COCKATOO COAL LIMITED
and its controlled entities

A.B.N. 13 112 682 158

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
30 JUNE 2015

COCKATOO COAL LIMITED
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701,445 tonnes of coal produced at the Baralaba mine during the full year

666,831 tonnes of coal sold during the full year

Transition of mining operations to Baralaba North complete, with mining, ceased at Baralaba Central

Completed opening of the new Outrigger pit

Strong productivity and efficiency gains achieved

Aggressive cost reduction program in response to falls in the benchmark PCI price

Construction of the new train load out facility and balloon loop > 75% complete

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CHAIRMAN'S REPORT

Dear Shareholder,

In the 2015 Financial Year Cockatoo Coal has seen a difficult mix of successful mine development and financial stress imposed by continually deteriorating market conditions.

Outside of all market expectations, the benchmark metallurgical coal price continued to edge lower in response to the global slow-down in demand for steel. Metallurgical coal prices reached a 10 year-low in the June Quarter driving the benchmark PCI coal price down 25 per cent below prices at the time of our corporate restructuring and equity raising earlier this year.

The recapitalisation of Cockatoo was necessary to provide equity funding for the Baralaba Expansion project when the unexpected slide in coal prices made our debt funding arrangements unsustainable. It had the benefit of bringing to the Company a major new investor, Liberty Metals and Mining, LLC, and its financial expertise to the Board. Our other major shareholder Noble Group continues its cornerstone support and the certainty provided by off take agreements.

Despite the market pressures Cockatoo Coal has successfully pressed forward with the development of the Baralaba Expansion project, knowing that the new mine is intrinsic to the Company's future and that global coal prices will recover in due course. By pressing ahead against these head-winds, we will secure a productive mine constructed during a period of historically low contract costs which will lock-in a low cost base for future production in the years ahead.

We remain on target to deliver on our planned ramp-up in output from 1mtpa to 3.5mtpa by 2017. This aligns with our commitments for rail haulage and port access through the Wiggins Island Coal Export Terminal.

The expansion also creates further opportunities for scale efficiencies. Across all parts of our operations we see the steady growth in production will create incremental reductions in our average costs per tonne of production. There are opportunities to utilise equipment more efficiently. Our employees will benefit from being part of an expanding workforce where working efficiencies are achieved by increasing the number of jobs, rather than by the kind of staff cuts that have affected most of our peers in Queensland.

Nonetheless, 2015 has imposed enormous pressures of Cockatoo Coal to adapt to the new market environment. Since the corporate restructuring in February, we have systematically reviewed all aspects of our business. The Board's immediate objective was to ensure the Baralaba operation continues to be sustainable. Longer term we critically examined all aspects from mine plan to production management, cash-burn, use of assets and executive requirements to ensure every aspect of our operation was optimised for efficiency. This review process has seen sweeping operational change at the same time as we have driven the timely development of the Baralaba Expansion.

The review proved to be an extraordinary success, and it reflects great credit on everyone involved at all levels of Cockatoo Coal.
The declining market conditions of 2015 demanded a comprehensive response which came in jointly from the recapitalisation and the operational review. Anything less at that time would have risked Cockatoo Coal being unable to continue its operations. This made 2015 a break-through year, and we remain optimistic about the future.

Our product, Low Volatile Pulverised Coal for Injection (LVPCI), is a cost efficient input for steel production at a time when steel manufacturers are looking to lower costs and improve their competitive positions. Once Cockatoo Coal is in full production, we expect to produce around 15% of the global tradable LVPCI market. As well, despite a current over-supply, steel remains a key requirement of the modern industrial world, and an increasing supply is a fundamental requirement for raising living standards in the developing world. As a metallurgical coal, PCI demand and value is also somewhat protected from the debate about the carbon output and the threat of dis-investment in fossil fuels including thermal coal.

OPERATING AND FINANCIAL REVIEW

I take this opportunity to acknowledge the strong contribution made by Andrew Lawson as the initiator and leader of the Baralaba Expansion project and who resigned as Managing Director after seeing through the financial restructuring. Also Directors Hyeondong (Henry) Cho, Rod Ruston and Will Randall made valuable contributions to Cockatoo Coal before resigning during the year.

I welcome to the Board Damon Barber, Mark Tomek and Stephen Motteram, and Neil Dhar in his role as alternate Director, all of whom brought strong commercial and financial expertise that has helped our efficiency drive in recent months. Our new CEO Peter Kane has been tireless in his review and reshaping our operations. Together with the continuing directors, Cockatoo Coal shareholders have a leadership team that is capable and committed to serving their interests.

I thank management and staff for their consistent effort and understanding in a very difficult market conditions as your willingness and commitment has kept the Company moving ahead at a time when many peers have been unable to find a way forward. Likewise, I thank our shareholders for their forbearance and continued support despite suffering from the Company's setbacks during this watershed year.

With a difficult year behind, I look forward with anticipation at seeing the benefits of our hard earned improvements start to flow back to shareholders in the year ahead.

Mr Peter Richards
Chairman

CEO Report

Dear Shareholder,

It is a pleasure to report to you as the new Chief Executive of Cockatoo Coal.

The Company has faced significant challenges over the past twelve months as we respond to the global downturn in the demand for steel and the raw materials used in its production. To remain competitive in this environment, we must reduce the cost of coal production. It is a challenge that affects the whole industry. Only the lower cost producers will survive.

To meet this challenge, the Company embarked on a focused and successful cost reduction campaign. Its success keeps us on-track with the development of the Baralaba Expansion project and ensures we are a competitive coal producer in a turbulent global market.

This year Cockatoo Coal has been recapitalised to provide the funding needed to secure our financial future. The $125 million equity raising was vital for the Company's continued development and future growth. Securing the future of the Company is also critical for the Central Queensland economy and more specifically the long term survival of local industry in the Baralaba region.

The new Outrigger pit at the Baralaba North mine has now opened, and we are pleased that the time line for the Baralaba Expansion project remains on target. We successfully completed the first stage of the project which involved the construction of the vital infrastructure to support the expansion of coal production at the Baralaba North mine to 1 million tonnes per annum which was delivered on time and under budget.

The next phase in the development of the Baralaba North mine involves the completion of the transportation infrastructure to provide for the mine's expansion to 3.5 million tonnes of coal per annum. The construction of the new train load out facility east of Moura and the balloon loop is approximately 75% complete. To date, more than 6km of rail track has been constructed to the existing Moura rail line and the project is expected to be completed by the end of 2015.

In a year of cost-cutting, it would have been easy to also cut corners. But amongst our most pleasing successes this year has been our efforts in workplace safety which have resulted in Cockatoo Coal achieving a company record of 365 days injury free. We ask for the highest workplace standards from all our employees and are committed to having best-practice operations across all our mining activities. The reforms undertaken over the past twelve months are about ensuring we operate with a leaner and safer operating model as we move forward with the completion of the second stage of the Baralaba expansion and ramp up production to 3.5 million tonnes per annum.

Longer term our employment strategy commits Cockatoo Coal to being part of the local community in which we operate. We want to provide job security for local workers and see that as integral to the future success of the Company's operations. Our commitment to ongoing community involvement continues with Cockatoo Coal getting behind the local community and sporting groups as well as local events. This year the Company proudly supported the Moura Coal and Country Festival, the Moura Hack and Pony Club, the Baralaba Agriculture and Pastoral Society Inc. and the Baralaba Local Ambulance Committee.

The cost reduction efforts and the need to recapitalise have resulted in changes at a corporate and an operational level. It is important to thank those that have made significant contributions in steering Cockatoo Coal through the recent challenging and uncertain market conditions. I would like to acknowledge my predecessor Andrew Lawson and the former Board Members for their significant contributions.

I would like to warmly welcome the new Directors of Cockatoo Coal, Mr Damon Barber, Mr Mark Tomek, Mr Stephen Motteram, and Mr Neil Dhar who has been appointed as an alternative Director for Mr Tim Gazzard and Mr Stephen Motteram. I look forward to working with the Board on the future vision of the Company.

I would like to take this opportunity to thank and congratulate the whole Cockatoo team on meeting the challenges of a tough year that required significant reforms. I'm confident these reforms put Cockatoo Coal on a stronger path for 2016 and beyond.

As the Shareholders, you must be thanked for your ongoing support throughout the year. I look forward to this continuing as we proceed with the Baralaba expansion and safely increasing our coal production.

Mr Peter Kane
Chief Executive Officer

OVERVIEW

This year has seen Cockatoo Coal Limited ('Cockatoo' or the 'Company') and its controlled entities ('the Group') undertake major reforms necessary to ensure the Company could drive ahead with the Baralaba Expansion Project despite the difficulties presented by an unexpectedly challenging global economic environment.

Coal prices for metallurgical coal reached 10-year lows with the benchmark PCI coal price having declined similarly. Weak growth in Asia and an excess of steel production has seen an oversupply in the metallurgical coal market.

Cockatoo Coal continues to focus on delivering greater efficiencies to ensure the Baralaba mine complex will be one of the lowest cost and enduringly efficient mines in Australia for Ultra-Low Volatile Pulverized Injection Coal ('PCI'). The operating environment and outlook for Cockatoo Coal remains challenging with the future direction of market conditions unclear. Despite this, the Board and the Management are focused on driving greater efficiencies that maintain productivity and allow the Company to pave the way for a more sustainable long term future in a volatile global market.

CORPORATE AND FINANCIAL REVIEW

Cockatoo has undertaken an aggressive cost reduction program in response to falls in the benchmark PCI prices, with metallurgical coal under sustained pressure. All parts of the business operations have been subject to the systematic review to reduce the production cost of coal per tonne and to take advantage of the opportunities of that will become available with the planned ramp up in output from 1mtpa to 3.5mtpa by 2017.

A revised and re-optimised mine plan has been developed for Baralaba, reducing overburden removed in advance and focusing the next three years of production within more efficient mining areas. The significant deferral of capital expenditure spread across five years, combined with realisation of revenue from recent non-core asset sales has materially reduced Cockatoo's expected funding requirements for Baralaba to approximately $125m, with the forecast mine cash flows covering deferred expansion costs.

The results of the aggressive cost reduction program during the second half were an increase in efficiencies and stronger productivity gains at the end of the 2014/2015 Financial Year.

Recapitalisation

The Company undertook and completed a $125 million equity raising to fund Cockatoo's flagship Baralaba Expansion project. This was needed to replace the previous ANZ loan facility which became unsustainable as benchmark coal prices fell. The equity raising was via a fully underwritten pro-rata entitlement offer of fully paid ordinary shares. It was supported by existing major shareholders Noble Group Limited ("Noble Group") and PT Harum Energy Tbk and many of our smaller investors. As well, a new cornerstone investor joined the register, the US-based Liberty Metals & Mining Holdings LLC, a subsidiary of Boston based Liberty Mutual Insurance group.

Restructure of Board Directors

A restructure of the Company's Board was undertaken at the time of the recapitalisation with the appointment of Mr Damon G. Barber, Mr Mark Tomek and Mr Stephen Motteram as Non-Executive Directors. In addition to these appointments, Mr Neil Dhar was appointed as an alternative Director for Mr Tim Gazzard and Mr Stephen Motteram. Leaving the Company's Board included Mr Hyeondong (Henry) Cho and Mr Rod Ruston while Mr William Randall resigned as an alternative Director. Since then independent Director Mr Robert Yeates has resigned after long and committed service to the Board and shareholders.

Appointment of a Chief Executive Officer

As part of the restructure the position of Managing Director was made redundant. The Board acknowledged the contribution of Mr Andrew Lawson for the development of Cockatoo and thanked him for his service. He was replaced by Mr Peter Kane as the Chief Executive Officer of the Company. Mr Kane is a mining engineer with more than 27 years' experience in the mining sector in Australia, New Zealand and Mongolia.

North Surat Joint Venture

Cockatoo's wholly owned subsidiary Cockatoo Coal (Taroom) Pty Limited completed the sale of its 51% interest in the North Surat Joint Venture (NSJV) to North Surat Coal Pty Ltd (a wholly owned subsidiary of New Hope Corporation Limited) for $25 million. The NSJV comprised the "Collingwood", "Taroom", and "Woori" coal projects. The sale of these non-core assets is part of Cockatoo's strategy of focusing on the expansion of Baralaba.

Acquisition of Minority Interests in Baralaba from JFE

During the full year, Cockatoo announced that it had reached agreement with JS Baralaba Wonbindi Pty Ltd ("JSBW"), a subsidiary of JFE Shoji Trade Corporation ("JFE Shoji") to acquire its minority shareholdings in Baralaba Coal Pty Ltd and Wonbindi Coal Pty Ltd (collectively Baralaba JV) for A$1 with existing loans from JSBW of approximately A$68m to remain in place following completion of the sale. Repayment of the JSBW shareholder loans are subordinated to any new funding contributed by the Company up until completion of the Baralaba Expansion project, and will then be repaid from Baralaba JV cashflows on an equal dollar per dollar basis with the existing shareholder loans that the Company has advanced to the Baralaba JV.

Subsequent to year end, JSBW who held a 37.5% interest in Baralaba Coal Pty Ltd, and a 20% interest in Wonbindi Coal Pty Ltd transferred their total minority shareholdings in Baralaba Coal Pty Ltd and Wonbindi Coal Pty Ltd to Noble Group and Liberty Metals and Mining Holdings, LLC, a subsidiary of Boston based Liberty Mutual Insurance for a nominal amount. The current value in Baralaba and Wonbindi is in the shareholder loans owing to the Company and JFE Shoji.

Shareholder Cash Release: $37.0 Million in Funding

Additionally, Cockatoo reached agreements with Noble Group, SK Networks Co Ltd ('SKN') and its principal bank Australia and New Zealand Banking Group ('ANZ') to release $37.0 million of restricted cash. The arrangements have a term of 3 years and guarantee fees charged at 12.5% per annum plus expenses (capped at 1% per annum) to be capitalised and repaid on termination of the facility. The restricted cash is being used for working capital and development purposes.

New offtake agreements with JFE, Noble and SKN

During the year ended 30 June 2015 the Company has agreed the following off-take arrangements; the current PCI coal offtake tonnage with JFE Steel Corporation ("JFE Steel") has been increased from 300,000 to 500,000 tonnes per annum and the term of the off-take agreement has been extended to 31 March 2022. Noble and SK Networks agreed to each offtake 5.85Mt of ULV PCI coal from the Baralaba JV. Noble has also agreed a new off-take agreement for 28.5Mt.

