

Quarterly Activities Report – Q3 14

- County has continued to make progress towards developing North American coal export capacity
- Efforts in both the US and Canada have focused on discussions to secure land tenure or access
- Activities of Q3 have been focused on securing land tenure in relation to the US coal loader opportunity
- In the US, County is in discussions with the owners of properties adjacent to deep, navigable water
- The terminals could unlock significant value within County's 730Mt (~90% Measured) JORC coal resources

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About County Coal

County Coal Limited (ASX: CCJ) is primarily focused on developing a North American bulk export solution that can be utilised by its U.S. coal projects, as well as other emerging U.S. and Canadian exporters. County's proposed terminals in British Columbia (BC), Canada and northwest U.S. are both connected by rail to coal fields in BC and Alberta in Canada, and the Powder River Basin (PRB) in the U.S., which hosts County's 730Mt in JORC coal resources.

Investment Highlights

- County has continued to progress the planning of two potential North American bulk export terminals.
- Efforts in this quarter have focused on securing land access and preparing for the permitting process.
- The focus in Q3 has been extensive negotiations with the land owner connected with the US opportunity to secure rights to land adjacent to deep, navigable water.
- Either of the proposed terminals could unlock significant value within County's 730Mt (~90% Measured) JORC coal resources.

Progress During the Quarter

North American Coal Export Terminals

During the March quarter County Coal Limited (CCJ.ASX) placed all its focus on the opportunity to construct and operate two bulk export terminals on the west coast of North America. One location being considered lies in British Columbia, Canada, while the other is situated in the North-West United States. For both sites, preliminary engineering studies have been completed and discussions with key parties, in particular the land holders, are well underway.

U.S. Export Terminal

Significant progress has been made over the last quarter regarding securing land to allow the development of County's U.S. bulk export terminal project to proceed. In conjunction with this, steps have been taken to better understand the pathway to project approval, including the development of a dedicated project team ready to be deployed as required.

The proposed terminal will have a throughput capacity of 10+ mtpa and is located on a brownfields industrial site with the potential to accommodate up to 60,000 dwt Panamax vessels, after dredging. Positive engineering and financial studies, supported by the global consultants, WorleyParsons, have given County the confidence to pursue this opportunity.

- Once land access is secured, the next steps include starting work on a full feasibility study, including the development of detailed project schedule and cost forecasts, as well as the implementation of a local and broader level communications strategy.
- Other potential terminal proposals, currently entering or navigating the permitting process, provide valuable insights as to the timelines and requirements involved in this area. County has the advantage of being able to benefit from this information to minimize both the costs and timelines associated with the permitting process.

Capital Structure

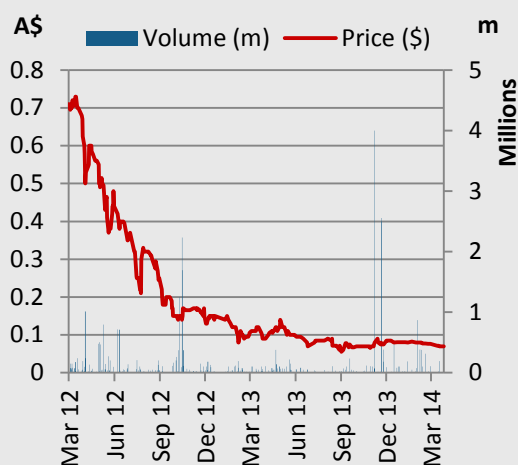
ASX Code	CCJ
Share Price (Close 29-04-14)	A\$0.065
Ordinary Shares	94.2m
Total Options	10.3m
ITM Options*	-
Fully-Diluted Market Cap.	A\$6.12m
Less: Cash	A\$1.78m
Add: Debt	-
Enterprise Value (EV)	A\$4.34m

*ITM options: in-the-money options

Board & Management

Chairman	Bob Cameron AO
Managing Director	Rod Ruston
Non-Executive Director	David Miller
Marketing Executive	Roger Knight
Company Secretary	Terry Flitcroft

Share Price Chart



JORC-Compliant Coal Resources

	Shell Creek	Miller	Total
Measured	344	310	654
Indicated	17	-	17
Inferred	59	-	59
Total	420	310	730

See disclaimer and notes for more info

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Canadian Export Terminal

County's activities this quarter regarding the Canadian export terminal opportunity have been minimal with the prime activity focused on securing the land access for the proposed US bulk loader facility. County remains committed to the Canadian opportunity but to maintain optionality, County considered that progress of the US opportunity should take priority.

