



Quarterly Report

For the 3 Months ended September 2015

This Quarterly Report updates activities undertaken during the period 1 July 2015 to 30 September 2015.

OVERVIEW

During the period, NuCoal continued to implement the legal strategy previously announced to seek redress for shareholders following the unfair and unjust 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 legal actions 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 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.

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

Board of Directors

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

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, confirming that ICAC clearly acknowledged the following:

- "the difference in interest between the plaintiff, on the one hand, and on the other, those that were once its directors and against whom there were serious allegations of corruption.... the Commission also took the view that the plaintiff, as an entity, was involved in no wrongdoing and none of the Commission's findings were based on any suggestion of the plaintiff being involved in wrongdoing." [57]
- "The plaintiff's submission was that its conduct was wholly innocent. The Commission accepted that view." [62]
- "Ultimately the Commission came to the view that the plaintiff, as an entity, was not involved in any wrongdoing." [65]

The above clearly demonstrates to NuCoal that despite ICAC forming a view that NuCoal was an innocent party and that innocent parties could be compensated, Parliament determined that NuCoal's exploration licence should be cancelled with no compensation. The Court noted that "Parliament, not the Commission, has determined that if NuCoal be innocent, it ought not to be compensated." [88]

NuCoal will continue 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

Submissions to the Inspector of the ICAC

NuCoal has continued its representations to the Inspector of the ICAC, The Honourable David Levine AO RFD QC. The Inspectors 2014-2015 Annual Report was released during October 2015 and there were a number of comments made in respect of Operation Acacia and more specifically Andrew Poole:

- *In relation to Operations Jasper and Acacia many of the complaining parties have gone to the press and have gone to law. The latter course of action has operated as a brake, as it were, on my assessment of the communications in relation to those ICAC operations. I add that such are the nature and dimensions and thoroughness of the communications made to me in connection with what I in shorthand will refer to the "coal industry" or "mining matters", it would require expenditure of time and increase in resources almost to the point where the Inspector of ICAC would have to mirror the resources and time spent by that body in coming to its findings in those matters. This would reflect in my opinion an unsatisfactory lack of proportionality [page 17].*
- *On the 19th December of 2014 in Poole v Chubb Insurance Company of Australia Limited [2014] NSW SC 1832, Stevenson J found in favour of Mr Poole. On the evidence on the issues before him, he came to the conclusions contrary in nature to those to which ICAC had come in Operation Acacia. This outcome represents the dysfunctionality and contradictions that exist in the environment of corruption and investigation in this State [page 19].*

The investigation by the Inspector in respect of complaints about Operation Acacia remains open. The full report is available to be viewed at:

<http://www.oicac.nsw.gov.au/assets/oicac/reports/annual-reports/Annual-Report-2014-2015.pdf>

Social media – "Wave the Flag"

A group of Sydney Mining Club supporters and members have created an exciting pro-mining social media website opposing the injustices affecting the Australian Resources Industry.

With the rise in activity on Social Media directly affecting our important mining and resources projects, WaveTheFlag.org.au (or more affectionately known as WTF!) is a new industry's Social Media Voice to counteract the many "noisy voices" that affect the industry,

workers, suppliers, and companies, as they threaten (or even halt) much needed projects.

We invite all shareholders to participate in this forum and collectively be the “voice for reason” amongst the numerous unreasonable voices of mal-aligned intentions. The NuCoal story is currently being run on WTF so please use this website in any way you see fit and alert your friends and other shareholders, post your own media, comments and essays. This is an opportunity to fight back and speak your mind on the issues - Wave the Flag is a platform to voice your concerns about protecting the private property rights of innocent citizens.

4. CORPORATE

Cash and deposits were A\$0.89 million as at 30 September 2015.

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, Chief Financial Officer & 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")

September 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(226)	(226)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(464)	(464)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	30	30
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	(660)	(660)
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	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	446
1.13	Total operating and investing cash flows (carried forward)	(214)	(214)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(214)	(214)
	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	(214)	(214)
1.20	Cash at beginning of quarter/year to date	1,105	1,105
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	891	891

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	61
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	(400)
Total	(400)

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	851	1,065
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other – Term Deposit(s)	40	40
Total: cash at end of quarter (item 1.22)	891	1,105

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 October 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.

== == == == ==

+ See chapter 19 for defined terms.