The new off-take arrangements helps secure the sale of Cockatoo's future production. The agreements provide greater certainty on the ability to sell the Company's scheduled production of 3.5Mtpa for the next 20 years.

Workforce Management

During the year the continuing slowdown in the coal market has been a constant pressure. Comprehensive information was provided to employees and contractors with employees invited to participate in information sessions. Redundancies became unavoidable in response to the continuing deterioration in market conditions. Total redundancies were minimised through effciencies in rostering as the Company moved through the development phase of the Baralaba Expansion.

Additionally, to manage cash flows, mining operations at Baralaba were suspended for a period of four weeks across the holiday period. Sales of coal continued during that period with only minimal interruption to haulage and railing of coal from existing stockpiles. Mining Operation resumed at Baralaba on 14 January 2015.

In the second half, new CEO Peter Kane and General Manager Brian Wyatt conducted an extensive review of executive and corporate head office requirements. This has resulted in redundancies for approximately 86% and 22% of the staff in Brisbane and Baralaba respectively, including a majority of head office executives, the Chief Financial Officer, Chief Operating Officer, Chief Development Officer and Company Secretary.

Termination of management agreement of Bylong Project

During the year, Cockatoo reached mutual agreement with KEPCO Bylong Australia Pty Ltd ("KEPCO") to terminate the agreement between Cockatoo and KEPCO to manage the 100% KEPCO owned Bylong project in New South Wales. Cockatoo had delivered the final milestone required under the management agreement, with the termination aligning with Cockatoo's strategy of focusing on the Baralaba Expansion project.

OPERATING SUMMARY

Health and Safety

Cockatoo's strong performance in the area of Health and Safety resulted in a company record reached in May when Cockatoo Coal achieved 365 days without recording a Lost Time Injury (LTI). The company recorded an LTI in June, but our priority continues on developing an extremely safe but efficient operation. Cockatoo's twelve month rolling TRIFR is 2.47 compared to the 2014 financial year Queensland Open Cut Mines average of 13.3.w.

Production

701,445 tonnes were produced for the full year and 666,831 tonnes of coal were sold during the period. This compares to 686,310 tonnes mined in the previous year and included a low Dec 2014 to March 2015 period due to ongoing adverse weather conditions with subsequent affects on the rail corridor and a four week enforced mine shutdown over the holiday period.

Key mining initiatives

Some of the key mining initiatives that were deployed over the past year included the:

Re-optimised mine plan which allowed Cockatoo to reduce the mining equipment requirements, specifically removing the need for the second excavator and associated trucking fleet.

Re-focused mine plan on the highest quality, ULV PCI coal, which Baralaba can sell to market on a raw crushed basis.

Fuel and coal haulage optimisation.

Targeted cost cutting including contract reviews of key operations activities

Mining Fleet

Productivity per person has been improved with Liebherr 996 excavator rates achieving best in class for productivity and utilisation. Along with Cat 793 truck efficiencies, it has allowed the revised mining plan to be achievable and avoided the added cost of a second hired fleet. The restructured team is committed to maintaining a best practice, lean operation capable of mining at the 1mtpa mining rate and supporting the future production ramp-up to 3.5mtpa.

New Outrigger pit (Baralaba North Mine)

Mining operations ceased at Baralaba Central pit at the beginning of the June 2014 quarter and the Company completed the transition to the Baralaba North mine. Pre-strip and ramp construction completed the opening of the new Outrigger pit (Baralaba North Mine). This resulted in a 17:1 strip ratio during the mine start-up. The Company estimates the strip ratio to average 9:1 for financial year 2016. Operations are also on target for 80kt per month of coal starting from July 2015 with more steady state mining ahead now that the Outrigger pit has been established.

Baralaba Expansion Project

The Baralaba Expansion project Stage 1 involved the construction of the related infrastructure to establish production at the Baralaba North mine to 1 million tonnes per annum. Stage 1 was delivered on time and under budget.

Stage 2 works involve the further development of the Baralaba North mine and construction of the transportation infrastructure to sell 3.5 million tonnes per annum of Ultra-low Volatile PCI coal from the Port of Gladstone. The Company continues with the development of Stage 2 works for the Baralaba Expansion project and construction of the new train load out facility and balloon loop is more than 75% complete.

The Baralaba Expansion project remains on target for the scheduled increase in production from 1Mtpa to 3.5Mtpa. The key remaining step ahead of finalising the Environmental Authority (EA) is a single objection before the Queensland Land Court at the time of writing. Once completed, we expect mining to continue the ramp-up to 3.5mtpa.

Extension to Baralaba Expansion Project

Cockatoo Coal's Baralaba Expansion Project has been granted an extension to its existing 'prescribed project' declaration, recognising the continued economic and social significance of the project to the local region and Queensland. The project declaration enables the project to benefit from timely decision making for approval of construction, maintenance and operation. The declaration covers the Baralaba Expansion Project for supporting infrastructure. The extension of the declaration was made by the Queensland Minister for State Development and Natural Resources and Mines, Dr Anthony Lynham on 28 July 2015 in accordance with part 5A of the Queensland State Development and Public Works Organisation Act 1971.

Baralaba Expansion Project EIS deemed adequate by DEHP.

Cockatoo received correspondence from the Department of Environment and Heritage Protection (DEHP) of a Section 56A (Environmental Protection Act 1994) decision notice to proceed with the Baralaba North Continued Operations Project ('BNCOP') Environmental Impact Statement ('EIS'). This notice was received within five months of Cockatoo's EIS submission. The notice received from DEHP confirmed that the EIS lodged by Cockatoo was deemed adequate. Following this Cockatoo received the BNCOP EIS Assessment Report from DEHP on 3rd November 2014, which was the final step in the DEHP EIS approval process.

Coal Haulage & Road Infrastructure Agreement

Cockatoo also announced it executed a Coal Haulage & Road Infrastructure Agreement with Banana Shire Council. This Agreement will see Cockatoo significantly upgrade council controlled roads, improving the safety, access and amenity of the road corridor for all users, while allowing the scheduled increase in road haulage activities by Cockatoo to its Train Load Out Facility ('TLO'). Additionally, Cockatoo has received final construction approvals for the TLO, in the form of an approved Material Change of Use Application and an Operational Works Permit being granted for the TLO site.

Exploration

During the year a total of $4 million was spent on exploration an evaluation activities not related to the Baralaba North Expansion. The Company continued managing the JOGMEC farm-in of the Dingo West project during the quarter which is 100% funded by JOGMEC.

Exploration Joint Venture with JOGMEC

Cockatoo secured a Joint Exploration Agreement with the Japan Oil, Gas and Metals National Corporation ('JOGMEC') to provide $3.5 million to Cockatoo over a three year period for exploration expenditure on the Company's wholly owned Dingo West Project. JOGMEC will earn up to a 35% economic interest in the Dingo West project, while also possessing the right to assign that interest to a Japanese nominee company in the future, in order to progress the project for development. The project is 50km north of Cockatoo's Baralaba mining complex and is also adjacent to Cockatoo's 30% owned Dingo joint venture project with Whitehaven Coal. The joint Exploration Agreement provides funding for all planned exploration activities over three years and includes drilling, coal quality analysis and feasibility studies with the Dingo West project.

Baralaba North Upgrades

Cockatoo announced a significant increase of JORC Resources at the Baralaba North mine from 72 million to 92.3 million tonnes of Ultra-low volatile PCI coal. This represented a 41% and 44% increase in Measured and Indicated Resources respectively, underpinning a further JORC Reserve upgrade at Baralaba North. Cockatoo achieved the upgraded results at a reduced cost compared to previous drilling campaigns, with an approximate saving of 35%, predominantly due to a reduction in the number of holes required to define JORC Resources.

South Pentland

Cockatoo also announced the upgrade of JORC Resources at its South Pentland project to 445 million tonnes, comprising 94 million tonnes of Indicated JORC and 351 million tonnes of inferred JORC compliant Resources. Cockatoo acquired a 100% interest in South Pentland through its takeover of Blackwood Corporation.

Weather Event Impacts

Weather events adversely affected operations during the March 2015 Quarter. This included the crossing of Tropical Cyclone Marcia which delivered heavy rainfall to the region. Production activities at the site were halted intermittently during this event however the impacts to the Baralaba mine were minimal. The Moura rail system was damaged in parts as a result of Marcia and railing operations were suspended for 25 days. Operations subsequently resumed in mid-March.

OPERATING ACTIVITIES

Cockatoo Coal is a coal mining, exploration and development company with projects in the Bowen, Galilee and Surat Basins in Queensland, Australia. The Company has a significant tenement portfolio with an interest in projects which have reported a total of 69 million tonnes of JORC compliant Marketable Reserves and 1,876 million tonnes of JORC compliant Resources.

The Company's lead project is an operating mine (Baralaba) with contiguous tenements located in the Bowen Basin, with a focus on ULV PCI coal. The Company also has an extensive thermal coal tenement portfolio across the Surat and Galilee Basins.

The Company's Bowen Basin projects extend from the Dingo project in the north to the Baralaba South project in the south and have contiguous target areas covering an area of approximately 56,320 hectares with Permian age, Rangal Coal Measures sub-cropping over a strike length of approximately 92 kilometres. Production at the Baralaba mine has demonstrated that the seams of the Rangal Coal Measures in this area have PCI and thermal coal properties. The seams mined at the Baralaba mine have been intersected in the Baralaba South and Lochinvar target areas. The Company also possesses a suite of exploration projects throughout the Southern Bowen Basin, primarily around the Rolleston area.

The Company’s Surat Basin projects cover an area of approximately 4,000 km^2. The Juandah and Taroom Coal Measures of the Walloon Sub-Group both sub-crop within the Surat project area. The Tin Hut Creek and Davies Road projects are located in the Juandah Coal Measures and the Bottle Tree, Bushranger and Krugers projects are located within the Taroom Coal Measures.

The Company’s Galilee Basin projects cover an area in excess of 960 km^2 located approximately 150km SW of Charters Towers. The Galilee Basin in central Queensland contains resources of high volatile, thermal coal, found within the seams of the Permian Age, Betts Creek Beds coal measures.

A summary of the Company's JORC compliant Reserves and Resources is as follows:

Project	Tenement	Depth of Resource (m)	JORC Classification				
			Reserves	**Resources**			
			Marketable (Mt)	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	**Total (Mt)**
Baralaba North	MLs 80169, 80170 & 80200. MDLs 184 and 416. EPC 1047 and MLA 80201	<200	31	35	34	23	**92**
Baralaba Central (closed)	MLs 5605, 5580, 5581, 5590 & 80157	<200	0	4	8	4	**17**
Baralaba South	MDL 352 and EPC 1047 (MLA 80193)	<200	37	36	17	139	**192**
Lochinvar	EPC 1047	<200	0	0	4	60	**64**
	Bowen Basin Total		**68**	**75**	**63**	**226**	**364**
Tin Hut Creek	MDL 430	<150	0	0	207	137	**344**
Bottle Tree	MDL 433	<125	0	0	30	6	**36**
Krugers	EPCs 796 and 1041 (MDLA 441)	<150	0	0	33	130	**163**
Davies Road	EPCs 813 and 1041 (MDLA 437)	<150	0	0	14	35	**49**
Bushranger	EPC 813 (MDLA 451)	<150	0	0	19	126	**145**
Kingaroy	EPC 882	<150	0	36	87	85	**208**
	EPC 882	150-300	0	0	41	29	**70**
Broadmere	EPC1465	<150	0	0	0	52	**52**
	Surat Basin Total		**0**	**36**	**431**	**600**	**1,067**
South Pentland	EPC 1486	200-650	0	0	94	351	**445**
	Galilee Basin Total		**0**	**0**	**94**	**351**	**445**
	Group Total		**68**	**111**	**588**	**1,177**	**1,876**

Note: - Includes depletion of resource and reserve at the Baralaba North mine to the year ended 30th June 2015

- Data is rounded. and this may cause some apparent discrepancies in totals
- The Company owns less than a 100% interest in the companies that own the Baralaba North, Baralaba Central, Baralaba South and Lochinvar projects.
- The Company consolidates 100% of the assets and liabilities of these companies in its financial statements.

Safety

Cockatoo's strong performance in the area of Health and Safety resulted in a company record established in the month of May when Cockatoo Coal reached 365 days without recording a Lost Time Injury (LTI). The company recorded an LTI in June, but our priority continues on developing an extremely safe but efficient operation. Cockatoo's twelve month rolling TRIFR is 2.47 compared to the 2014 financial year Queensland Open Cut Mines average of 13.3.

Baralaba Complex

The Baralaba Complex is located near the town of Baralaba in the south eastern limb of the Bowen Basin, Queensland, which comprises the Rangal Coal Measures. The Baralaba Complex consists of Baralaba North (operational), Baralaba Central (closed), and Baralaba South (exploration and pre-feasibility). The Baralaba mine is an open-pit operation, managed and operated by the Company with certain key services including drill and blast and haulage provided by contractors. Predominantly ULV PCI coal for steel making and some thermal coal are produced from multiple seams forming the well-known Rangal Coal Measures. All the coal sold is exported from the

Port of Gladstone, with future expansion tonnage to be exported through arrangements with Wiggins Island Coal Export Terminal (WICET).

During the year, operations transitioned completely from the Baralaba Central mine to the Outrigger pit within the Baralaba North mine, with Baralaba Central ceasing production following extraction of all economic coal Reserves early in October 2014. Coal production at the Baralaba North mine began in May 2014.

Baralaba Mine Production

Coal production for the year ended 30 June 2015 was as follows:

	Half Year Ended 31 December 2014	Half Year Ended 30 June 2015	Full Year Ended 30 June 2015
ROM coal (tonnes)	387,087	314,358	701,445
Overburden (bcm)	7,281,114	5,837,571	13,118,685

Coal sales and marketing for the year ended 30 June 2015 was as follows:

Shipments	Half Year Ended 31 December 2014	Half Year Ended 30 June 2015	Full Year Ended 30 June 2015
Tonnes	452,519	214,312	666,831

The deterioration in the coal market saw benchmark metallurgical coal price move continually lower in line with the global demand for steel. Benchmark metallurgical coal prices fell to be 25%below prices at the time of our corporate restructuring earlier this year. This would have had an inevitable impact on the Company's ability to fund some future operations from earnings unless the Company responded aggressively to lower the long term cost of production.

