



# ASX Announcement

14 March 2019

## Interim Report for the half-year ended 31 December 2018

NuCoal Resources Ltd (ASX: NCR) is pleased to announce the release of its Interim Report for the half-year ended 31 December 2018.

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:	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 2018**



# NuCoal Resources Limited ABN 29 060 352 990

## Interim report - 31 December 2018

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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 2018 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 2018.

### **Directors**

The following persons were directors of NuCoal Resources Limited during the whole of the half-year up to the date of this report, unless otherwise noted, are:

Gordon Galt  
*Non Executive Chairman*

Glen Lewis  
*Non Executive Director*

Michael Davies  
*Non Executive Director*

James Beecher (resigned effective 3 August 2018)  
*Non Executive Director*

### **Financial Overview**

The consolidated statement of comprehensive income shows a net loss from ordinary activities for the half-year of \$501,870 compared with a net loss from ordinary activities of \$466,649 for the half-year ended 31 December 2017.

Net cash outflows from operating, investing and financing activities for the half-year ended 31 December 2018 were \$249,293 compared to net cash inflows of \$262,125 for the half-year ended 31 December 2017.

### **Operational Highlights**

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

An application for renewal of the Savoy Hill tenement, Exploration Licence 6812 (EL 6812), was lodged with the Department of Planning and Environment, Resources and Geosciences, on 19 June 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 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).

During the half year, NuCoal continued to implement the 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.

#### **1. Domestic Efforts**

During the period, the Company contacted all shareholders in NSW to encourage them to make contact with their local MP's and outline the losses they have incurred as a result of the cancellation of EL 7270 by the NSW Government, without compensation. A large number of shareholders have provided us with a copy of both their correspondence and the reply received from their local MP.

In addition to contacting shareholders, NuCoal has also made direct contact with all local MP's, Upper House Representatives and a number of politicians from a Federal level asking for their support in advocating a fair and independent process to support ICAC's recommendation regarding compensation.

Subsequent to the above, during October 2018 the Company arranged for several shareholders to visit Parliament House to meet with a number of MP's and tell their individual stories of loss first hand. On the morning of the visit, two shareholders were interviewed by Alan Jones on his breakfast radio show and Alan invited one of the shareholders back for a follow up interview on the morning after the Parliament House visit. The interviews are available on the NuCoal website [www.nucoal.com.au](http://www.nucoal.com.au).

## **Directors' report (continued)**

### **2. 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.

NuCoal lobbyists in the United States of America, BGR Group, have progressed this action and continue to meet with numerous relevant US Government Officials. Via public record, NuCoal is able to confirm that representations have been made by the US Trade Representative (USTR), Robert Lighthizer, to the former Minister of Trade, Tourism and Investment, The Hon Steven Ciobo, requesting consultations under the AUSFTA in respect of the NuCoal matter.

Following the appointment of Senator the Hon Simon Birmingham to Minister for Trade, Tourism and Investment in October 2018, NuCoal made representations to him outlining the key facts of the NuCoal matter and requesting his support to initiate confidential discussions between DFAT, the NSW Government and NuCoal to establish an impartial process for considering appropriate compensation. In addition to this, US Shareholders also wrote to Trade Representative, Robert Lighthizer, requesting that the concerns of the U.S. Government be re-raised with the new Minister.

More recently, a new U.S. Ambassador to Australia, Arthur B Culvahouse Jr, was sworn in by the U.S. Senate in early January 2019. During his confirmation hearings, a number of Senators asked questions about the unresolved NuCoal issue. U.S. shareholders continue to work closely with NuCoal and BGR in pursuit of compensation.

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).

### **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 25 February 2019, the NSW Court of Criminal Appeal handed down judgment in the case of Ian Macdonald and John Maitland. Per the Judgment Summary:

*"The Court of Criminal Appeal has allowed an appeal against conviction, quashed the conviction and ordered a new trial in respect of both Mr Ian Macdonald and Mr John Maitland. Mr Macdonald and Mr Maitland were charged with offences arising out of a grant of consent to apply for an exploration licence and the subsequent grant of an exploration licence in the Doyles Creek area to Doyles Creek Mining Pty Ltd. At the time the offences occurred, Mr Macdonald was the Minister for Mineral Resources and Mr Maitland was the chairman of, and a shareholder in, Doyles Creek Mining Pty Ltd."*

The matter is next due before the Courts on 21 March 2019. NuCoal continues to monitor the case and assess how the outcome may benefit shareholders.

