

12 February 2018

Ms Madeleine Green
Adviser, Listing Compliance
ASX
Perth, WA

By email: Madeleine.Green@asx.com.au

Dear Ms Green

PZC Loan

The material terms of the loan between PZC and New Emerald Coal Limited ("NEC") disclosed in the Appendix 5B released to the ASX on 30 January 2018 are as follows:

- a) the principal amount of the loan is up to \$1.5 million;
- b) The current amount outstanding is \$1,059,000;
- c) the repayment date is 21 February 2019;
- d) interest is payable at 12% per annum;
- e) interest is calculated on a daily basis from the date of each drawdown;
- f) NEC can prepay the loan upon giving one months' notice; and
- g) the loan is secured by a second ranking general security agreement over all present and after-acquired property of NEC the total amount of the Loan.

2017 Rights Issue – Use of Funds

The 2017 Rights Issue Document released to the ASX on 29 August 2017 disclosed the following proposed use of the funds raised:

Use of funds	Amount
Project holding costs, expenditure on new project activities (note 1)	\$200,000
Existing creditors	\$500,000
Expenses of the offer	\$20,000
Working capital (note 2)	\$506,661
TOTAL	\$1,226,661

The total amount raised under the rights issue was \$820,927.

Note 1 in "Project holding costs" referred to the costs in relation to the TCM Project. These

costs have amounted to approximately \$60,000, being significantly less than \$200,000 previously estimated.

The amount referred to as "Existing creditors" was in relation to amounts which were committed to the loan to NEC. That amount plus a proportion of the working capital has been used to increase the loan to NEC.

Brett Crowley
Company Secretary