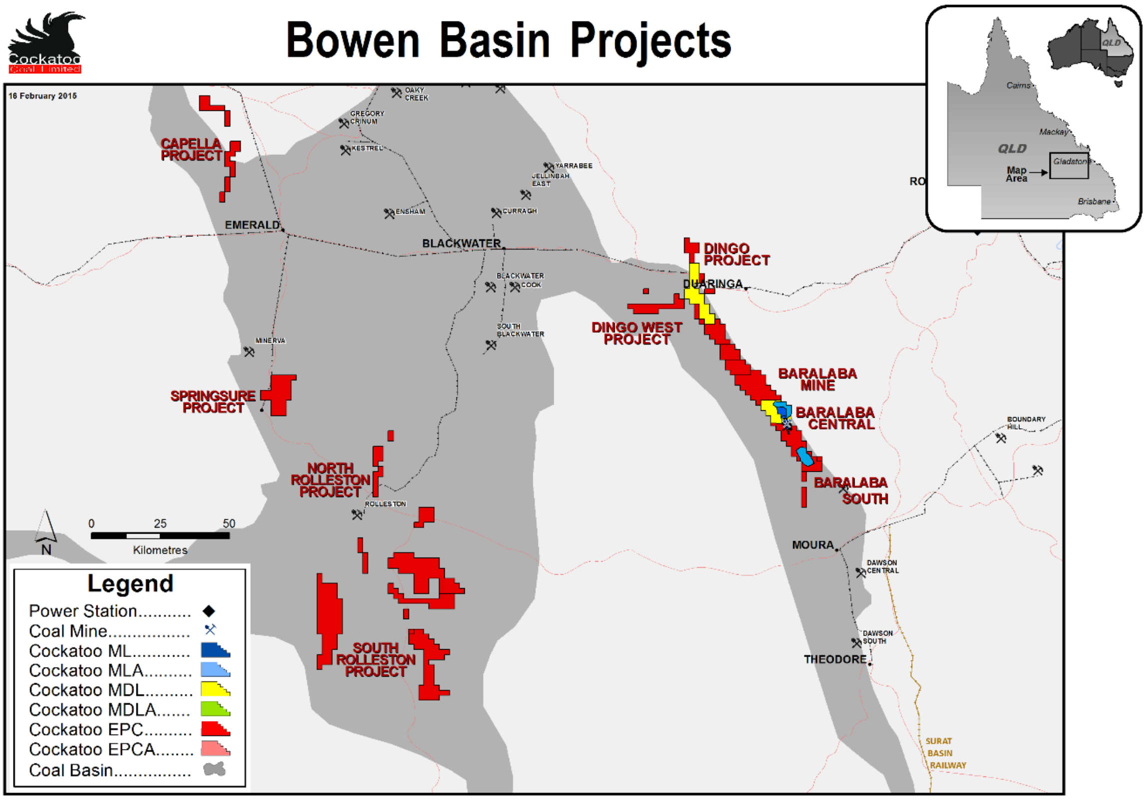
Mining operations at Baralaba were suspended for a period of four weeks during the holiday period. Sales of coal continued during that period with only minimal interruption to haulage and railing of coal from existing stockpiles. Mining operations resumed at Baralaba on 14 January 2015.

A total review of all mine operations led to a redesign of the mine plan, operations and capital requirements while preserving the Company's timetable to step-up production.

The new mining plan provided for a more gradual increase in operations, allowing for more efficient use of equipment and an adjustment to the size of the required workforce at Baralaba. This resulted in redundancies for approximately 22% of the workforce, which is less than would have been required had the Company not simultaneously expanded into the Baralaba North pit.

A comprehensive information session was provided for employees and contractors in January 2015. All employees were invited to participate in these sessions, and a majority of personnel did attend. Subsequently, and following a thorough review, redundancies were put into effect. The Company regrets the need to make these redundancies, but the continued deterioration of market conditions have confirmed the absolute requirement to optimise the size of operations to ensure they are appropriate for the current market environment.

The major project during the year was the opening of the Outrigger Pit at Baralaba North. Pre-stripping operations inevitably meant the strip ratio during the year was high with the strip ratio at Baralaba North expected to decrease once the pit is established.



Bowen Basin Projects

Approvals and Development

Stage 1 of the Baralaba Expansion project capital works were completed at the beginning of the year on time, and under budget. During the same period, Cockatoo progressed approvals for Baralaba North Continued Operations Project ("BNCOP"). The Company received correspondence from the Department of Environment and Heritage Protection ("DEHP") during the period that the BNCOP EIS was deemed adequate, and the BNCOP EIS Assessment Report was subsequently delivered by DEHP in November 2014. The Company has since commenced the Environmental Authority application process which is the final stage of approval for the BNCOP Project.

Cockatoo also received final construction approvals for its Train Load Out Facility ("TLO") during the year, in the form of a Material Change of Use and an Operational Works Development Permit being granted for the TLO site. Work continues to progress at this site. Finally, the Company executed a Coal Haulage & Road Infrastructure Agreement with Banana Shire Council which allows for the scheduled increase in road haulage activities by Cockatoo to the TLO.

Resource Upgrades at Baralaba and South Pentland

During the period, Cockatoo announced an increase of JORC compliant Resources at both the Baralaba North and the South Pentland projects. Baralaba North increased to 92.3 million tonnes, representing a 41% and 44% increase in Measured and Indicated Resources respectively. South Pentland was upgraded to 94 million tonnes of Indicated JORC and 351 million tonnes of Inferred compliant Resources.

Dingo Project

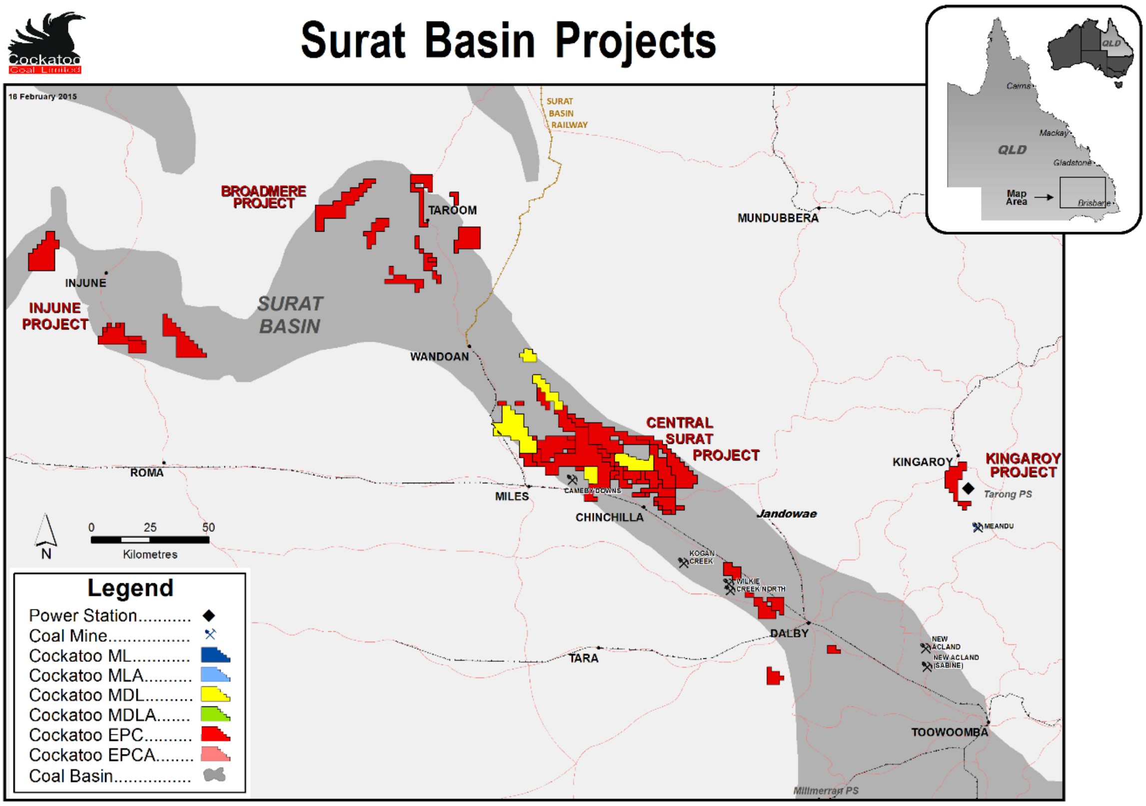
Rehabilitation works were completed at the Dingo project throughout the year, inclusive of the grant of MDL 512 from the Queensland State Government, which reflects the future potential in this project. The Company's joint venture partner, Whitehaven Coal Limited, continues to manage the Dingo project.

Dingo West Project

As mentioned above, Cockatoo has managed the exploration activities as part of the farm-in by JOGMEC under the JEA for the Dingo West project. Exploration activities undertaken during the year included seismic surveys and drilling of 14 open holes and 1 cored hole. This program was undertaken at no cost to the Company.

Surat Basin exploration

Minor drilling activities were also undertaken at the Central Surat projects during the year.



Surat Basin Projects

COMPETENT PERSONS STATEMENT

The information in this Document relating to Cockatoo's Exploration Results, Mineral Resources and Ore Reserves is based on information extracted from the reports detailed below, which are available to view at Cockatoo's website http://www.cockatoocoal.com.au and on Cockatoo's company announcement platform at http://www.asx.com.au.

'Baralaba North JORC Resource Upgrade', released to ASX on 9 October 2014
'Bowen Basin Projects Resource and Reserve Updated', released to ASX on 5 April 2013; and
'Surat Basin Projects Drilling and Resource Update', released to ASX on 16 January 2013; and
'South Pentland Project Resource Upgrade', released to ASX on 10 September 2014; and
'Maiden JORC Resource at the Taroom Project', released to the ASX by Blackwood Corporation on 12 September 2013.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of the estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The estimates pertaining to Reserves for Baralaba North Mine, Baralaba South and Baralaba Central Mine were prepared under the 2004 edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. As such, these statements are not reported in accordance with the current 2012 edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves (2012 JORC Code), and are considered to be historical estimates. A competent person has not done sufficient work to classify these historical estimates in accordance with the 2012 JORC Code, and it is uncertain that following evaluation and/or further exploration work that the estimates will be able to be reported as Reserves in accordance with the 2012 JORC Code.

The estimates pertaining to Resources for Baralaba South, Baralaba Central Mine, Lochinvar, Tin Hut Creek, Kingaroy, Bottle Tree, Krugers, Davies Road and Bushranger were prepared under the 2004 edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. As such, these statements are not reported in accordance with the current 2012 edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves (2012 JORC Code), and are considered to be historical estimates. A competent person has not done sufficient work to classify these historical estimates in accordance with the 2012 JORC Code, and it is uncertain that following evaluation and/or further exploration work that the historical estimates will be able to be reported as Resources in accordance with the 2012 JORC Code.

STATEMENT OF CORPORATE GOVERNANCE

The Cockatoo Coal Group recognises the value of good corporate governance. The board believes that effective governance processes and procedures add to the performance of the Cockatoo Coal Group and engenders the confidence of the investment community.

This year the Company has adopted Listing Rule 4.10.3 which allows companies to publish their corporate governance statement on their website rather than in their annual report. The directors have reviewed the statement and a copy of the statement along with any related disclosures is available at http://www.cockatoocoal.com.au/index.cfm/about/corporate-governance/.

DIRECTORS' REPORT

The Directors present their report together with the financial report of the Cockatoo Coal Limited Group ('Group'), being Cockatoo Coal Limited ('Cockatoo' or 'the Company') and its controlled entities, for the year ended 30 June 2015 and the auditor's report thereon:

Directors

The names and particulars of the Directors of the Company at any time during or since the end of the financial year are:

Peter Ian Richards – Independent Chairman
BCom
Director since 15 January 2014.

Peter Richards has over 30 years of experience in the mining services and industrial sectors with global companies including BP plc, Wesfarmers, Dyno Nobel Limited and, most recently, Norfolk Group Limited where he served as Managing Director. In his time at Dyno Nobel, where he was Managing Director and CEO, Peter held a number of senior executive positions in both North America and Asia Pacific.

Mr Richards currently serves as a Director with several ASX-listed companies, namely Sedgman Limited, Emeco Holdings Limited, Bradken Limited, and as Chairman of NSL Consolidated Limited. He has a Bachelor of Commerce, Accounting and Economics, from the University of WA.

Damon Gilbert Barber – Non-executive Director
BEng (Mining), MBA
Director since 11 March 2015.

Mr Barber is the Senior Managing Director of Liberty Metals and Mining Holdings, LLC, a subsidiary of Boston based Liberty Mutual Insurance. Mr Barber has over 23 years of experience in natural-resources finance and operations. Mr. Barber graduated from the University of Kentucky with a B.S. in Mining Engineering and began his career as a section foreman at CONSOL Energy Inc.'s Loveridge Mine. Mr Barber holds an MBA from the Wharton School of the University of Pennsylvania

Mark Christopher Tomek – Non-executive Director
LL.B, MBA
Director since 11 March 2015.

Mr Mark Tomek is a senior member of Liberty Metals and Mining Holdings, LLC, a subsidiary of Boston based Liberty Mutual Insurance investment team. Mark has over 12 years' experience in corporate finance, law and principal investing. Prior to joining Liberty Metals and Mining Holdings, LLC, a subsidiary of Boston based Liberty Mutual Insurance, Mr Tomek worked as an investment banker in Canada and England, focusing on mergers & acquisitions and mining, and practiced corporate and securities law in Toronto at a large Canadian law firm. Mark has an LL.B. from Dalhousie University and an MBA from the Ivey Business School.

Stephen James Motteram – Non-executive Director
MBA, B.Sc (Ag), Grad Dip Econ
Director since 11 March 2015.

Mr Motteram is the Global Head of Asset Development for Carbon Steel Materials at Noble Group. He has over 20 years experience in commodities trading and financing. Since joining Noble in 2011 he has worked on transactions in Australia, Indonesia, Africa, India, Brazil and China. Prior to this, he worked at National Australia Bank and Louis Dreyfus.