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.

**Directors' report (continued)****Auditor's independence declaration**

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4 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*.



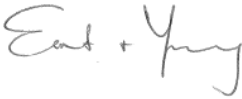
G Galt  
Chairman  
Sydney, 14 March 2019

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

As lead auditor for the review of the half-year financial report of NuCoal Resources Limited for the half-year ended 31 December 2018, 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  
14 March 2019

	31 December 2018 \$	31 December 2017 \$
Other income	35,362	49,661
Accounting and audit fees	(9,907)	(31,892)
Administration expense	(13,851)	(17,348)
Consultants	(256,129)	(231,821)
Depreciation	-	(5,733)
Directors' fees	(30,783)	(43,283)
Donations	-	-
Employee benefits expense	(17,404)	(17,280)
Exploration	(1,888)	(4,180)
Finance costs	(852)	(800)
Insurance	(50,591)	(40,542)
Legal fees	(83,150)	(51,018)
Listing fees	(33,930)	(23,974)
Other expenses	(6,237)	(5,265)
Rent	(28,546)	(28,319)
Rental property expense	-	(964)
Travel and accommodation	(3,964)	(13,891)
<b>Loss before income tax</b>	<b>(501,870)</b>	<b>(466,649)</b>
Income tax expense	-	-
<b>Loss for the half-year</b>	<b>(501,870)</b>	<b>(466,649)</b>
Loss is attributable to:		
Equity holders of NuCoal Resources Limited	(501,870)	(466,649)
Other comprehensive income / (loss)	-	-
<b>Total comprehensive loss for the half-year</b>	<b>(501,870)</b>	<b>(466,649)</b>
Total comprehensive loss is attributable to:		
Equity holders of NuCoal Resources Limited	(501,870)	(466,649)
	<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for loss attributable to the ordinary equity holders of the company:</b>		
Basic loss per ordinary share	(0.07)	(0.06)
Diluted loss per ordinary share	(0.07)	(0.06)

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



		31 December 2018	30 June 2018
	Notes	\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	339,047	588,341
Term Deposits	3	3,700,000	4,000,000
Restricted cash and cash equivalents	3	20,000	20,000
Trade and other receivables		76,139	88,317
Total current assets		<u>4,135,186</u>	<u>4,696,658</u>
<b>Non-current assets</b>			
Other asset		65,000	-
Plant, property and equipment		15	15
Water Licences		866,000	866,000
Total non-current assets		<u>931,015</u>	<u>866,015</u>
<b>Total assets</b>		<u>5,066,201</u>	<u>5,562,673</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		67,424	62,026
Total current liabilities		<u>67,424</u>	<u>62,026</u>
<b>Total liabilities</b>		<u>67,424</u>	<u>62,026</u>
<b>Net assets</b>		<u>4,998,777</u>	<u>5,500,647</u>
<b>EQUITY</b>			
Share Capital	4	88,138,807	88,138,807
Reserves		4,608,035	4,608,035
Accumulated Losses		(87,748,065)	(87,246,195)
<b>Total equity</b>		<u>4,998,777</u>	<u>5,500,647</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 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>
<b>Balance at 1 July 2018</b>	<b>88,138,807</b>	<b>4,608,035</b>	<b>(87,246,195)</b>	<b>5,500,647</b>
Loss for the half-year	-	-	(501,870)	(501,870)
Other comprehensive loss for the half-year	-	-	-	-
<i>Total comprehensive loss for the half-year</i>	-	-	(501,870)	(501,870)
<b>Balance at 31 December 2018</b>	<b>88,138,807</b>	<b>4,608,035</b>	<b>(87,748,065)</b>	<b>4,998,777</b>

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

	<b>31 December 2018 \$</b>	31 December 2017 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees (inclusive of goods and services tax)	<b>(582,767)</b>	(408,292)
Interest received	<b>35,362</b>	7,023
Rental income received	-	9,505
<b>Net cash (outflow) from operating activities</b>	<b>(547,405)</b>	(391,764)
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation	<b>(1,888)</b>	(4,179)
Proceeds from disposal of property, plant and equipment	-	133,818
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(1,888)</b>	129,639
<b>Proceeds from financing activities</b>		
Drawdown from term deposits	<b>300,000</b>	-
<b>Net cash flows from financing activities</b>	<b>300,000</b>	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(249,293)</b>	(262,125)
Cash and cash equivalents at the beginning of the half-year	<b>588,340</b>	1,560,505
<b>Cash and cash equivalents at the end of the half-year</b>	<b>399,047</b>	1,298,380

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

## **1 Summary of significant accounting activities**

### **(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 and corresponding interim report, except for the adoption of new accounting standards and policies as noted within Note 1(b).

