



QUARTERLY REPORT

March 2014 Quarterly Report

HIGHLIGHTS

Takeover of Blackwood Corporation complete

Baralaba Central quarterly production on target

~160,000t coal sold during quarter

Mining Lease 80200 received in record time

Baralaba North overburden removal more than 500,000 BCM ahead of schedule

Liebherr 996 excavator and 4 x Caterpillar 793 dump trucks commissioned

Baralaba North levee construction circa 90% complete

Submission of EIS for Baralaba North



Corporate

Takeover of Blackwood Corporation Limited

Subsequent to the quarter, Cockatoo announced the completion of the takeover of Blackwood Corporation Limited ('Blackwood'). Integration activities, including Blackwood employee integration and redundancies, and closing of Blackwood's office are now complete.

Operations

Safety and Environment

Cockatoo has achieved over 100,000 lost time injury (LTI) free hours within the construction of its Baralaba North expansion project. Across operations, there was one LTI incident within the existing Baralaba Central pit; Cockatoo has investigated the incident and changed its operations sequencing to avoid similar incidents. There were no material environmental incidents reported at the Company's operations during the quarter.

Baralaba Mine

Operations at the existing Baralaba mine continued throughout the quarter with coal sales of approximately 160,000 tonnes being made. Despite some adverse weather at the end of the quarter Baralaba mine production targets were achieved. Productivity and cost control remains as a primary, ongoing focus for the company.

Baralaba Mine	March 2014 Qtr	Previous Quarter
ROM coal production (tonnes)	119,906	136,564
Overburden (tonnes)	901,528	1,127,312
Strip ratio	7.5	8.3
Coal stocks at quarter end (tonnes)	153,550	193,254
Total coal sales (tonnes)	158,610	231,459

Table 1 – Baralaba Production and Shipment Figures

Baralaba North Development

During the quarter the Company continued development of the Baralaba North Mine, which is located several kilometres north of the Company's existing coal mining operations.

The commissioning of a new Liebherr 996 excavator occurred during the quarter, commencing operations in mid-March. This is a large hydraulic excavator utilising a 36m³ bucket making it capable of digging at three times the rate of Cockatoo's current excavators. The combination of size and latest technology in the Liebherr 996 provides improved fuel efficiency and lower operating cost per cubic metre mined. Four new Caterpillar 793D dump trucks were also commissioned on site in early April, providing increased waste haulage capacity to support the new excavator.

Civil works continued during the quarter, with the construction of the flood levy at approximately 90% completion as at the date of this report. It is forecast for on-time completion, at approximately 6% under budget. Cockatoo is well ahead of its forecast 791,000 tonnes of overburden removal in the North area, with 1,350,000 tonnes of overburden having already been removed as at 31 March 2014. Coal seams are beginning to be exposed within the North and it is expected that first coal will be extracted in early May 2014.

The Train Load Out, Stockyard and Balloon Loop civil/structural/mechanical/electrical tender packages have all been released to contractors for competitive tender and the Company expects to appoint these contractors during the second quarter of 2014.

Cockatoo was granted Mining Lease 80200 at Baralaba North on February 27th 2014 by the Department of Mine and Natural Resources. This infrastructure ML allows the connection of Baralaba Central to Baralaba North, assisting heavy vehicle flow for construction and allowing a corridor for coal transport to the train loading facility at Moura. The ML was granted in a record 4 months from date of application, showcasing the Queensland Government's improved efficiencies in responding to statutory timeframes.



Figure 1 - Pre-stripping at Baralaba North (Liebherr 996 Excavator and Cat 793 Truck)

Cockatoo was pleased to announce on 16 April 2014 that it had lodged its Voluntary Environmental Impact Statement ('EIS') for Baralaba North. This milestone document sees Cockatoo commencing the processes to obtain an Environmental Authority from the Queensland Government to mine within Baralaba North at 3.5mtpa. The EIS was prepared by Cockatoo and was extensively peer reviewed before submission to allow DEHP to conduct its own reviews more efficiently. The EIS was also prepared under the Greentape Reduction measures implemented by the Queensland Government, raising the possibility of additional statutory timeframe reductions.

A total of \$35.7m was spent on development during the March 2014 quarter.



Figure 2 – Baralaba North Mine Western Levee Construction

Exploration

Cockatoo continues to minimise expenditure on exploration as it focuses on the development of its core asset at Baralaba. All field exploration occurred at Baralaba North, with a total of 75 holes being drilled including 11 cored holes. The exploration data has refined and confirmed the Cockatoo geological model within and to the north of the current Mining Leases. A total of \$0.8m was spent on exploration and evaluation activities not relating to Baralaba North during the March 2014 quarter.



Managing Director Commentary

Managing Director of Cockatoo Coal, Andrew Lawson, commented that the quarter was one of consolidation following the recapitalisation and restructure of the Company at the end of 2013. “I am pleased to report that civil works at Baralaba North are continuing ahead of time and, most importantly, under budget. We are progressing methodically along the project development chain, as highlighted by the recent submission of our EIS to the Queensland Government. I look forward to our next milestone of first coal from Baralaba North in quarter 2, as we continue towards expansion of our low cost metallurgical coal mining operation” he said.

About Cockatoo Coal Limited

Cockatoo Coal Limited (ASX: COK) is a rapidly growing ASX listed Australian metallurgical coal producer, operating the Baralaba ultra-low volatile PCI coal mine in central Queensland. Cockatoo intends to expand its mining operations at Baralaba to produce 3.5mtpa of product coal. The Company also possesses a strong portfolio of pipeline development assets located within the Bowen, Galilee and Surat Basins in Queensland.

Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Dr Oliver Holm, geologist, who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Holm was a full-time employee of the Company at the time of these estimations, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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 Resources and Ore Reserves’. Dr Holm has consented to the inclusion of the matters based on his information in the form and context in which they appear.

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