Stephen graduated from the University of Melbourne with a Bachelor's degree in Agricultural Science and a Graduate Diploma in Economics. He is an Associate member of CPA Australia and also has an MBA from Melbourne Business School/University of Western Ontario.

Timothy James Gazzard – Non-executive Director
BEng (Mining), Grad Dip App Fin, MBA
Director since 19 December 2013.

Tim Gazzard is an Executive Director with Noble International Pte Ltd and is Global Head of Noble Group's metallurgical coal business. Mr Gazzard joined Noble in 2009 working in roles across Europe, China and, more recently, Indonesia. Prior to this, he worked with Barclays Capital in Investment Banking and Thiess as a Mining Engineer in Australia, Indonesia and Peru.

Mr Gazzard has 15 years' experience in commodities across all aspects of the supply chain including mining, asset development, logistics, marketing, financing and M&A. Mr Gazzard graduated from the University of Queensland with a Bachelor in Mining Engineering and also holds a Graduate Diploma in Applied Finance and an MBA from London Business School.

Kenneth Scott Andrew Thompson - Non-executive Director
BEng (Mining) [Hons], MBA, MAusIMM
Director since 27 November 2009.

Scott Thompson is a Director of Harum Energy Australia Pty Limited and has 18 years of coal industry experience. Prior to joining the Tanito Coal Group in 2003, he worked with various international mining organisations including Anglo American and PT Adaro Indonesia. Mr Thompson holds a B.Eng (Hons) in Mining Engineering and an MBA from the University of Cape Town.

Neil Dhar, Alternate Director for Tim Gazzard
B.Sc (Ag), MSc
Alternate Director since 11 March 2015.

Mr Dhar is Head of Carbon Steel Materials and a Management Committee member of Noble Group Limited. He has over 20 years experience in commodities production, M&A, and trading. Since joining Noble early in 2010, Neil has been the Co-Head of Hard Commodities, and prior to joining Noble, he has worked at Anglo American Plc as a Chief Commercial Officer.

Neil graduated from the University of Melbourne with a Bachelor's degree in Agricultural Science and also has a Sloan Fellowship and a Masters in Science from London Business School, UK.

Robert Ainslie Yeates – Independent Director
BEng [Hons], Ph.D, MBA
Director from 25 July 2005 to 26 August 2015.

Dr Yeates began his career with Peko Wallsend working in a variety of roles including mining engineering, project management, general mine management and marketing. He became General Manager Marketing for Oakbridge Pty Limited in 1989 following a merger with the Peko Wallsend coal businesses and went on to become Managing Director of Oakbridge, which was the largest coal mining company in NSW at that time, operating the Bulga Open Cut, South Bulga, Ellalong, Gretley, Baal Bone and Clarence coal mines.

Dr Yeates has gained operating, business development and infrastructure experience as a director of Port Waratah Coal Services (Newcastle Port), Port Kembla Coal Terminal, Great Northern Mining Corporation NL and Cyprus Australia Coal and for the past 15 years has been principal of his own mine management consultancy, providing a wide range of technical, management and strategic planning services to the mining industry. He is also the former CEO of NCIG, which constructed and is operating the new coal export facility in Newcastle.

Dr Yeates is a graduate of the University of NSW, completing a Bachelor of Engineering (Honours 1) in 1971 and a PhD in 1977 and then an MBA in 1986 from Newcastle University.

Rob Yeates and Associates Pty Ltd has entered into a consultancy agreement with the Company, which may be terminated with one month's written notice, to provide consultancy services to the Group as required from time to time by the Group. These services will be carried out by, amongst others, Rob Yeates.

Andrew Canfield Lawson - Managing Director
BEc, LLB, MSc (Management)
Director from 24 April 2012 to 11 March 2015

Andrew Lawson has 13 years of experience in the coal sector as a member of Glencore International’s coal division, based variously in Australia, Singapore and the USA, during which time he was actively involved in acquisitions, investment, operations and marketing.

Mr Lawson has a Master’s of Science in Management from Stanford Graduate School of Business, California, USA and also has a Bachelor of Laws and a Bachelor of Economics from Sydney University.

Hyeondong (Henry) Cho – Non-executive Director
BEc
Director from 19 December 2013 to 11 March 2015

Henry Cho is the Head of Resources Development for SK Networks Co., Ltd and has more than 25 years' experience in investing in and administration of coal projects in Australia, Indonesia, and China.

Mr Cho has been responsible for SK Group’s investments in various mining projects, including coal, iron ore, copper, lead/zinc and uranium in Australia, China, Indonesia, Brazil, Kazakhstan, Turkey, Mexico and Colombia. Mr Cho holds a Bachelor of Economics from Seoul National University.

Rodney John Ruston – Independent Director
BEng, MBA
Director from 15 January 2014 to 6 March 2015

Rod Ruston is an Australian mining engineer with nearly 40 years’ experience in the resources industry, where he has had a wide range of roles including managing coal mining companies in Australia, building a heavy minerals (titanium) business in South Africa and leading a heavy construction and mining contractor in the Alberta oil sands in Canada.

He is currently CEO of County Coal Ltd, an ASX listed company that is working to build a coal business sourcing coal from the Powder River Basin in Wyoming, USA for sale to Asian markets. Rod is also on the board of AngloGold Ashanti, one of the world’s largest gold miners, where he is Chairman of the Risk and Information Integrity Committee. Rod has a Bachelor of Engineering from the University of New South Wales and a Masters of Business Administration from The University of Wollongong.

William James Randall, Alternate Director for Tim Gazzard
BBus
Alternate Director from 22 January 2014 to 11 March 2015.

Mr Randall's career started with Noble Group in Australia in February 1997, transferring to Asia in 1999 where he established Noble's coal operations, mining and supply chain management businesses. He served as a Director of Noble Energy Inc before being appointed Global Head of Coal & Coke in 2006, and a member of the Noble Group internal management Board in 2008. He was appointed an Executive Director of Noble Group Ltd and Head of Hard Commodities in 2012, prior to which he was Head of Energy Coal & Carbon Complex.

Senior Management

The names and particulars of the Senior Management of the Company at the end of the financial year are:

Peter Kane - Chief Executive Officer
BEng (Mining), MAusIMM, GAICD
Chief Executive Officer since 19 April 2015.

Mr Kane is a mining engineer with over 27 years experience in the mining industry throughout Australia, New Zealand and Mongolia, including significant and relevant Queensland coal sector experience. Recently, Peter has been the Group Managing Director at Guilford Coal, leading the successful transition from mine development to coal production in 2014. Peter was also Chief Executive Officer at Boardwalk Resources and Aston Resources before being appointed Chief Operating Officer – Projects with Whitehaven Coal following the merger of Whitehaven and Aston.

Previously, Peter spent 3 years as Chief Operating Officer with Macarthur Coal, leading the Company's mines and project developments in Queensland prior to the purchase of Macarthur by Peabody. Prior to that, Peter spent 10 years with Leighton (contractors) in various roles including General Manager of the Australian mining contractor business. His earlier career included 10 years with BHP in their iron ore and coal divisions.

Peter is a member of the Australian Institute of Mining and Metallurgy and is a graduate of the Australian Institute of Company Directors.

David Smith - Chief Financial Officer
CA, BCom, Grad Dip Fin & Inv, Grad Dip Adv Acctg, GAICD
Chief Financial Officer since 1 March 2014 to 1 July 2015.

Mr Smith has more than 18 years financial and project development expertise. Mr Smith's most recent role was as CFO of Blackwood Corporation Limited, being responsible for completing the successful takeover offer from Cockatoo Coal Limited. Previously, he served as General Manager – Finance at Aston Resources, where his experience included the successful completion of Australia's largest coal IPO, equity sell downs, refinancing of debt and culminated in the merger with Whitehaven Coal in 2012. Mr Smith has also held various roles in ASX & NYSE listed companies, including as CFO and Company Secretary

Todd Harrington - Chief Development Officer
BSc (Geology) [Hons], MBA, MAusIMM, GAICD
Chief Development Officer since 1 January 2014 to 30 September 2015.

Mr Harrington has over 18 years operational, technical & managerial experience, most recently serving as CEO of Blackwood Corporation, an ASX listed Queensland coal explorer. His tenor at Blackwood culminated in the successful takeover offer by Cockatoo Coal. Mr Harrington previously served as the Head of Xstrata Coal Queensland's Geological Services division, delivering 5 currently operating coal mines from greenfield exploration through to production. Mr Harrington has extensive global M&A experience, having performed asset development for Blackwood, as well as Xstrata's global coal and iron ore projects

Martin Lackner - Company Secretary
CPA, MBA, BBus Acc
Company Secretary since 15 June 2015.

Mr Lackner has held senior financial leadership positions for 10 years across multiple industries including mining, services, media and construction industries in both Australia and the UK. He has served in senior finance and commercial positions within Cockatoo Coal since 2012.

Martin is a member of the Certified Practising Accountants in Australia and holds an MBA from Deakin University in Melbourne with a Bachelor's degree in Business majoring in accounting.

Directors' Meetings

The number of Directors' meetings held and number of meetings attended by each of the Directors of the Company, while they were a Director, during the year are:

Director	Board meetings		Independent Board Committee meetings		Audit Committee meetings		Remuneration Committee meetings		Technical Committee meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Peter Richards	46	46	11	11	3	3	4	4	-	-
Tim Gazzard	46	45	-	-	-	-	-	-	-	-
K. Scott A. Thompson	46	37	-	-	-	-	-	-	5	3
Robert A. Yeates	46	46	11	11	3	3	4	4	5	5
Damon Gilbert Barber	7	6	-	-	-	-	-	-	5	5
Mark C. Tomek	7	7	-	-	-	-	-	-	-	-
Stephen J. Motteram	7	7	-	-	-	-	-	-	5	5
Neil Dhar (Alt Director)	-	-	-	-	-	-	-	-	-	-
Andrew C. Lawson	40	40	11	11	-	-	-	-	-	-
Rod Ruston	39	36	11	11	-	-	4	4	-	-
Henry Cho	39	39	-	-	3	3	-	-	-	-

Unissued shares under option

At the date of this report, unissued ordinary shares of the Company under option are nil.

Details of options issued by the Company are set out in the capital and reserves note to the financial report. The names of persons who currently hold options are entered in the register of options kept by the Company pursuant to the Corporations Act 2001. This register may be inspected free of charge.

The persons entitled to exercise the options do not have, by virtue of the options, the right to participate in a share issue of any other body corporate.

Shares issued on exercise of options

During the financial year, no ordinary shares were issued as a result of the exercise of options.

Remuneration Report – Audited

The policy of Directors is to ensure remuneration properly reflects the person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including directors of the Company and other executives. Key management personnel comprise the directors of the Company and the senior executives for the Group that are named in this report.

The remuneration of executive management is made up of fixed remuneration, short term incentive payments payable in either cash and/or shares and equity based remuneration when invited to participate by the Board in the executive share option plan of the Group. Non-executive directors do not receive performance based remuneration. The remuneration of Non-executive Directors is made up of fixed remuneration and equity based remuneration when invited to participate by the Board in the executive share option plan of the Group. No options were issued under the share option plan of the Group in the current or prior year and there are no unissued shares at 30 June 2015. During the year, nominee Directors of major shareholders including Noble Group, Liberty Metals and Mining Holdings, LLC, a subsidiary of Boston based Liberty Mutual Insurance and Harum Energy, elected not to receive director fees.

Total fees for all Non-executive Directors, last voted upon by shareholders at the 2008 Annual General Meeting, are not to exceed $250,000 per annum. From 1 April 2015 the Directors resolved that the Chairman receive remuneration of $100,000 per annum and the independent Director will receive remuneration of $65,000 per annum.

With the recapitalisation of the Company, the structure of the Board and executive management has changed. The newly appointed Board are currently reviewing the remuneration policies and structure for executive management. Remuneration for key management personnel are competitively set to attract and retain appropriately qualified and experienced directors and executives. The intended remuneration structure will include a mix of fixed and variable compensation, and short and long term performance based incentives which will be paid from a mix of cash and equity.