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 2018 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*.

### **(b) New and Amended standards and interpretations**

The Group has adopted *AASB 9 Financial Instruments* from 1 July 2018. *AASB 9* replaces the provisions of *AASB 139 Financial Instruments: Recognition and Measurement*, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The accounting for the Group's financial assets and financial liabilities as a result of adopting *AASB 9* remains largely the same as under *AASB 139*. As a result, there has been no quantitative impact on the Group and no need to restate comparative information.

#### Accounting Policy applied from 1 July 2018:

**Trade Receivables:** Trade Receivables are recognised and carried at original invoice amount less an allowance for any uncollectable amounts. Trade receivables are normally due for settlement no more than 30 days from the date of recognition. A provision for doubtful debts is recognised to approximate the lifetime expected credit loss of receivables in accordance with *AASB 9 Financial Instruments*. Bad debts are written off when identified.

### **(c) New accounting standards and interpretations not yet adopted**

The following recently issued standard and interpretation is relevant to current operations. The standard is available for early adoption but has not been applied by the Group in this financial report.

- *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 has assessed the impact of the new standard noted above and does not expect any material impact to the financial statements.

### **(d) Fair Value**

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

## 1 Summary of significant accounting activities (continued)

### (e) Going concern

The Group recorded a net loss after tax of \$501,870 for the half-year ended 31 December 2018, however given the strong cash position of the Company and nil committed expenditure, the consolidated financial statements have 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 directors have prepared a detailed cash flow forecast for the 15 month period from 31 December 2018 which 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. Following adoption of AASB 8, identification of the Group's reportable segments has not changed.

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

	December 2018 \$	June 2018 \$
Cash at bank and in hand	339,047	588,341
Total Cash and cash equivalents	<u>339,047</u>	<u>588,341</u>
Term deposits	<u>3,700,000</u>	<u>4,000,000</u>
Restricted cash and cash equivalents	<u>20,000</u>	<u>20,000</u>

## 4 Contributed Equity

	Number of shares	\$
<b>(a) Share Capital</b>		
Opening balance 30 June 2017	768,612,354	88,138,807
<b>Balance at 31 December 2017</b>	<u>768,612,354</u>	<u>88,138,807</u>
<b>Balance at 30 June 2018</b>	<u>768,612,354</u>	<u>88,138,807</u>
<b>Balance at 31 December 2018</b>	<u>768,612,354</u>	<u>88,138,807</u>

## **5 Commitments**

The Group has no capital expenditure commitments.

## **6 Dividends**

No dividends were announced or paid during the half-year ended 31 December 2018.

## **7 Events occurring after the reporting period**

On 25 February 2019, the NSW Court of Criminal Appeal handed down judgment in the case of Ian Macdonald and John Maitland. Per the Judgment Summary:

*“The Court of Criminal Appeal has allowed an appeal against conviction, quashed the conviction and ordered a new trial in respect of both Mr Ian Macdonald and Mr John Maitland. Mr Macdonald and Mr Maitland were charged with offences arising out of a grant of consent to apply for an exploration licence and the subsequent grant of an exploration licence in the Doyles Creek area to Doyles Creek Mining Pty Ltd. At the time the offences occurred, Mr Macdonald was the Minister for Mineral Resources and Mr Maitland was the chairman of, and a shareholder in, Doyles Creek Mining Pty Ltd.”*

The matter is next due before the Courts on 21 March 2019. NuCoal continues to monitor the case and assess how the outcome may benefit shareholders.

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 2018 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.



Chairman  
Sydney, 14 March 2019

# 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 2018, 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 2018 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

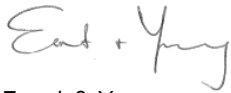
Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, 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 2018 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.

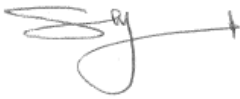


## Independence

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



Ernst & Young



Scott Jarrett  
Partner  
Sydney  
14 March 2019

## **Corporate Directory**

### **Directors**

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

G Lewis

M Davies B.A Hons, MBA

### **Executive Management**

M Etcell 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)