



Quarterly Report

For the 3 Months ended September 2016

This Quarterly Report updates activities undertaken during the period 1 July 2016 to 30 September 2016.

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 completed all 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.

Dellworth Coal Project (100%)

As previously noted, NuCoal executed a Tenement Sale Agreement (**Agreement**) for the sale of Exploration Licence 6594 (**EL 6594**). This Agreement was conditional upon the Department approving the renewal of the tenement and transfer of the tenement in accordance with Condition 36 of the Exploration Licence Conditions (Coal) 2012.

The transfer from Dellworth Pty Ltd to Glendell Tenements Pty Ltd was approved by the Minister on 24 March 2016 pursuant to Section 121(1)(a) of the *Mining Act 1992*, and more recently the Company received duly executed documentation regarding the renewal from the Department. Given the completion of both conditions precedent, the Company received settlement under the terms of the Agreement on 13 October 2016.

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

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ASX:NCR • Share Information

Issued Shares: 768.6m

Board of Directors

Chairman:	G. Galt
Managing Director:	G. Lewis
Non Executive Director:	J. Beecher
Non Executive Director:	M. Davies
Company Secretary:	M. Etccl

During the quarter, 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.

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.

The Judicial Review Judgment was handed down by Justice Stephen Rothman on 24 September 2015. On the legal aspects of NuCoal's case, the Court could only review and comment on whether the Commission acted in accordance with its statutory and common law duties. The Court found that it did.

During the proceedings and in the judgement both ICAC and the Court made clear statements that NuCoal's shareholders were completely innocent and this fact of innocence was why ICAC had recommended compensation in its August 2013 report. NuCoal is continuing use this information to press for compensation for its US Investors under Australia's international treaty obligations, refer further details below.

Free Trade Actions

The Company is continuing to pursue claims against the Australian Government on behalf of US shareholders under the Australia US Free Trade Agreement (**AUSFTA**). This potential international action is being progressed with a view to obtain compensation from the Australian Government for the decision by the NSW Parliament, on the advice of the O'Farrell led Government, to expropriate EL 7270 without payment of compensation

The Company, on behalf of its U.S. Investors, lodged a submission to the AUSFTA Joint Committee on 7 April 2016 following a public invitation to make comments regarding the general functioning of the Australia US Free Trade Agreement. The Review Meeting of the AUSFTA Joint Committee was held on 4 May 2016 and NuCoal is aware that the NuCoal matter was discussed at some length during the meeting.

In June 2016, NuCoal's Chairman visited Washington D.C. and met with senior staff of politicians who could be influential in pressuring the Australian Government to allow an action under the AUSFTA. Visits were also made to the US Trade Representative's legal staff and the Australian Ambassador. A number of meetings were also held with NuCoal investors in the USA to update them directly regarding progress. A number of these investors are now pursuing the matter directly with their local Congressman and Senators.

During the quarter, NuCoal engaged US Lobbyists, BGR Group, to assist with progressing action under the AUSFTA, and the Group's Managing Director visited Washington D.C. in September and participated in fifteen (15) meetings with relevant government offices. The meetings held were extremely positive and further visits are now being scheduled to progress this matter on behalf of US shareholders.

Meetings with Politicians

NuCoal officers and advisers met with a number of senior politicians and Ministers in NSW and Federally during the quarter. The aim of the meetings is to educate and eradicate any misconceptions about the facts surrounding NuCoal's circumstances and 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. OTHER RELEVANT MATTERS

Port Waratah Coal Services

Port Waratah Coal Services filed proceedings in the NSW Supreme Court against the Company in respect of the Long Term Ship or Pay Agreement entered into for the use of port and loading facilities for the Doyles Creek project between 2015 and 2024. In August 2016, the Company was successful in reaching settlement with PWCS and the matter has now been finalised.

Social media – "Wave the Flag"

A number of relevant articles have been posted to WaveTheFlag.org.au over the last few months with matters concerning the NuCoal story continuing to be a key focus.

We continue to invite all shareholders to participate in this forum as it is a good opportunity to collectively be the "voice for reason" amongst numerous unreasonable voices of mal-aligned intentions.

4. CORPORATE

Three properties around the Doyles Creek area have now been sold and the sale of these properties increased the Company's cash balance by approximately \$2 million.

A Contract For Sale has been entered into for a fourth property with settlement scheduled over the coming months. The sale of this property will also boost cash on hand.

Cash and deposits as at 30 September 2016 were A\$1.28 million. Funds from the Dellworth sale are not included in this amount.

5. 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.

Appendix 5B

Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

Name of entity

NuCoal Resources Ltd

ABN

29 060 352 990

Quarter ended ("current quarter")

September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (three months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(600)	(600)
(b) development	-	-
(c) production	-	-
(d) staff costs	(63)	(63)
(e) administration and corporate costs	(305)	(305)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	19	19
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(950)	(950)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (three months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	2,071	2,071
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) 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	2,071	2,071

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
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	161	161
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(950)	(950)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	2,071	2,071
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,282	1,282

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	1,262	1,262
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details) – Term Deposits	20	20
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,282	1,282

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
71
-

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

8. Financing facilities available

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	40
9.2	Development	-
9.3	Production	-
9.4	Staff costs	76
9.5	Administration and corporate costs	120
9.6	Other (provide details if material)	
	Income from Asset Sales	(1,540)
9.7	Total estimated cash outflows (inflows)	(1,304)

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

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.

Sign here:



Date: .31 October 2016

(Director/Company secretary)

Print name: Megan Etcill

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.