Director and Executive Changes

Rod Ruston resigned as a Director on 6 March 2015
Andrew Lawson and Henry Cho resigned as Directors on 11 March 2015
Damon Barber, Mark Tomek and Stephen Motteram were appointed as Directors on 11 March 2015
Neil Dhar was appointed Alternate Director on 11 March 2015
James Rodgers resigned as Chief Commercial Officer on 12 December 2014
David Smith was appointed interim Chief Executive Officer on 12 March 2015 and later resigned on 19 April 2015 with the formal appointment of Peter Kane as Chief Executive Officer
Peter Kane was appointed as Chief Executive Officer on 19 April 2015
David Vink resigned as Chief Operating Officer on 1 June 2015
Lee O'Dwyer resigned as Company Secretary on 15 June 2015
Martin Lackner was appointed as Company Secretary on 16 June 2015
David Smith resigned as Chief Financial Officer on 1 July 2015

Remuneration Report – Audited (Con't)

Details of the nature and amount of each major element of the remuneration of each Director of the Company and Group are:

	Year	Primary fees	STI cash bonus	STI share bonus	Superannuation	Long service leave	Fair value of options	Termination payments	Total	Proportion of remuneration performance related
Executive Directors		$	$	$	$	$	$	$	$	
Andrew C. Lawson	2015	360,385	100,000	-	47,833	-	-	521,518	1,029,736	10%
(resigned)	2014	466,625	-	-	25,000	-	49,991	-	541,616	9%
Mark H. Lochtenberg	2015	-	-	-	-	-	-	-	-	0%
(resigned)	2014	225,000	-	-	8,887	60,058	-	256,758	550,703	0%
Peter J. Nightingale	2015	-	-	-	-	-	-	-	-	0%
(resigned)	2014	200,000	-	-	-	-	-	150,000	350,000	0%
Non-executive Directors										
Peter Richards	2015	121,918	-	-	11,582	-	-	-	133,500	0%
(Chairman)	2014	64,073	-	-	5,927	-	-	-	70,000	0%
Damon Barber	2015	-	-	-	-	-	-	-	-	0%
	2014	-	-	-	-	-	-	-	-	0%
Tim Gazzard	2015	-	-	-	-	-	-	-	-	0%
	2014	-	-	-	-	-	-	-	-	0%
Stephen Motteram	2015	-	-	-	-	-	-	-	-	0%
	2014	-	-	-	-	-	-	-	-	0%
Mark Tomek	2015	-	-	-	-	-	-	-	-	0%
	2014	-	-	-	-	-	-	-	-	0%
K. Scott A. Thompson	2015	-	-	-	-	-	-	-	-	0%
	2014	15,000	-	-	-	-	-	-	15,000	0%
Robert Yeates	2015	61,187	-	-	5,813	-	-	-	67,000	0%
	2014	45,118	-	-	4,180	-	-	-	49,298	0%
Neil Dhar	2015	-	-	-	-	-	-	-	-	0%
	2014	-	-	-	-	-	-	-	-	0%
Henry Cho	2015	-	-	-	-	-	-	-	-	0%
(resigned)	2014	-	-	-	-	-	-	-	-	0%
Rod Ruston	2015	44,917	-	-	4,267	-	-	-	49,184	0%
(resigned)	2014	30,756	-	-	2,845	-	-	-	33,601	0%

Remuneration Report – Audited (Con't)

	Year	Primary fees	STI cash bonus	STI share bonus	Superannuation	Long service leave	Fair value of options	Termination payments	Total	Proportion of remuneration performance related
		$	$	$	$	$	$	$	$	
Non-executive Directors										
J. Gillis Brionowski	2015	-	-	-	-	-	-	-	-	0%
(resigned)	2014	15,000	-	-	-	-	-	-	15,000	0%
Paul G. Chappell	2015	-	-	-	-	-	-	-	-	0%
(resigned)	2014	15,000	-	-	-	-	-	-	15,000	0%
Lindsay R. Flint	2015	-	-	-	-	-	-	-	-	0%
(resigned)	2014	13,761	-	-	1,239	-	-	-	15,000	0%
Hyunsoo (Hans) Kim	2015	-	-	-	-	-	-	-	-	0%
(resigned)	2014	15,000	-	-	-	-	-	-	15,000	0%
William Randall	2015	-	-	-	-	-	-	-	-	0%
(resigned)	2014	-	-	-	-	-	-	-	-	0%
Executives										
Peter Kane	2015	80,513	-	-	4,696	-	-	-	85,209	0%
	2014	-	-	-	-	-	-	-	-	0%
Todd Harrington	2015	406,331	52,730	-	27,500	-	-	-	486,561	11%
	2014	216,105	-	-	8,895	-	-	-	225,000	0%
Martin Lackner[1]	2015	164,160	4,566	-	16,029	-	-	-	184,755	2%
	2014	-	-	-	-	-	-	-	-	0%
James Rodgers	2015	167,658	17,805	-	16,592	-	-	167,628	369,683	5%
(resigned)	2014	160,000	-	25,536	14,800	-	-	-	200,336	13%
David Smith	2015	401,983	46,360	-	27,500	-	-	-	475,843	10%
(resigned)	2014	130,050	-	-	8,333	-	-	-	138,383	0%
Lee O'Dwyer	2015	239,744	12,648	-	22,736	-	-	98,891	374,019	3%
(resigned)	2014	115,000	-	-	10,638	-	-	-	125,638	0%
David Vink	2015	400,429	21,955	-	40,000	-	-	240,280	702,664	3%
(resigned)	2014	140,186	-	-	11,557	-	-	-	151,743	0%
Luca Rocchi	2015	-	-	-	-	-	-	-	-	0%
(resigned)	2014	264,458	-	59,400	69,371	-	-	450,000	843,229	7%

[1] Martin Lackner was not considered an executive in the prior year and therefore no remuneration information has been disclosed in respect to the comparative period.

Remuneration Report – Audited (Con't)

Termination payments

Termination payments made to James Rodgers, David Vink, Andrew Lawson and Lee O'Dwyer were paid in reference to their termination clauses within their employment agreements. Current termination arrangements for those KMP's remaining at 30 June 2015 are as follows: Todd Harrington - $216,105, Peter Kane - $99,999, Martin Lackner - $18,941.

Options granted as compensation

No options were granted as compensation to key management personnel during the current and prior reporting period. No options have been granted to key management personnel subsequent to year end. During the year ended 30 June 2015, 5,000,000 options held by Andrew Lawson lapsed following his resignation as Managing Director. There were no other options exercised, forfeited or lapsed unexercised during the year ended 30 June 2015 or 30 June 2014.

In the event that the employment or office of the option holder is terminated, any options which have not reached their vesting date will lapse and any options which have reached their vesting date may be exercised within two months from the date of termination. Vesting conditions relate solely to service periods.

The fair values of options at grant date are determined based on the Black-Scholes formula, taking into account the terms and conditions upon which the options were granted and is allocated to each reporting period evenly over the period from grant date to vesting date.

Ordinary shares granted as compensation

No shares were granted to employees, Directors or other executives during the reporting period as compensation in 2015.
During the 2014 year, the Company granted Luca Rocchi 1,650,000 and James Rodgers 709,333 ordinary shares as remuneration. The fair value of each ordinary share on issue date was $0.036. The ordinary shares granted as compensation have no vesting conditions and are based on a performance period of 12 months or less.

Cash Bonuses

During the 2015 year, STI cash bonuses were paid to management and staff as per the bonus terms agreed within their individual employment contracts. Bonus values disbursed were within the range of 5% to 30% calculated on an individual's base salary. Calculations were performance based with the criteria being evenly weighted between company (50%) and personal (50%) key performance indicators. The Board of Directors has discretion in approving any company or personal incentive payments.

Remuneration Report – Audited (Con't)

Movement in ordinary shares

At the date of this report, the beneficial interests of each Director and executive of the Company in the issued share capital of the Company are:

Key Management Personnel	Held at 1 July 2014^	Purchased	Granted as remuneration	Sold	Held at 30 June 2015*
Peter Richards	-	-	-	-	-
Andrew C. Lawson	71,145,504	-	-	-	71,145,504
Rod Ruston	16,000	-	-	-	16,000
Robert A. Yeates	1,846,969	13,153,035	-	-	15,000,004
Damon Barber	-	-	-	-	-
Tim Gazzard	-	-	-	-	-
Stephen Motteram	-	-	-	-	-
Mark Tomek	-	-	-	-	-
K. Scott A. Thompson	-	-	-	-	-
Neil Dhar	-	-	-	-	-
Peter Kane	-	-	-	-	-
Todd Harrington	4,000,000	-	-	2,750,000	1,250,000
Martin Lackner	112,000	-	-	-	112,000
David Vink	1,111,111	-	-	-	1,111,111
James Rodgers	1,046,639	-	-	-	1,046,639
David Smith	2,000,000	-	-	-	2,000,000
Lee O'Dwyer	229,622	-	-	229,622	-

* Number of shares held at date of resignation as a Director or executive.

^ Number of shares held at date of appointment as a Director or executive.

Remuneration Report – Audited (Con't)

Movement in options

At the date of this report, the beneficial interests of each Director and executive of the Company in options over the unissued share capital of the Company are:

Key management personnel	Held at 1 July 2014^	Granted	Expired/ Cancelled	Held at 30 June 2015*
Andrew C. Lawson	5,000,000	-	5,000,000	-

* Number of options held at date of resignation as a Director or executive.
^ Number of options held at date of appointment as a Director or executive.

Consequences of performance on shareholders' wealth

In considering the Group's performance and benefits for shareholders' wealth, the Remuneration Committee have regard to the following financial and share price information in respect of the current financial year and the previous four financial periods.

	2015	2014	2013	2012	2011
Net profit/(loss) after tax attributable to equity holders of the parent	($14,540,414)	($182,278,983)	($28,403,165)	$16,161,840	($12,603,632)
Dividends paid	-	-	-	-	-
Change in share price	($0.03)	$0.00	($0.17)	($0.18)	($0.02)

The overall level of key management personnel's compensation has been determined based on market conditions and status of the Group's projects.

Related party transactions

During the year ended 30 June 2015, the Company sold coal and received coal sale prepayments from Noble Resources International Pty Ltd, a related party of a significant shareholder who has appointed Tim Gazzard and Stephen Motteram as nominee Directors of the Company. The total value of coal sold to Noble International Pte Ltd during the year was $40,833,253 and the value of coal sale prepayments at 30 June 2015 is nil (2014 - $11,161,251). During the year ended 30 June 2014, the Company entered into coal marketing arrangements with Noble Resources International Pte Ltd. The total amount of marketing fees incurred but which remain unpaid at 30 June 2015 is $246,958 (2014: $257,615).

Remuneration Report – Audited (Con't)
Related party transactions (Con't)

During the year ended 30 June 2015 the Company entered into a three year agreement with SK Networks Co., Ltd and a related party of a significant shareholder, Noble Group Limited which secured the release of $37.0 million in restricted cash. Interest is charged at 12.5% per annum and is to be paid on termination of the agreement.

During the year ended 30 June 2015 the Company has agreed off-take arrangements with both Noble and SK Networks who have agreed to each offtake 5.85Mt of ULV PCI coal. Noble has also agreed a new off-take agreement for 28.5Mt.

Principal Activities

The Group is involved in the acquisition, exploration, development, production and operation of coal mining projects and no significant change in the nature of those activities occurred during the year.

Financial Result and Operating and Financial Review

The operating loss of the Group for the financial year ended 30 June 2015 after income tax was $25,063,111 (2014: $191,786,789) which included impairment losses of $7,550,267 (2014: $152,041,746 losses) and reversals of $13,135,757 (2014: nil)

A review of the Group's operations for the year is set out in the Operating and Financial Review.

Dividends

The Directors do not recommend the payment of a dividend in respect of the year ended 30 June 2015. No dividends have been paid or declared during the current or previous financial years.

Employees

The Group has 108 employees including directors (2014: 207 employees). There was a significant decrease during the period following an aggressive cost reduction program in response to falls in the benchmark PCI price.

State of Affairs

In the opinion of the Directors, significant changes in the state of affairs of the Group that occurred during the year ended 30 June 2015 were as follows:

- $125m recapitalisation and revised business plan to complete Baralaba Expansion project
- Renounceable entitlement offer of 13.7 new shares for every 1 share in the company held on the record date.
- Issue of 41,775,000,001 ordinary shares to various institutional investors at $0.002 per share for cash totalling $83,550,000. Shares were issued under the renounceable entitlement offer.
- Issue of 20,699,697,912 ordinary shares to various retail investors including at $0.002 per share for cash totalling $41,399,396. Shares were issued under the renounceable entitlement offer
- Sale of interest in North Surat Joint Venture for $25 million, resulting in an impairment reversal of $13 million
- Release of $37.0 million of restricted cash via agreements with Noble & SKN
- New offtake agreements with JFE, Noble and SKN
- Termination of ANZ Project Finance Facility
- Exploration Joint Venture with JOGMEC
- Transition of mining operations to Baralaba North complete, with mining ceased at Baralaba Central
- Termination of the agreement between Cockatoo and KEPCO to manage the 100% KEPCO owned Bylong project in New South Wales
- Major change in Board composition

Environmental Regulations

The Group's operations are subject to significant environmental regulations under both Commonwealth and State legislation in relation to its activities. The Board of Directors monitors compliance with environmental regulations through regular reporting from management under the Group's risk management and internal control system. The Directors are not aware of any significant breaches of these regulations during the period covered by this report.

Impact of Legislation and Other External Requirements

There were no environmental or other legislative requirements during the year that have significantly impacted the results or operations of the Group.

Events Subsequent to Balance Date

Other than as described below, there has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

In the interval between the end of the financial year and the date of this report, ANZ has been conducting its scheduled annual review of the Group's $81m bank guarantee facility (LC facility). On 25 September 2015, ANZ has indicated to the Group that it is not willing to continue to provide the LC facility under the current arrangements. The Group awaits formal notice of the outcome of the review from ANZ, however, the Group and ANZ have commenced discussions as to how and when the facility will be restructured or terminated. The Group is also currently considering its alternatives in relation to the refinancing of the ANZ guarantee facility.

Likely Developments

The Group will focus on the expansion of the Baralaba mining operations to 3.5 million tonnes per annum including progressing associated governmental approvals and finalising capital works.

Further information about likely developments in the operations of the Group and the expected results of those operations in subsequent years has not been included in this report because disclosure of this information would be likely to result in unreasonable prejudice to the Group.

Indemnification of Officers and Auditors

During or since the end of the financial year, the Group has not indemnified or made a relevant agreement to indemnify an officer or auditor of the Group against a liability incurred by such an officer or auditor. In addition, the Group has not paid or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an auditor. Since the end of the previous financial year the Company has paid insurance premiums of $73,806 in respect of directors' and officers' liability and legal expenses, for current and former directors and officers of the Group.

Non-audit Services

During the financial year KPMG, the Group's auditor, performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, KPMG, and its related practices for audit and non-audit services provided during the year are set out below:

	2015
Statutory audit:	$
Auditors of the Group	
- audit and review of financial reports	177,500
- audit of subsidiary entities	32,500
	210,000
Services other than statutory audit	
- tax advisory services	83,000
- tax compliance services	53,000
- long service leave audit	2,000
- due diligence services	50,000
	188,000

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 31 and forms part of the Directors' Report for the year ended 30 June 2015.

