



Quarterly Report

For the 3 Months ended December 2014

This Quarterly Report updates activities undertaken during the period 1 October 2014 to 31 December 2014.

OVERVIEW

During the period, NuCoal continued to assess the Savoy Hill project in the Hunter Valley and evaluated other opportunities for new projects.

In addition, NuCoal continued to implement the legal strategy previously announced to seek fair redress for shareholders following the cancellation of Exploration Licence 7270 (**EL 7270**) by the NSW Government in early 2014.

Expenditure has continued to be restricted to preserve funds for the activities outlined above and the Company has listed a number of land holdings For Sale around the Doyles Creek area in the Hunter Valley which were acquired to progress the Doyles Creek project.

1. PROJECTS

Savoy Hill Coal Project (100%)

As previously notified, the Savoy Hill tenement, Exploration Licence 6812 (**EL 6812**) has been extended until 20 June 2018.

The Company has continued work on a mining options concept study and undertaken initial marketing analysis for a potential open-cut operation supplying the nearby domestic power stations.

Dellworth Coal Project (100%)

The Dellworth tenement, Exploration Licence 6594 (**EL 6594**), is valid until July 2015. As previously noted, the resources at Savoy Hill are better than those at Dellworth being both more marketable and lower cost; therefore the Company is currently concentrating on progressing the Savoy Hill Project, however, further independent geological assessment is being undertaken to determine the viability of pursuing an Assessment Lease for the Dellworth tenement area.

Board of Directors

2. POTENTIAL ACQUISITIONS

The Company has continued pursuing appropriate external acquisitions within Australia. Due diligence was completed on a number of projects throughout the period and a number of non-binding bids were submitted on projects assessed to be the most value accretive.

The Company will continue to keep shareholders informed of any developments as soon as there is any material information to report.

3. 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 EL 7270 with no compensation payable to NuCoal. The legislation was passed following an inquiry by the Independent Commission Against Corruption (**ICAC**).

Constitutional Challenge against the Mining Amendment Act

NuCoal announced on 26 June 2014 that a Writ of Summons and Statement of Claim challenging the constitutional validity of the Mining Amendment Act had been lodged with the High Court of Australia.

The following timetable provides an update on proceedings:

Date	Description
June 2014	NuCoal lodged a Writ of Summons and Statement of Claim with the High Court of Australia, challenging the constitutional validity of the Mining Amendment Act.
14 August 2014	Legal representatives for NuCoal attended a directions hearing before the High Court where the parties were given various procedural directions and asked to prepare an agreed set of facts to file with the Court.
17 September 2014	Legal representatives for NuCoal attended a directions hearing in which the High Court made certain orders in respect of the timetable of the case.
26 September 2014	Filing of an agreed Special Case.
5 November 2014	NuCoal filed and served its written submissions.
26 November 2014	NSW filed and served its written submissions.
8 December 2014	NuCoal filed and served its written submissions in reply.

A hearing date has been set for 10 – 12 February 2015.

Judicial Review Proceedings

The Judicial Review hearing of *NuCoal vs Independent Commission Against Corruption* was held in the NSW Supreme Court on 27 October 2014 before Justice Stephen Rothman. The hearing lasted one day and NuCoal was represented by Neil Williams SC and Jonathan Kay Hoyle.

Justice Rothman will now prepare his formal judgment. We will update shareholders following its release.

Following the hearing, Chairman Gordon Galt said *"We welcome the opportunity to have an independent legal review of the process that led to ICAC's December 2013 report by a properly constituted Court. We await the Court's judgment."*

Shareholders are reminded that the outcome of the judicial review will not reverse the cancellation of EL 7270.

