Recent media coverage on the proposed audit of all mining Exploration Licences (EL’s) in NSW by the NSW Coalition should it win the upcoming State election has highlighted the Doyles Creek Underground Project currently being developed in the Hunter Valley by NuCoal Resources NL (“NuCoal” or “Company”).

In response, NuCoal’s Managing Director, Glen Lewis, said today:

“NuCoal supports the Coalition’s proposed review of Exploration Licences and its recently announced Strategic Regional Land Use Policy. We believe the policy has the potential to result in appropriate strategic regional land use plans which can minimise conflicts between mining and our communities, and we are pleased that the Coalition has consulted widely to make this matter a priority after the election.

However, in relation to the current exploration Licence granted to Doyle’s Creek Mining Pty Ltd (“DCMP”) in December 2008, we point out that this was one of 24 exploration Licences directly issued by a Minister in the last 20 years.

An independent probity review on the granting of this EL was conducted by O’Connor Marsden & Associates 18 months after the awarding the Licence to DCMP. In their report of 23 August 2010 the probity adviser stated in part:

“….it would appear that the then Minister acted within the powers afforded to him under the legislation in granting the EL to DCMP. There are a number of examples where direct allocations have been previously been made by previous Ministers.” (Page 5)

NuCoal takes the conditions of its EL very seriously, and the Company has fully complied with its obligations. In addition, our compliance with the current comprehensive EL conditions has been independently assessed by an independent law firm every three months since August 2010, in accordance with NuCoal’s internal compliance regime and this practice will continue indefinitely.”
In addition to meeting the stringent EL requirements, NuCoal has over the last 12 months been working on a number of separate initiatives ahead of conducting a full EIS, including:

- Since mid-2010, conducting a comprehensive hydro-geological study in conjunction with exploration drilling to understand and protect any aquifer systems in the EL area;
- Reviewing agricultural land uses within the EL for inclusion in any project application;
- NuCoal has continued with the advancement of its proposed Training Mine and has employed 5 apprentices in conjunction with Hunter Valley Training Company and provided scholarships for 5 students from The University of Newcastle. Trainee drillers have also been employed on drill rigs used at the Doyles Creek project. Both Hunter Valley Training Company and The University of Newcastle together with the Westpac Rescue Helicopter Service are Strategic Alliance partners in the Training Mine facility proposed for the Doyles Creek project.
- Designing the Doyles Creek Underground project to minimise impact on the neighbouring thoroughbred breeding industry and local community by using best practice underground mine planning techniques.

NuCoal has established a Community Foundation for the purpose of distributing some 5% of the potential project profits after tax back to the local communities and strategic partners which totals in excess of $100m over the life of the mine based on current coal prices. In addition, there will be many indirect benefits generated from employment of up to 350 direct jobs at the operation, increased economic activity in the region and the royalties and taxes produced from operations which will exceed $2b over a proposed 30 year period.

“On behalf of the 2,800 shareholders, including some of Australia’s largest Institutional investors, NuCoal is committed to continuing to work openly and constructively with all stakeholders involved in the Doyles Creek EL process and will adhere to all required processes both external and internal as the Company progresses to an intended mining lease,” Mr. Lewis said.

For further enquiries please contact:

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