations not yet adopted*

The following recently issued standards and interpretations are relevant to current operations. They are available for early adoption but have not been applied by the Group in this financial report.

- *AASB9 Financial Instruments* becomes mandatory for the Group's 2019 financial report and includes changes to the classification and measurement of financial assets including a new expected credit loss model for calculating impairment. It also includes the new hedge accounting model to simplify hedge accounting requirements and more closely align hedge accounting with risk management activities.
- *AASB 16 Leases* becomes mandatory for the Group's 2020 financial report and removes the classification of leases between finance and operating leases effectively treating all leases as finance leases for the lessee. The purpose is to provide greater transparency of a lessee's financial leverage and capital employed.

The Group does not expect these standards to have a material impact on the Group's future financial reports.

### **(c) Fair Value**

The carrying amounts of cash and cash equivalents, trade payables and trade receivables approximate their fair value due to the relatively short period to maturity of these investments.

### **(d) Going concern**

This consolidated financial report has been prepared on a going concern basis, which assumes that the Group will realise its assets and extinguish its liabilities on normal terms and conditions. The Group recorded a net loss after tax of \$466,649 and had net current assets of \$5,220,016 for the half-year ended 31 December 2017.

A detailed cash flow forecast for the 12 month period from the date of this financial report has been prepared by the Directors and indicates that the Group has sufficient funds available to meet liabilities as and when they fall due.

## 2 Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The Group operates in the coal industry in New South Wales, Australia. As operating results are not currently reported to the chief operating decision-maker on a project by project basis, detailed segment reporting has not been performed.

## 3 Current assets – Cash and cash equivalents

	December 2017 \$	June 2017 \$
Cash at bank and in hand	<b>1,298,380</b>	1,560,505
Total Cash and cash equivalents	<b>1,298,380</b>	1,560,505
Restricted cash and cash equivalents <sup>(1)</sup>	<b>20,000</b>	20,446

(1) Restricted cash and cash equivalents relate to a term deposit with a maturity of 3 months or less. This term deposit is security for a bank guarantee provided to the Department of Industry and Investment NSW.

## 4 Contributed Equity

	Number of shares	\$
<b>(a) Share Capital</b>		
Opening balance 30 June 2016	768,612,354	88,138,807
<b>Balance at 31 December 2016</b>	<b>768,612,354</b>	<b>88,138,807</b>
<b>Balance at 30 June 2017</b>	<b>768,612,354</b>	<b>88,138,807</b>
<b>Balance at 31 December 2017</b>	<b>768,612,354</b>	<b>88,138,807</b>

## 5 Commitments

### (a) Capital commitments

The Group has no capital expenditure contracted for at the reporting date (June 2017: NIL).

### (b) Lease commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	December 2017 \$	June 2017 \$
Within one year	-	-
Later than one year but not later than five years	-	-
Later than five years	-	-
Total	<hr/> - <hr/>	<hr/> - <hr/>

## 6 Dividends

No dividends were announced or paid during the half-year ended 31 December 2017.

## 7 Events occurring after the reporting period

On 16 February 2018, the Company announced the finalisation of the Sales Contract to sell all remaining properties held within the Jerrys Plains area. The Company's cash balance increased by \$3.95 million as a result of the sale, bringing total cash on hand to over \$5 million as at that date.

Other than outlined above, or elsewhere in this report, no other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Consolidated Group, the results of those operations or the state of affairs of the Group in the future financial years.

In the Directors' opinion:

- (a) the financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standard *AASB 134 Interim Financial Reporting* and *Corporations Regulations 2001*, and
  - (ii) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2017 and of their performance for the half-year ended on that date;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



G Galt  
Chairman  
Sydney, 16 March 2018

# Independent Auditor's Review Report to the Members of NuCoal Resources Limited

## Report on the Half-Year Financial Report

### Conclusion

We have reviewed the accompanying half-year financial report of NuCoal Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 31 December 2017, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2017 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

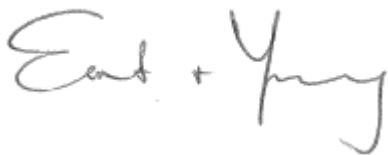
### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2017 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Ernst & Young



Scott Jarrett  
Partner  
Sydney  
16 March 2018



## **Corporate Directory**

### **Directors**

G Galt B.Eng (Mining, Hons), B.Com, GDip App Fin (Finsia),  
MAusIMM, MAICD  
*Chairman*

G Lewis MAICD  
*Managing Director until 5 March 2017*

J Beecher B.Com, MBA, FCPA, FAICD

M Davies B.A Hons, MBA

### **Executive Management**

M Etccl B.Com, CA, MAICD  
*Chief Executive Officer, Chief Financial Officer and Company Secretary*

### **Principal registered office in Australia**

Unit 8, 24 Garnett Road  
Greenhills, NSW 2323  
(02) 4015 0500

### **Share registry**

Link Market Services  
Level 12, 680 George Street  
Sydney, NSW 2000  
1300 554 474

### **Auditor**

Ernst & Young  
Ernst & Young Centre  
200 George Street  
Sydney, NSW 2000

### **Bankers**

Australia and New Zealand Banking Group Limited  
490 King Street  
Newcastle West, NSW 2300

Westpac Banking Corporation  
Shop 39 Wallsend Plaza  
24 Kokera Street  
Wallsend, NSW 2287

### **Stock exchange listings**

NuCoal Resources Limited shares are listed on the Australian Securities Exchange (ASX:NCR). The home exchange is Sydney.

### **Website address**

[www.nucoal.com.au](http://www.nucoal.com.au)