Signed at Brisbane this 30th day of September 2015
in accordance with a resolution of the Board of Directors:

Peter Richards
Chairman

Mark Tomek

Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*

To: the directors of Cockatoo Coal Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 30 June 2015 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

KPMG

KPMG

Simon Crane
Partner

Adam Twemlow
Partner

Brisbane
30 September 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $	2014 $
Coal sales revenue		69,520,177	81,532,272
Cost of sales		(76,844,032)	(92,175,069)
Gross profit/(loss)		(7,323,855)	(10,642,797)
Other income	4	2,629,960	5,876,996
Gain on sale of associate	30	-	1,043,475
Gain on sale of assets		9,045	4,672
Administration costs		(10,856,935)	(18,282,638)
Impairment losses	7	(7,550,267)	(152,041,746)
Impairment reversal	7	13,135,757	-
Share based remuneration	22	-	(392,624)
Travel expenses		(361,270)	(430,671)
Legal fees		(1,202,503)	(562,137)
Provision reversal/(expense) – infrastructure security	19	1,060,400	(3,699,543)
Marketing fee - termination	21	-	(3,072,404)
Other expenses	5	(1,993,721)	(1,078,115)
Results from operating activities		(12,453,389)	(183,277,532)
Finance income	6	1,365,088	1,521,937
Finance expense	6	(14,374,810)	(9,564,194)
Net finance income/(cost)		(13,009,722)	(8,042,257)
Profit/(loss) before income tax		(25,463,111)	(191,319,789)
Income tax benefit/(expense)	8	400,000	(363,000)
Profit/(loss) for the year		(25,063,111)	(191,682,789)
Other comprehensive income for the year			
Total items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss:			
Net change in the fair value of available-for-sale financial assets		-	(104,000)
Total items that may be reclassified subsequently to profit or loss		-	(104,000)
Other comprehensive income for the period		-	(104,000)
Total comprehensive income/(loss) for the year		(25,063,111)	(191,786,789)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

Profit/(loss) for the period attributable to:			
Equity holders of the Company		(14,540,414)	(182,278,983)
Non-controlling interest		(10,522,697)	(9,403,806)
Profit/(loss) for the period		(25,063,111)	(191,682,789)
Total comprehensive profit/(loss) for the period attributable to:			
Equity holders of the Company		(14,540,414)	(182,382,983)
Non-controlling interest		(10,522,697)	(9,403,806)
Total comprehensive income/(loss) for the year		(25,063,111)	(191,786,789)
Basic earnings/(loss) per share attributable to ordinary equity holders	9	(0.06) cents	(6.48) cents
Diluted earnings/(loss) per share attributable to ordinary equity holders	9	(0.06) cents	(6.48) cents

COCKATOO COAL LIMITED
and its controlled entities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

		Attributable to equity holders of the Company						
	Notes	Share capital	Option premium reserve	Fair value reserve	Accumulated losses	Total	Non-controlling interest	Total equity
		$	$	$	$	$	$	$
For the year ended 30 June 2015								
Balance at 1 July 2014		495,916,878	7,588,554	-	(262,139,678)	241,365,754	(22,441,013)	218,924,741
Total comprehensive income for the period								
Loss		-	-	-	(14,540,414)	(14,540,414)	(10,522,697)	(25,063,111)
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Issue of shares	20	124,949,396	-	-	-	124,949,396	-	124,949,396
Costs of issue	20	(9,400,176)	-	-	-	(9,400,176)		(9,400,176)
Expiry of options	20	-	(7,588,554)	-	7,588,554	-	-	-
Balance at 30 June 2015		611,466,098	-	-	(269,091,538)	342,374,560	(32,963,710)	309,410,850
For the year ended 30 June 2014								
Balance at 1 July 2013		339,007,453	9,603,242	104,000	(83,744,759)	264,969,936	(13,037,207)	251,932,729
Total comprehensive income for the period								
Loss		-	-	-	(182,278,983)	(182,278,983)	(9,403,806)	(191,682,789)
Net change in fair value of available-for-sale financial assets		-	-	(104,000)	-	(104,000)	-	(104,000)
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Issue of shares	20	157,265,355	-	-	-	157,265,355	-	157,265,355
Costs of issue	20	(6,310,582)	-	-	-	(6,310,582)		(6,310,582)
Acquisition of controlled entity	21	14,717,127	-	-	280,344	14,997,471	-	14,997,471
Cancellation of shares	20	(8,762,475)	-	-	-	(8,762,475)	-	(8,762,475)
Issue of options	20	-	1,589,032	-	-	1,589,032	-	1,589,032
Expiry of options	20	-	(3,603,720)	-	3,603,720	-	-	-
Balance at 30 June 2014		495,916,878	7,588,554	-	(262,139,678)	241,365,754	(22,441,013)	218,924,741

COCKATOO COAL LIMITED
and its controlled entities

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Notes	2015	2014
		$	$
Current assets			
Cash and cash equivalents	23	24,738,344	1,407,237
Term deposits	23	40,000,000	-
Trade and other receivables	10	4,948,706	10,732,875
Inventories	11	24,500,549	13,158,151
Other	12	789,272	1,100,410
Total current assets		94,976,871	26,398,673
Non-current assets			
Term deposits	23	6,634,876	45,740,642
Exploration and evaluation expenditure	14	54,806,901	71,066,144
Property, plant and equipment	15	270,222,241	195,686,106
Intangible assets	16	234,166	408,996
Other	12	661,664	10,396,537
Total non-current assets		332,559,848	323,298,425
Total assets		427,536,719	349,697,098
Current liabilities			
Trade and other payables	17	33,209,516	40,578,017
Revenue received in advance – coal sales		-	11,161,251
Borrowings	18	815,294	1,218,534
Employee benefits		985,681	1,290,828
Provisions	19	4,791,238	3,699,543
Total current liabilities		39,801,729	57,948,173
Non-current liabilities			
Borrowings	18	68,512,176	64,025,928
Employee benefits		52,430	86,863
Deferred tax liability	8	-	400,000
Provisions	19	5,920,911	7,221,181
Other		3,838,623	1,090,212
Total non-current liabilities		78,324,140	72,824,184
Total liabilities		118,125,869	130,772,357
Net assets		309,410,850	218,924,741
Equity			
Share capital	20	611,466,098	495,916,878
Option premium reserve	20	-	7,588,554
Accumulated losses		(269,091,538)	(262,139,678)
Total equity attributable to equity holders of the Company		342,374,560	241,365,754
Non-controlling interest		(32,963,710)	(22,441,013)
Total equity		309,410,850	218,924,741

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $	2014 $
Cash flows from operating activities			
Cash receipts from customers		61,137,035	96,497,178
Payments for production		(83,438,006)	(85,277,968)
Cash payments in the course of operations		(12,450,425)	(14,631,139)
Proceeds from other income		2,639,005	-
Receipts/(payments) from project management		39,143	(452,674)
Cash used in operations		(32,073,248)	(3,864,603)
Borrowing costs paid		(5,025,259)	(5,130,731)
Interest received		964,477	1,493,478
Net cash used in operating activities	23	(36,134,030)	(7,501,856)
Cash flows from investing activities			
Payments for exploration and evaluation		(2,462,707)	(8,798,486)
Payments for mining development		(44,761,237)	(47,597,717)
Payments for deferred stripping assets		(25,453,600)	(15,050,400)
Payments for property, plant and equipment		(508,385)	(7,792,812)
Proceeds from the sale of property, plant and equipment		500,000	33,047
Payments for investment in term deposits	23	(40,000,000)	-
Cash acquired from the acquisition of subsidiary		-	6,385,713
Proceeds from sale of exploration projects		24,946,360	-
Proceeds from the sale of investments		-	9,715,263
Payments for security deposits		(1,474,234)	(7,231,682)
Payments for acquisitions		(2,200,000)	-
Refund of security deposits		37,948,357	2,649,368
Loans (to)/from other entities		-	1,745,045
Net cash used in investing activities		(53,465,446)	(65,942,661)
Cash flows from financing activities			
Proceeds from issue of shares	20	124,949,396	156,922,722
Cost of issuing shares	20	(9,400,176)	(6,310,584)
Proceeds from borrowings		-	20,763,544
Repayment of borrowings	18	(1,150,554)	(108,951,815)
Net cash from/(used in) financing activities		114,398,666	62,423,867
Net decrease in cash and cash equivalents and term deposits		24,799,190	(11,020,650)
Cash and cash equivalents at the beginning of the financial year		1,407,237	12,688,886
Effect of exchange rate adjustments on cash held		(1,468,083)	(260,999)
Cash and cash equivalents at the end of the financial year	23	24,738,344	1,407,237

NOTE 1 - REPORTING ENTITY

Cockatoo Coal Limited (the 'Company') and its controlled entities is a Group domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2015 comprises the Company and its subsidiaries (together referred to as the 'Group'). The Group is a for-profit entity and primarily involved in the exploration, development and production of coal assets.

NOTE 2 - BASIS OF PREPARATION

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The consolidated financial report of the Group complies with International Financial Reporting Standards ('IFRS') adopted by the International Accounting Standards Board ('IASB').

The financial report was authorised for issue by the Directors on 30 September 2015.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for available-for-sale financial assets which are measured at fair value.

Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's and each of the entities in the Group's functional currency.

Use of estimates and judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements are described in the following notes:

- Note 2 – Going concern
- Note 7 – Impairment losses
- Note 13 – Investments
- Note 14 – Exploration and evaluation expenditure
- Note 15 – Property, plant and equipment
- Note 19 – Provisions
- Note 21 – Controlled entities
- Note 31 – Contingent liabilities

NOTE 2 - BASIS OF PREPARATION (Con't)

The Group has consistently applied the accounting policies set out in Note 3 to all periods presented in these consolidated financial statements.

Going concern

The consolidated financial statements have been prepared on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group recorded a loss for the year of $25,063,111, used $36,134,030 of cash in operating activities, $53,465,446 in investing activities and has accumulated losses of $269,091,538 as at 30 June 2015. The Group has cash on hand of $64,738,344 (which includes $40,000,000 of short term deposits), net assets of $309,410,850 and net current assets of $55,175,142 at 30 June 2015.

During the year, the Group completed a recapitalisation of the Company and raised $125 million from new and existing shareholders and also completed the sale of its 51% interest in the North Surat Joint Venture coal projects for $25 million (excluding transaction costs).

The revised business plan for the Group includes a re-optimised mining plan developed for the Baralaba Expansion Project, which assumes significantly reduced upfront capital requirements. The revised mine plan also assumes positive cash flows from operations being used in conjunction with the majority of existing cash reserves at 30 June 2015, to fund the completion of the Baralaba Expansion Project.

During the year, the Company also entered into agreements with its major shareholders and ANZ to release $37 million in restricted term deposits. The arrangements were approved by the Company's shareholders in a General Meeting which was held on 13 October 2014. Under the arrangements, each major shareholder procured a bank guarantee in favour of ANZ, as replacement security for guarantees supporting infrastructure entitlements, including the 3.0 million tonne per annum 'take or pay' agreement with the new Wiggins Island Coal Export Terminal.

As set out in note 32, on 25 September 2015, ANZ indicated to the Group that it is not willing to continue to provide an existing $81m bank guarantee facility under the current arrangements. The Group and ANZ are in discussions as to how and when the facility will be restructured or terminated. The Group is also currently considering its alternatives in relation to the refinancing of the ANZ guarantee facility.

Accordingly, significant uncertainties exist in relation to Group's ongoing operation in relation to:

- whether positive cash flows from mining operations can be achieved as they are dependent upon successful completion of the Baralaba Expansion Project within expected timeframes, cost estimates and other key factors, including future coal prices, foreign exchange rates and sustainable costs of production; and
- the Group's ability to restructure or refinance its bank guarantee facilities within the timeframes ultimately required by ANZ.

These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. The ability of the Group to continue as a going concern is critically dependent upon:

- the successful completion of the Baralaba Expansion Project to support the Group's commitments in accordance with the requirements of the WICET Stage 1 and other significant take or pay agreements; and
- the Group's restructure or refinance of the $81m bank guarantee facility.

In the event the Group is unable to successfully complete the Baralaba Expansion Project as required and restructure or refinance the $81m bank guarantee facility, it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial report.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

The group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Con't)

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of profit or loss and other comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see below). Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation

Depreciation is charged to the statement of comprehensive income using the reducing balance method from the date of acquisition.

Office equipment and plant and equipment are depreciated at rates between 10% and 40%, buildings are depreciated at a rate of 4%, and motor vehicles are depreciated at a rate of 22.5%. Leasehold improvements are depreciated over the life of the lease and land is not depreciated. Mining properties and development depreciation rate is applied on the basis of units of production over the life of the economically recoverable reserves. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Trade and other receivables

Trade and other receivables are stated at their amortised cost using the effective interest method less impairment losses.

Available-for-sale financial assets

The Group's investments in equity securities are classified as available-for-sale financial assets and are recognised initially at fair value plus and directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised directly as a separate component of equity. When an investment is derecognised the cumulative gain or loss in equity is reclassified to profit or loss.

Cash and cash equivalents

Cash comprises cash balances and at call deposits with maturities of 3 months or less.

Term deposits

Term deposits comprise cash deposits held with an initial maturity of more than 3 months or where the use of the deposit is restricted for a period greater than 3 months.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Con't)

Finance income and finance expense

Finance income and finance expense comprises interest payable on borrowings calculated using the effective interest method, interest earned, dividend income, unwind of discount on provisions and the net change in the fair value of derivative financial instruments recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Interest income is recognised in the statement of profit or loss and other comprehensive income as it accrues, using the effective interest method. Dividend income is recognised in the statement of comprehensive income on the date the entity's right to receive payments is established.

Segment reporting

The Group determines and presents operating segments based on the information that internally is provided to the Managing Director, who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Group's primary format for segment reporting is on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Trade and other payables

Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing and are normally settled on 30 day terms.

Share capital

Transaction costs

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

Dividends

Dividends are recognised as a liability in the period in which they are declared.

Share based payment transactions

The fair value of options granted is measured at grant date and recognised as an expense over the period during which the Directors, officers and consultants of the Group become unconditionally entitled to the options. The fair value of the options granted is measured using a Black-Scholes formula, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of options that vest.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Con't)

Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Non-financial assets

The carrying amounts of the Group's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Calculation of recoverable amount

The recoverable amount of assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

Income tax

Income tax expense for the year comprises current and deferred tax. Income tax is recognised in the profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Con't)

Income tax (con't)

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Tax consolidation

The Company and its wholly owned Australian resident entities have formed a tax consolidated group and are therefore taxed as a single entity. The head entity within the tax consolidated group is Cockatoo Coal Limited.

Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ('GST'), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Con't)

Earnings per share

The Group presents basic and diluted earnings per share ('EPS') data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on average costs over the relevant period of production, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Loans and borrowings

The Group initially recognises loans and borrowings at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Exploration, evaluation and development expenditure

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the statement of comprehensive income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or other wise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to mining property and development assets within property, plant and equipment.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Con't)

Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Site restoration

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration in respect of disturbed land, and the related expense, is recognised when the land is disturbed.

Coal sales revenue

Coal sales revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Proceeds recovered for coal sales prior to the transfer of the significant risks and rewards of ownership are treated as a liability in the balance sheet at year end.