The proposed Canadian terminal would have a capacity of 20+ mtpa and is located on a greenfields site within an area of lands zoned for industrial activity. This site has the potential to accommodate cape size vessels.

If land access can be secured, it is proposed to submit the substantially completed Project Description document to the Provincial and Federal environmental regulators, beginning the official assessment process.

Outlook

County Coal will continue to focus on securing port access. Once land access is secured at either of the port opportunities, County will direct its prime focus towards that location. Work will commence on the approval process with most of the initial work being directed towards talking through the proposal with key stakeholders to ensure we are able to address all key concerns and consider all significant suggestions in the design and construction of the project.

Powder River Basin Coal Projects

No further work was carried out on County Coal's coal projects in the Powder River Basin (PRB) during the quarter. County Coal has previously announced some 730 million tonnes of JORC measured coal resource in its exploration areas in Wyoming's PRB. At this stage, the Company considers it has sufficient information regarding the resource and does not intend to undertake any further significant work on the resource until a viable, cost-efficient export path has been identified and secured.

About County Coal (CCJ.ASX)

County Coal (ASX: CCJ) is primarily focused on developing a North American bulk export solution that can be utilised for County's U.S. coal projects, as well as other projects looking to export coal from the U.S. and Canada. County's proposed bulk export terminals in British Columbia, Canada and northwest U.S. are both connected by rail to coal fields in British Columbia and Alberta in Canada and the Powder River Basin (PRB) in the U.S. County's thermal coal projects in the PRB host 730 million tonnes (Mt) in JORC-compliant resources.

Infrastructure Projects

Both of County's proposed export terminals are connected to Canadian coal fields in BC and Alberta, and the PRB by the Canadian National and U.S. rail systems. These infrastructure projects, which are both located on or near existing industrial sites, have the potential to unlock the substantial value contained within County's existing thermal coal resources.

U.S. Thermal Coal Projects

County's two wholly-owned thermal coal projects, Shell Creek and Miller, are both located in the PRB of Wyoming in the U.S. and together host 730Mt of JORC-compliant thermal coal resources. Shell Creek, in the western region of the PRB, hosts a 420Mt open-cut and underground thermal coal resource, and Miller, in the eastern part of the PRB, hosts a 310Mt shallow underground/deep open cut thermal coal resource. Both projects host potentially low-cost, export-quality coal.

At this stage, the Company considers it has sufficient information regarding the resource and does not intend to undertake any further significant work on the resource until a viable, cost-efficient export path has been identified and secured.

About the Powder River Basin

The PRB covers an area of ~190km east to west and ~320km north to south in northeast Wyoming and southeast Montana. With 12 operating mines, the PRB accounts for ~50% of the US thermal coal supply. The basin is recognised as one of the lowest-cost coal-producing areas in the world, with mining costs ranging from US\$5-15/t. PRB thermal coal is usually very low in ash and sulphur and has similar energy content in the ranges found in Indonesian export thermal coal.

Potential Powder River Basin Export Routes

The following map depicts the multiple routes that are currently available to transport coal from the PRB for shipment to Asia, Europe and South American destinations. The production costs experienced in the PRB are such that extended transport distances have proved to be economically viable for the coal to be shipped to world markets, albeit currently on a limited basis and via restricted port capacity. County Coal's interests lie in transporting coal to Asia via the Pacific North West of North America via proposed routes that are not shown on this map.



Note to JORC-Compliant Resources

The information in the table "JORC-Compliant Coal Resources" is based on Independent Geologist's Report, Aqua Terra Consultants Inc., October 2012. The information in this table that relates to Geology, Exploration results and Mineral resources is based on information compiled by Steven J Stresky, who is a member of the American Institute of Professional Geologists, and a full time employee of Aqua Terra Consultants Inc. (the geology consultants to County Coal). Mr Stresky has sufficient experience which is relevant to the style of deposit under consideration and to the activity he is undertaking to qualify as a "Competent Person" as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr Stresky consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.