Free Trade Actions

The Company is continuing to pursue claims against the Australian Government on behalf of overseas based shareholders under various Free Trade Agreements (**FTAs**). These potential international actions are being progressed with a view to obtaining compensation from the Australian Government for the decision by the NSW Government to expropriate EL 7270 without payment of compensation. Some FTAs allow the Plaintiff (NuCoal shareholders who reside in the relevant jurisdictions outside Australia) to bring an action without needing the consent of the Australian Government (e.g. Australia's Free Trade Agreements with Singapore, Hong Kong and others) while other FTAs require the consent of both the Government of the investor's home country and the Australian Government before an action can proceed (e.g. the Australia – USA Free Trade Agreement).

As previously communicated, shareholders should note that any successful actions under an FTA will benefit only the shareholders who bring and participate in the actions.

Shareholders will continue to be updated on all proceedings outlined above as they progress.

4. OTHER RELEVANT LEGAL PROCEEDINGS

On 19 December 2014 a Judgment was handed down in *Poole v Chubb* (**Poole Decision**).

The Poole Decision was made in respect of the action brought against Chubb Insurance Company of Australia Ltd by Andrew Poole, a former NuCoal Non-Executive Director, after Chubb refused to pay for legal expenses incurred by Mr Poole during his appearance at ICAC hearings (Operation Acacia) in 2013. The Decision found in favour of Mr Poole and his reasonable expenses and costs are now to be paid by Chubb. Importantly, in the Decision, Justice Stevenson found on the evidence before him that:

- Mr Poole had not behaved dishonestly in the application process for EL 7270, in contrast to the finding made by ICAC in relation to Mr Poole; and
- in respect of Mr Maitland's relationship with Mr Macdonald that *'... there was no direct evidence of any such "relationship", "connection" or "access" [to the Minister]'*.

5. MEDIA

Mr Glen Lewis, Managing Director featured on the Sky News program 'Richo' on Wednesday 28 January 2015 at 8.00pm AEST to discuss our current legal position in respect of the cancellation of EL 7270.

To watch the interview, simply copy the following details into your web browser:

http://www.skynews.com.au/video/program_richo/2015/01/29/glen-lewis.html

6. CORPORATE

Cash and deposits were A\$3.38 million as at 31 December 2014.

The Company listed four properties within the Jerrys Plains area For Sale which are of no benefit to future operations given the cancellation of EL 7270.

The Company will continue to assess the remaining assets held in the Doyles Creek area.

Annual General Meeting

The Company's Annual General Meeting was held on Thursday 27 November 2014. All resolutions considered at the meeting were passed on a show of hands.

7. 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
EL 6594	Dellworth, 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.

For further enquiries please contact:

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Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

NuCoal Resources Ltd

ABN

29 060 352 990

Quarter ended ("current quarter")

December 2014

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(6)	(77)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(1,331)	(3,692)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	13	117
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)*	-	-
	Net Operating Cash Flows	(1,324)	(3,652)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(1)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	11
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	10
1.13	Total operating and investing cash flows (carried forward)	(1,324)	(3,642)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,324)	(3,642)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Share Issue Costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(1,324)	(3,642)
1.20	Cash at beginning of quarter/year to date	4,702	7,020
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,378	3,378

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(123)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation (including capital expenditure)	-
4.2 Development	-
4.3 Production	-
4.4 Administration	(1,089)
Total	(1,089)

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	68	4,257
5.2 Deposits at call	770	246
5.3 Bank overdraft	-	-
5.4 Other – Term Deposit(s)	2,540	199
Total: cash at end of quarter (item 1.22)	3,378	4,702

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A			
6.2 Interests in mining tenements acquired or increased	N/A			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.,

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	768,612,354	768,612,354		
7.4	Changes during quarter (a) Increases through issues <i>(share purchase plan)</i> (b) Decreases through returns of capital, buy-backs				
7.5	*Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				

+ See chapter 19 for defined terms.

7.11	Debentures (totals only)		
7.12	Unsecured notes (totals only)		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



.....Date: 30 January 2015
(Director/Company secretary)

Print name: MEGAN ETCELL

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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