Management and consulting income

Revenue from services rendered is recognised in profit or loss in proportion to the services rendered at the reporting date. The Group is involved in managing several exploration and evaluation projects.

Intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use. The estimated useful life of software is 3 years.

Deferred Stripping Asset

Production stripping costs are capitalised as an asset, if it can be demonstrated that it is probable that future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of the ore body for which access has been improved. The asset is called “deferred stripping asset”. The deferred stripping asset is amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity.
The units of production method is applied. Production stripping costs that do not satisfy the asset recognition criteria are expensed.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Con't)

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.

Investment in equity securities

The fair value of listed available-for-sale financial assets is determined by reference to their closing price at the reporting date.

Share based payment transactions

The fair value of the options granted is measured using a Black-Scholes formula, taking into account the terms and conditions upon which the options were granted. Measurement inputs include share price at grant date, exercise price of the instrument, expected volatility (based on historic share performance), risk-free interest rate (based on government bonds), and dividend yield.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2014 and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

AASB 9 Financial Instruments (2014)

AASB 9, approved in December 2014, replaces the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from AASB 139.

AASB 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of AASB 9.

	2015	2014
	$	$

NOTE 4 - OTHER INCOME

	2015 $	2014 $
Marketing income	-	212,260
Management and consulting income	2,354,304	5,422,395
Other	275,656	242,341
	2,629,960	5,876,996

NOTE 5 - OTHER EXPENSES

	2015 $	2014 $
Audit fees – KPMG audit and review of financial reports	210,000	322,750
Depreciation – non-mining costs	315,634	466,723
Net foreign exchange (gain)/loss	1,468,087	288,642
	1,993,721	1,078,115

NOTE 6 - FINANCE INCOME AND FINANCE EXPENSE

	2015 $	2014 $
Interest income	1,365,088	1,521,937
Interest expense	(5,543,711)	(4,511,029)
Interest expense on unwind of discount	(201,980)	(292,479)
Finance facility costs	(8,629,119)	(4,760,686)
Net Finance income/expense	13,009,722	(8,042,257)

NOTE 7 – IMPAIRMENT LOSSES	**2015**	**2014**
	$	**$**
Impairment Losses		
Impairment loss on other assets	-	8,692,122
Impairment loss on exploration and evaluation assets – refer Note 14	7,550,267	134,188,046
Impairment loss on investments – refer Note 13	-	5,496,002
Impairment loss on land - refer Note 15	-	3,665,576
	7,550,267	152,041,746
Impairment Reversals		
Impairment reversal on exploration and evaluation assets - refer Note 14	13,135,757	-
	13,135,757	-

In the prior year, in conjunction with the recapitalisation transactions and acquisition of Blackwood Corporation Limited, an independent valuation of the Group and its assets was completed by Grant Thornton Corporate Finance ("Independent Expert") for the benefit of shareholders voting on the transaction.

Following a review of the valuations and expected development plans for those assets, the Directors of Cockatoo decided it was appropriate to write down the book value of those assets to fair value less cost of disposal based on the valuations determined by the Independent Expert. As a result of these write-downs, the Group recorded an impairment of $134,188,046 in relation to its land and exploration and evaluation assets. Due to uncertainty in the timing of development of infrastructure relating to the impaired projects, the Group also recorded an impairment of $8,692,122 in relation to refundable infrastructure costs which were included in other assets.

Impairment was also recorded on the Group's investment interests in Ambre Energy Limited and ATEC Rail Group Pty Ltd in the prior period. Certain assumptions were required to be made in order to assess the recoverability of investments. A key assumption was the ability to generate future cash flows. Due to the nature of these assets and the uncertainty in relation to the recoverability of these investments the Company determined to fully impair the carrying value of its investments at 30 June 2014.

During the year, the Group reviewed its exploration projects and impairment was recorded on other non-core exploration and evaluation assets totalling $7,550,267. The Directors decided it was appropriate to write down the book value of those assets to fair value less costs of disposal with reference to recent market transactions over comparable assets. Refer to Note 14 for further details.

During the year, the Group sold its interest in the North Surat Joint Venture to North Surat Coal Pty Ltd, a subsidiary of New Hope Corporation Limited. In the prior period, an impairment loss was recognised in relation to the North Surat Joint Venture exploration and evaluation assets. As a result of the sale the Group has recognised a reversal of impairment on the North Surat Joint Venture exploration and evaluation assets of $13,135,757.

NOTE 8 - INCOME TAX EXPENSE

	2015 $	2014 $
Current tax expense		
Current year benefit	(10,112,505)	(5,674,391)
Non-recognition of losses as deferred tax assets	10,112,505	5,674,391
Total income tax expense in statement of comprehensive income	-	-
Deferred tax expense		
Current year expense/ (benefit)	11,321,666	(39,659,664)
Non-recognition of temporary differences	(11,721,666)	39,659,664
Deferred tax benefit/(expense)	(400,000)	-
Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(loss) before tax	(25,463,111)	(191,319,789)
Prima facie income tax expense/(benefit) at the Australian tax rate of 30% (2014 – 30%)	(7,638,933)	(57,395,936)
(Increase)/decrease in income tax expense/(benefit) due to:		
- Non-deductible expenses	9,248,103	4,881,996
- Effect of net deferred tax assets not brought to account	(2,009,161)	52,876,940
Income tax expense/(benefit)	(400,000)	363,000
Recognised deferred tax liabilities		
Taxable temporary differences	-	(400,000)
	-	(400,000)
Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Taxable temporary differences (net)	(53,986,730)	(20,701,317)
Tax losses	145,044,805	110,630,959
Net	91,058,075	89,929,642

	2015	2014
	$	$

NOTE 9 - EARNINGS PER SHARE

Basic and diluted earnings/(loss) per share have been calculated using:

Profit/(loss) for the year attributable to equity holders of the Company	(14,540,414)	(182,278,983)
	Number	**Number**
Weighted average number of ordinary shares		
- Issued ordinary shares at beginning of year	4,560,196,928	1,021,101,465
- Effect of shares issued in February 2015	15,107,671,233	-
- Effect of shares issued in March 2015	6,351,688,126	-
- Effect of shares issued in April 2014	-	6,382,739
- Effect of shares issued in March 2014	-	4,675,324
- Effect of shares issued in February 2014	-	22,168,485
- Effect of shares issued in January 2014	-	129,701,683
- Effect of shares issued in December 2013	-	1,747,835,589
- Effect of shares cancelled in August 2013	-	(118,556,563)
Weighted average ordinary shares at the end of the year	26,019,556,287	2,813,308,722
Weighted average number of ordinary shares (diluted)		
- Weighted average ordinary shares at the end of the year	26,019,556,287	2,813,308,722
- Effect of share options on issue	-	-
Weighted average number of ordinary shares (diluted) at the end of the year	26,019,556,287	2,813,308,722

NOTE 10 - TRADE AND OTHER RECEIVABLES

	2015 $	2014 $
Trade receivables	2,019,293	8,379,856
GST receivable	2,271,139	2,076,141
Interest receivable	459,583	59,714
Other receivable	198,691	217,164
	4,948,706	10,732,875

NOTE 11 - INVENTORIES

Work in progress – coal stock	2,456,495	1,502,253
Finished goods – coal stock	20,768,951	10,927,169
Fuel and explosives	1,275,103	728,729
	24,500,549	13,158,151

NOTE 11 - INVENTORIES (Con't)

Coal stocks are carried at lower of net realisable value (NRV) and cost. All coal stocks held at 30 June 2015 are carried at NRV. (2014 – carried at NRV).

NOTE 12 – OTHER ASSETS

	2015 $	2014 $
Current		
Prepayments	789,272	1,100,410
	789,272	1,100,410
Non-current		
Deferred facility fee	-	9,562,500
Security deposits	661,664	805,094
Other receivables	-	28,943
	661,664	10,396,537

Deferred facility fee

At 30 June 2014 the non-current deferred facility fee relates to the Australia and New Zealand Banking Group Limited ('ANZ') project finance facility ('PFF'). During the year ended 30 June 2015, the Company terminated the ANZ project finance facility. As a result, a $4 million finance cost has been recognised in the profit or loss as part of finance expenses.

NOTE 13 - INVESTMENTS

	2015 $	2014 $
Investments – available-for-sale	-	-

Investments - available-for-sale

During the 2015 year the Group had no new investments.

During the prior year the Group performed an impairment test in relation to the Group's investments in available for sale assets which include investments in non-listed companies. Due to the nature of these assets and the uncertainty in relation to the recoverability of these investments the Company determined to fully impair the carrying value of its investments. An impairment loss of $5,496,002 was recorded and a decrease to the fair value reserve of $104,000.

Certain assumptions are required to be made in order to assess the recoverability of investments. A key assumption is the ability to generate future cashflows.

	2015	2014
	$	$

NOTE 14 - EXPLORATION AND EVALUATION EXPENDITURE

	2015 $	2014 $
Opening balance	71,066,144	233,153,212
Additions	2,083,954	12,074,393
Acquisition of controlled entity	-	17,617,626
Transferred to mining properties and development	-	(57,591,041)
Disposals	(23,928,687)	-
Impairment	(7,550,267)	(134,188,046)
Impairment reversal	13,135,757	-
Closing balance	54,806,901	71,066,144

The ultimate recoupment of these costs is dependent on the successful development and commercial exploitation, or alternatively sale of the respective areas of interest.

Mineral tenements, exploration and evaluation expenditure relate to the following projects:

	2015 $	2014 $
Bowen Basin projects	35,068,997	34,899,971
Surat Basin projects	16,114,125	25,564,026
Galilee Basin projects	3,623,779	10,602,147
	54,806,901	71,066,144

During the year the Group sold its interest in the North Surat Joint Venture to North Surat Coal Pty Ltd, a subsidiary of New Hope Corporation Limited. This resulted in a disposal of $23,428,687 of exploration and evaluation expenditure. In the prior period, an impairment loss was recognised in relation to the North Surat Joint Venture exploration and evaluation assets. As a result of the sale the Group has recognised a reversal of impairment on the North Surat Joint Venture exploration and evaluation assets of $13,135,757.

The Group also sold other exploration and evaluation assets at cost for $500,000 during the year.

During the year $7,550,267 (2014 - $134,188,046) of impairment was recorded on certain non-core exploration and evaluation assets, see Note 7.

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

	2015 $	2014 $
Land and buildings – cost	14,347,589	16,301,728
Accumulated depreciation	(743,048)	(885,170)
Net book value	13,604,541	15,416,558
Office equipment – cost	811,378	798,571
Accumulated depreciation	(551,272)	(446,742)
Net book value	260,106	351,829
Motor vehicles – cost	1,664,801	1,679,340
Accumulated depreciation	(1,135,993)	(973,932)
Net book value	528,808	705,408
Plant and equipment – cost	6,773,549	6,358,747
Accumulated depreciation	(3,159,993)	(2,297,585)
Net book value	3,613,556	4,061,162
Deferred stripping asset – cost	40,504,000	15,050,400
Accumulated depreciation	(963,088)	-
Net book value	39,540,912	15,050,400
Mining properties and development assets - cost	233,166,160	176,206,430
Accumulated depreciation	(20,491,842)	(16,105,681)
Net book value	212,674,318	160,100,749
Total property, plant and equipment	270,222,241	195,686,106

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

	2015 $	2014 $
Land and buildings		
Carrying amount at beginning of year	15,416,558	37,443,723
Additions	65,790	7,319,812
Impairment	-	(3,665,576)
Transfer to mining properties and development	-	(25,296,629)
Disposals	(1,631,855)	-
Depreciation	(245,952)	(384,772)
Net book value	13,604,541	15,416,558
Office equipment		
Carrying amount at beginning of year	351,829	340,362
Additions	14,793	117,710
Disposals	(1,885)	-
Depreciation	(104,631)	(106,243)
Net book value	260,106	351,829

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT (Con't)

	2015	2014
	$	$
Motor vehicles		
Carrying amount at beginning of year	705,408	975,731
Additions	2,831	-
Disposals	(2,932)	(28,375)
Depreciation	(176,499)	(241,948)
Net book value	528,808	705,408
Plant and equipment		
Carrying amount at beginning of year	4,061,162	2,350,805
Additions	418,071	2,599,444
Disposals	(1,333)	-
Depreciation	(864,344)	(889,087)
Net book value	3,613,556	4,061,162
Deferred stripping asset		
Carrying amount at beginning of year	15,050,400	-
Additions	25,453,600	15,050,400
Depreciation	(963,088)	-
Net book value	39,540,912	15,050,400
Mining properties and development assets		
Carrying amount at beginning of year	160,100,749	22,277,108
Additions	56,959,730	60,050,657
Addition through recognition of rehabilitation provision	-	2,189,548
Transfer from exploration and evaluation expenditure	-	57,591,041
Transfer from land and buildings	-	25,296,629
Depreciation	(4,386,161)	(7,304,234)
Net book value	212,674,318	160,100,749

During the year the Company sold its interest in the North Surat Joint Venture to North Surat Coal Pty Ltd, a subsidiary of New Hope Corporation Limited. This resulted in a disposal of $1,461,347 of property, plant and equipment which predominantly comprised land and buildings.

During the prior year exploration and evaluation assets and land and building assets were transferred to mining properties as they relate to the Baralaba Expansion Project which began development during the year.

During the prior year impairment was recorded on land that related to certain non-core exploration and evaluation assets. Refer Note 7.

