



- County has continued to make progress towards developing two North American bulk export terminals
- Efforts in both the US and Canada have focused on discussions to secure land tenure or access
- Negotiations in Canada and drafting of agreements for parameters of land use are well underway
- In Canada, County has had some preliminary, high-level discussions with community representatives
- 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

- The proposed bulk terminals in Canada and the U.S. provide an export solution for emerging Canadian coal producers as well as low-cost U.S. thermal coal producers.
- The U.S. faces much lower capital and operating costs, especially in comparison to Australia.
- County's proposed export solution could unlock the substantial value held within its 730Mt low-cost thermal coal resources in the PRB in Wyoming, U.S.
- An initial engineering study on the Canadian terminal has provided County with sufficient confidence in the technical and financial viability of the proposed terminal to proceed to the next level of project evaluation.
- County's management has a unique spread of infrastructure development, coal marketing, finance and mining experience.

Progress During the Quarter

North American Coal Export Terminals

During the September quarter, County Coal Limited (CCJ.ASX) was predominantly focused on examining the opportunity to construct and operate two bulk export terminals on the west coast of North America. In both locations (in Canada and the US) preliminary proof-of-concept engineering has been completed and the relevant land owners have been approached regarding the potential for County to secure tenure over the properties.

U.S. Export Terminal

The proposed terminal in the northwest United States is located on a brownfields industrial site, with potential, after dredging, to accommodate up to 60,000dwt Panamax vessels. Given the positive results from the WorleyParsons conceptual engineering and cost study, County has focused on securing land access for this project to ensure the pathway to project approval is fully understood and well managed.

While the project is situated on an industrial site in an area that is economically depressed, County's management does not want to underestimate the challenges faced by companies trying to setup coal export operations on the west coast of North America. As a result, County is carefully managing stakeholder negotiations.

- The next steps for this project involve starting work on a full feasibility study and the development of a complete schedule and cost forecasts related to the project and associated permitting activities.
- Recent decisions by U.S. federal and local authorities regarding other proposed coal terminals in the northwest have been favourable for the project proponents, improving the overall environment for the development of this type of facility.
- The location of the proposed U.S. export facility has not been disclosed to the market due to commercial sensitivities.

Capital Structure

ASX Code	CCJ
Share Price (Close 30-07-13)	A\$0.07
Ordinary Shares	94.2m
Total Options	10.3m
ITM Options*	-
Fully-Diluted Market Cap.	A\$6.59m
Less: Cash	A\$2.46m
Add: Debt	-
Enterprise Value (EV)	A\$4.13m

*ITM options: in-the-money options

Board & Management

Chairman	Bob Cameron AO
Managing Director	Rod Ruston
Non-Executive Director	David Miller
Non-Executive Director	Marcus Boland
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

Similarly to the U.S.-based opportunity, County has focused its activities on securing land access for the potential Canadian export terminal. Negotiations with the land holder are well underway, with both parties now working on a written agreement that will outline the key parameters relating to County's proposed use of the land.

- County has had some preliminary, high-level discussions with community representatives in the region of its proposed Canadian terminal and, as a result of these discussions, is expecting good community support for the project.
- However, again the Company is not underestimating the issues related to the construction of coal loading facilities and will be implementing a broad plan to secure full involvement and support of local community and First Nations, once the land access has been secured.
- Once negotiations on the land access agreement have been completed, it is proposed to submit the Project Description to the Provincial and Federal environmental regulators and thus begin the official assessment process.

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, Alberta 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 could be used 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 been proven to be economically viable for the coal to be shipped to world markets. County Coal's interests lie in transporting coal to Asia via the Pacific North West of North America. Please note, County Coal's proposed routes 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.