

**Submission  
No 18**

**INQUIRY INTO MINING AMENDMENT  
(COMPENSATION FOR CANCELLATION OF  
EXPLORATION LICENCE) BILL 2019**

**Name:** Mr Rod Doyle

**Date Received:** 27 July 2019

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The Hon Niall Blair  
Chairman  
Law and Justice Committee  
Parliament House  
6 Macquarie Street  
Sydney NSW 2000

27/07/2019

**Re: Submission from Shareholders in NuCoal  
The Mining Amendment (Compensation for Cancellation of Exploration Licence) Bill 2019**

Dear Sir,

Firstly, we would like to acknowledge the Reverend, the Honourable Fred Nile for his part in placing the spotlight on the injustice done to NuCoal and their shareholders. Secondly, to thank you for allowing us to put a submission before the Committee, thank you.

- 1) My wife Pauline and I manage our own super fund. We do this in an attempt to ensure that we manage our futures' post retirement - with the aim of not being a burden on the National purse.
- 2) Our main plan was to be invest with various ASX companies including, mining ventures in an effort to support them and see them flourish for the benefit of society and ourselves. Unfortunately, we got off to a rocky start. Some of our initial shareholdings included; Sons of Gwalia (Gold Mines in W.A.) which went bust. Followed quickly by Henry Walker Eltin who followed a similar path. Then the bizarre circumstances surrounding NuCoal, where in our eyes our own State Government appeared to conspire against us.
- 3) On the 17 June 2010, we purchased 50,000 shares of NuCoal at a cost of \$0.22 each. We believed the company had excellent potential to grow, especially with EL7270. We wanted to see a mine built! We wanted to see growth into a major development and provide hundreds of jobs, security for families and royalties for the State Government. For us this was the very essence of a win:win situation. However, we had the proverbial rug pulled out from under us, it was shattering. What had we done wrong? The resumption of the EL together with the "No Compensation" legislation seemed very much to be a political action that was undertaken by a Premier who eventually had to resign under questionable circumstances.
- 4) While we suffered financial loss at a difficult time in our fledging super fund, we were more alarmed at the loss of promising development. While ours was a comparatively minor loss compared to others, we were saddened at the losses endured by others, in particular Howarth Drilling. The drilling company, who drilled the holes and cored the core for testing and analysis. They had done a superb job to prove up our natural resources - genuine hardworking Australians. These people and the shareholders deserve better treatment, we all deserve to be compensated. The wrongs must finally be put right.

- 5) Our State Government cancelled the NuCoal Exploration Licence (EL7270), through existing legislation. While this was a legal action, since it was undertaken it is clear that the reasons behind this action (ICAC assertions) are beginning to unravel. The State Government had to rush through special laws to specifically remove any chance of compensation to those impacted. These hastily passed laws put us (shareholders) at a distinct disadvantage - through no fault of our own. We along with many others deserve to be paid compensation. NuCoal spent significant money (\$40 Million) to define the coal resources of EL7270. They did this with the State Governments full oversight, followed every requirement and every condition put to them by the Government over several years. To not provide compensation to the legal shareholders and those that suffered as a direct result of this action is incomprehensible. Yet now the government can, at any time, sell EL7270. Which is fair enough, but NuCoal put the hard yards in to prove up the resources and significantly improve the value of the asset. So the Government could sell it at a significant profit generated by the extensive exploration work NuCoal undertook at their cost or to put more aptly at the cost of the shareholders!
- 6) By way of comparison, the NSW Government resumed land from a house block that we owned so they could expand the corridor of the Moss Vale-Unanderra rail line. We recognised that the government had the right to take that land, however, in this instance they paid us appropriate compensation. This was a fitting response to the resumption of a personal asset. However, with respect to our shares in NuCoal, their value was significantly diminished in value by the resumption of the Exploration Licence (EL7270). That EL was taken without any compensation whatsoever. It seems to us that this is an extraordinary affront, one that must be corrected.
- 7) What did we do to deserve this treatment? We invested in a public company that was being closely overseen by the watchful eye of Government, year in and year out. To the best of our knowledge no NuCoal personnel have been found guilty of any wrong doing. We ended up losing "our mine" as well as losing significant value in the company solely due to the Government's decision to deliberately pass legislation to eliminate compensation. If what the Government did was acceptable within the existing laws (in rescinding the EL) why did they have to urgently pass this new legislation to eliminate compensation? This just doesn't sound justified to our minds.
- 8) On the 9/12/2013 we increased our holdings in NuCoal to 100,000 shares, convinced that there wasn't a case against NuCoal. The Mining Act, Cl 22(1) gives the Minister for Mines the responsibility and authority to decide to grant an application for an EL following his/her consideration. Rightly or wrongly, it was our opinion that the action of the original granting of the EL by the Minister was legal. We were prepared to put more of our superannuation resources towards supporting NuCoal with the hope that development of the Project would prevail.
- 9) On the day that ICAC issued their report on their final recommendations (18/12/2013) we still owned 100,000 shares in NuCoal. Not exactly a huge ownership, but from our perspective it seemed substantial. On the day that the NSW Government passed their legislation (31/01/2014) we still held those 100,000 shares and we have continued to hold those shares ever since. We watched NuCoal continue its fight to obtain justice for its shareholders and the company. We continue to hope for justice.

- 10) It's hard to consider where NuCoal would have been today if the EL had not been cancelled. Would the mine be up and running? What would the value of the shares be today? Considering they were some 60 cents in 2011 nearly a decade ago it is reasonable to assume the mine would be in operation and the value of the shares would have significantly increased in value, particularly with modern production practices. With revenue coming in perhaps NuCoal could have grown to a much greater significance.
- 11) We request that the Committee put things right, to pay compensation and restore value to the NuCoal shareholders. While we understand that the Government had the right to cancel the EL on a legitimate basis, we believe that the grounds for cancellation were not without dispute and that the matter was compounded by rushing in legislation. It remains our view that the EL should be reinstated to NuCoal. While this may be outside the purview of the Committee we urge the Committee to make comment on this.
- 12) We believe the Committee need to determine what wrong it was that we did as investors to be deprived of fair treatment and just compensation by our own representatives?
- 13) We believe that the Committee needs to consider whether ICAC's original findings stand the test of time considering that the courts have since determined many to be innocent of any wrongdoings. Would parliament have endorsed the existing "NO Compensation" legislation today? If not, then it must be reversed and justice must be seen to be done.
- 14) We urge the Committee to honour our rights and pay compensation.

Thank you for your consideration

On behalf of:  
Pauline & Rodney Doyle