



Quarterly Report

For the 3 Months ended March 2016

This Quarterly Report updates activities undertaken during the period 1 January 2016 to 31 March 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%)

An application for the renewal of Dellworth tenement, Exploration Licence 6594 (**EL 6594**) was lodged with the Department of Industry, Resources and Energy¹ (the **Department**) on 2 July 2015. Renewal has been sought for a further five year term.

NuCoal has executed a Tenement Sale Agreement (**Agreement**) for the sale of EL 6594. This Agreement is 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 Company received notification from the Department that 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*. Completion of the transaction is now only conditional on the tenement being renewed.

¹ Previously named the Department of Trade & Investment, Resources and Energy

Board of Directors

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**).

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.

The Court, however, made clear statements about ICAC's view as to NuCoal's innocence and 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 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.

3. OTHER RELEVANT MATTERS

Submission to the AUSFTA Joint Committee

NuCoal, 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 US-Australia Free Trade Agreement (**AUSFTA**).

A Review Meeting of the AUSFTA Joint Committee is scheduled to be held on 4 May 2016

and NuCoal has requested that during that meeting, the Government of Australia (**GOA**) and the US Government enter into consultations, pursuant to Article 11.16 of the AUSFTA, with a view towards allowing U.S. Investors to bring a claim for compensation against the GOA in respect of the expropriation of NuCoal's exploration tenement EL 7270 Doyles Creek.

Shareholders will be updated of any relevant information as a result of the Review Meeting. A copy of the Company's submission is able to be viewed at <http://nucoal.com.au/?p=4935>

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

The Company is presently negotiating the sale of three properties around the Doyles Creek area in the Hunter Valley at a total amount of approximately \$2 million. The sale of these properties will significantly increase the cash balance as and when they are finalised.

Cash and deposits were A\$0.43 million as at 31 March 2016.

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.

For further enquiries please contact:
Megan Etccl, Company Secretary
Telephone: +61 2 4015 0500

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")

March 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(154)	(570)
(b) development	-	-
(c) production	-	-
(d) administration	(143)	(884)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	25	77
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)*	3	253
Net Operating Cash Flows	(269)	(1,124)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	446
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	446
1.13 Total operating and investing cash flows (carried forward)	(269)	(678)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(269)	(678)
	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	(269)	(678)
1.20	Cash at beginning of quarter/year to date	696	1,105
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	427	427

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	43
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

* insurance recovery

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	(300)
Total	(300)

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	407	656
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other – Term Deposit(s)	20	40
Total: cash at end of quarter (item 1.22)	427	696

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		
6.2		Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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				
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

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: 

.....
(Director/Company secretary)

Date: 29 April 2016

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.

== == == == ==

+ See chapter 19 for defined terms.