NOTE 16 – INTANGIBLE ASSETS

	2015 $	2014 $
Software – cost	668,294	671,115
Accumulated depreciation	(434,128)	(262,119)
Net book value	234,166	408,996

Reconciliations of the carrying amounts for each class of intangible assets:

	2015	2014
Software		
Carrying amount at beginning of year	408,996	246,398
Additions	26,474	322,268
Disposals	(29,294)	-
Depreciation	(172,010)	(159,670)
Net book value	234,166	408,996

NOTE 17 - TRADE AND OTHER PAYABLES

	2015	2014
Current		
Accounts payable and accrued liabilities	33,209,516	31,015,517
ANZ project finance facility fee	-	9,562,500
	33,209,516	40,578,017

NOTE 18 - BORROWINGS

	2015 $	2014 $
Current		
Finance lease	815,294	1,218,534
	815,294	1,218,534
Non-current		
Finance lease	223,102	970,417
Subsidiary shareholder loan	68,289,074	63,055,511
	68,512,176	64,025,928

Subsidiary shareholder loan

During the year, Cockatoo announced that it had reached agreement with JS Baralaba Wonbindi Pty Ltd (“JSBW”), a subsidiary of JFE Shoji Trade Corporation (“JFE Shoji”) to acquire its minority shareholdings in Baralaba Coal Pty Ltd and Wonbindi Coal Pty Limited (collectively Baralaba JV) for A$1 with existing loans from JSBW of approximately A$68m to remain in place following completion of the sale. Under the new arrangements the loan to Wonbindi of $36,758,791 (2014: $33,941,658) and the loan to Baralaba of $31,530,283 (2014: $29,113,854) are unsecured and bear interest at 8% per annum.

Repayment of the JSBW shareholder loans are subordinated to any new funding contributed by the Company up until completion of the Baralaba Expansion project, and will then be repaid from Wonbindi Pty Ltd and Baralaba Pty Ltd cashflows on an equal dollar per dollar basis with the existing loans that the Company has advanced to the Baralaba JV. At 30 June 2015, no amount of the loans have been classified as a current liability (2014: nil).

The loans payable to JFE Shoji were granted third-ranking security over the assets of Baralaba and Wonbindi at that time.

NOTE 19 - PROVISIONS

	2015	2014
	$	$
Current		
Maintenance provision	4,791,238	-
Infrastructure security	-	3,699,543
	4,791,238	3,699,543
Non-current		
Maintenance provision	-	1,045,321
Rehabilitation provision	5,920,911	6,175,860
	5,920,911	7,221,181
Infrastructure security reconciliation		
Opening balance	3,699,543	-
Payment	(2,639,143)	-
Addition/(reversal)	(1,060,400)	3,699,543
Closing balance	-	3,699,543
Maintenance provision reconciliation		
Opening balance – non current	1,045,321	-
Addition - current	4,388,385	1,045,321
Reversed - current	(642,468)	-
Closing balance - current	4,791,238	1,045,321
Rehabilitation provision reconciliation		
Opening balance	6,175,860	2,952,192
Addition/(reversal)	(456,929)	3,031,521
Interest expense on unwind of discount	201,980	192,147
Closing balance	5,920,911	6,175,860

The basis of accounting for rehabilitation costs is set out in Note 3, Significant Accounting Policies.

The Group is required to rehabilitate the Baralaba mine site when mining is completed. Given the long term nature of the liability, there is significant uncertainty in relation to the estimates of the provision or the costs that could be incurred. Future rehabilitation estimates have been discounted at 6.25% (2014 - 6.50%). Rehabilitation additions during the prior year predominantly relate to the commencement of mining at the Baralaba North mine. Rehabilitation reversed during the year reflects a reestimate of the Baralaba North mine.

The Group is required to undertake maintenance on leased mining equipment in accordance with manufacturer's recommendations. Maintenance costs have been provided for due to the contractual arrangements of the leased equipment. The classification of the maintenance provision is based on management's best estimate of when the maintenance events are likely to occur.

NOTE 20 - CAPITAL AND RESERVES

Dividends

There were no dividends paid or declared during the year ended 30 June 2015 or 30 June 2014.

Option premium reserve

The issue of Company options results in a credit to the option premium reserve representing the fair value of the options granted. The exercise, expiry or cancellation of Company options results in a debit to the option premium reserve. During the year ended 30 June 2015, no options were exercised (2014 – nil). However 205,000,000 options expired or were cancelled (2014 – 33,483,333).

Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

	2015	2014
	Number of shares	**Number of shares**
Share capital		
Ordinary shares on issue at 1 July – fully paid	4,560,196,928	1,021,101,465
Issue of shares	62,474,697,913	3,673,902,770
Cancellation of shares	-	(134,807,307)
Ordinary shares on issue at 30 June – fully paid	67,034,894,841	4,560,196,928

The following share issues occurred during the year ended 30 June 2015:

- Renounceable entitlement offer of 13.7 new shares for every 1 share in the company held on the record date.
- In February 2015 the Company issued 41,775,000,001 ordinary shares to various institutional investors at $0.002 per share for cash totalling $83,550,000. Shares were issued under the renounceable entitlement offer.
- In March 2015 the Company issued 20,699,697,912 ordinary shares to various retail investors at $0.002 per share for cash totalling $41,399,396. Shares were issued under the renounceable entitlement offer.
- There were no amounts unpaid on the above ordinary shares issues and issue costs totalled $9,400,176.

The following share issues occurred during the year ended 30 June 2014:

- In December 2013 the Company issued 80,470,063 ordinary shares pursuant to the Company's Share Purchase Plan at $0.045 per share for cash totalling $3,621,152.
- In December 2013 the Company issued 1,866,031,245 ordinary shares to SK Networks Resources Australia Pty Ltd and Maylion Pty Ltd at $0.05 per share for cash totalling $93,301,562.
- In December 2013 the Company issued 1,333,333,334 ordinary shares to various institutional and sophisticated investors including Harum Energy Australia Limited at $0.045 per share for cash totalling $60,000,000.
- There were no amounts unpaid on the above ordinary shares issues and issue costs totalled $6,310,582.
- In January 2014 the Company issued 9,517,590 shares to employees of the Company as remuneration. These shares were valued at $342,633 which is based on the share price on the date of issue.
- From January 2014 to April 2014 the Company issued 384,550,538 ordinary shares as consideration for the acquisition of a 100% interest in Blackwood Corporation Pty Limited (previously Blackwood Corporation Limited). These shares were valued at $14,717,127 based on the share prices at the date of acceptance of the takeover offer.

NOTE 20 - CAPITAL AND RESERVES (Con't)

- In August 2013 the Company cancelled 134,807,307 ordinary shares held by POSCO Australia Pty Limited ('POSA') following the sale of the Company's 30% interest in Hume Coal Pty Limited to POSA. These shares were valued at $8,762,475 based on the share price at the date of cancellation.

Options

The following options were on issue at 30 June 2015, each exercisable to acquire one fully paid ordinary share:

Grant date	Expiry date	Exercise price $	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Cancelled/ Expired during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
16 April 2013	15 October 2014	$0.125	150,000,000	-	-	150,000,000	-	-
17 October 2013	15 April 2015	$0.593	50,000,000	-	-	50,000,000	-	-
3 February 2012	30 September 2015	$0.70	5,000,000	-	-	5,000,000	-	-
			205,000,000	-	-	205,000,000	-	-

The following options were on issue at 30 June 2014, each exercisable to acquire one fully paid ordinary share:

Grant date	Expiry date	Exercise price $	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Cancelled/ Expired during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
3 February 2009	30 September 2013	$0.40	1,300,000	-	-	1,300,000	-	-
3 February 2009	30 September 2013	$0.50	800,000	-	-	800,000	-	-
3 February 2009	30 September 2013	$0.60	800,000	-	-	800,000	-	-
3 February 2009	30 September 2013	$0.70	9,500,000	-	-	9,500,000	-	-
31 December 2010	30 September 2013	$0.60	250,000	-	-	250,000	-	-
9 May 2011	31 December 2013	$0.64	20,833,333	-	-	20,833,333	-	-
16 April 2013	15 October 2014	$0.125	150,000,000	-	-	-	150,000,000	150,000,000
17 October 2013	15 April 2015	$0.593	-	50,000,000	-	-	50,000,000	50,000,000
3 February 2012	30 September 2015	$0.70	5,000,000	-	-	-	5,000,000	5,000,000
			188,483,333	50,000,000	-	33,483,333	205,000,00	205,000,000

During the prior year, the Company issued 50,000,000 options as consideration for SK Networks, Co., Ltd providing an extension to the guarantee that supported the loan from KEB Australia Ltd. The fair value of the options issued was measured at grant date using a Black-Scholes formula taking into account the terms and conditions upon which the options were granted. The fair value is recognised as an expense over the Facility term. The fair value of the 50,000,000 options was $1,589,032 and the Black-Scholes formula model inputs were the Company's share price of $0.060 at the grant date, a volatility factor of 115% based on historic share price performance, a risk free interest rate of 2.64% based on government bonds, and a dividend yield of 0%.

The weighted average exercise price of options on issue at 30 June 2014 was $0.1230. The weighted average remaining contractual life of options on issue at 30 June 2014 was 1.438 years.

No options were granted during the year ended 30 June 2015.

During the year ended 30 June 2015, 200,000,000 options expired and a further 5,000,000 were cancelled as a result of the termination of employment.

NOTE 21 - CONTROLLED ENTITIES

Acquisition of controlled entities

During the prior year, the Company launched a friendly takeover bid for Blackwood Corporation Pty Limited ('Blackwood') (previously Blackwood Corporation Limited). On 19 December 2013, the Company gained control of Blackwood. On the date of control the Company had a 68.31% interest and on 22 April 2014 the Company obtained a 100% interest in the share capital of Blackwood. Consideration for the transaction was 2 Cockatoo shares for each Blackwood share. The fair value of consideration was calculated as $14,997,471 on acquisition day. The 384,550,538 consideration shares issued were valued at $14,717,127 based on the share prices at the date of acceptance of the takeover offer.

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

Fair value of net assets of entity acquired:	**Pre-acquisition carrying amounts $**	**Fair value adjustments $**	**Recognised values on acquisition**
Cash and cash equivalents	6,312,694	58,562	6,371,256
Other current assets	77,480	-	77,480
Property, plant and equipment	77,099	(77,099)	-
Intangible assets	27,029	(27,029)	-
Other non-current assets	240,000	-	240,000
Exploration and evaluation assets	18,671,087	(1,053,461)	17,617,626
Trade and other payables	(800,329)	(508,562)	(1,308,891)
Borrowings	(8,000,000)	-	(8,000,000)
Net identifiable assets and liabilities	16,605,060	(1,607,589)	14,997,471

Consideration paid	-
Cash acquired	6,371,256
Net cash inflow	6,371,256

The values of assets and liabilities recognised on acquisition are their estimated fair values. The fair value of the exploration and evaluation assets was determined on acquisition date by reference to an independent valuation performed over Blackwood assets.

On 6 March 2014 the Company acquired a 100% interest in Cockatoo Coal Marketing Company Pty Ltd ('CCMC') for deferred cash consideration totalling $3.4 million. The Company previously held a 50% interest in CCMC. CCMC held coal marketing rights which were terminated on acquisition to enable the Company to enter into more favourable marketing arrangements. The termination of the marketing rights was recognised as an expense in the profit or loss in the prior year.

NOTE 21 - CONTROLLED ENTITIES (cont'd)

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

Fair value of net assets of entity acquired:	**Pre-acquisition carrying amounts** $	**Fair value adjustments** $	**Recognised values on acquisition** $
Cash and cash equivalents	14,457	-	14,457
Net identifiable assets and liabilities	14,457	-	14,457
Consideration paid	-		
Cash acquired	14,457		
Net cash inflow	14,457		

The values of assets and liabilities recognised on acquisition are their estimated fair values.

Non-controlling interests

The following table summarises the information relating to the Group's subsidiaries that have a material non-controlling interest, before any intra-group eliminations.

	Baralaba Coal Pty Ltd		Wonbindi Coal Pty Ltd	
	2015 $	2014 $	2015 $	2014 $
NCI percentage	37.5%	37.5%	20%	20%
Current assets	175,090	19,329,455	34,404,895	4,196,000
Non-current assets	29,504,662	34,253,767	279,013,425	213,444,000
Current liabilities	(12,000)	(14,712,970)	(34,047,421)	(34,144,000)
Non-current liabilities	(158,584,401)	(154,980,703)	(308,295,119)	(185,404,000)
Net assets/(liabilities)	**(128,916,649)**	**(116,110,451)**	**(28,924,220)**	**(1,908,000)**
Carrying amount of NCI	29,436,593	22,261,485	3,527,117	179,528
Revenue	24,386,005	76,658,035	45,134,172	4,873,812
Profit/(loss)	(12,806,199)	(24,863,661)	(28,601,864)	(399,665)
OCI	-	-	-	-
Total comprehensive income/(loss)	**(12,806,199)**	**(24,863,661)**	**(28,601,864)**	**(399,665)**
Profit/(loss) allocated to NCI	(4,802,325)	(9,323,873)	(5,720,373)	(79,933)
OCI allocated to NCI	-	-	-	-

NOTE 21 - CONTROLLED ENTITIES (cont'd)

Particulars in relation to controlled entities:

	Ordinary shares – Company interest	
	2015	**2014**
	%	**%**
Parent Entity		
Cockatoo Coal Limited		
Controlled entities		
Baralaba Coal Management Company Pty Ltd	80	80
Baralaba Coal Pty Ltd	62.5	62.5
Blackwood Corporation Pty Limited	100	100
Cacatua Pastoral Pty Limited	80	80
Cockatiel Coal Pty Limited	100	100
Cockatoo Coal Marketing Company Pty Ltd	100	100
Cockatoo Coal (Taroom) Pty Limited	100	100
Corella Coal Pty Limited	100	100
Dingo Coal Pty Ltd	100	100
Drill Down Resources Pty Ltd	100	100
Independent Coal Pty Limited	100	100
Injune Coal Pty Limited	100	100
Matilda Coal Pty Ltd	100	100
SE QLD Coal Pty Ltd	100	100
SE QLD Energy Pty Ltd	100	100
Surat Coal Pty Limited	100	100
Wonbindi Coal Pty Limited	80	80
Wonbindi TLO Holdings Pty Limited	100	-

All entities are incorporated in Australia

- Blackwood Corporation Pty Limited, Cockatiel Coal Pty Limited, Cockatoo Coal Marketing Company Pty Ltd, Cockatoo Coal (Taroom) Pty Limited, Corella Coal Pty Limited, Independent Coal Pty Limited, Injune Coal Pty Limited, SE QLD Coal Pty Ltd, SE QLD Energy Pty Ltd and Surat Coal Pty Limited, are wholly owned controlled entities.
- Independent Coal Pty Limited holds a 98% interest in Dingo Coal Pty Ltd and the remaining 2% interest is held by the Company.
- Cockatiel Coal Pty Limited holds a 62.5% interest in Baralaba Coal Pty Ltd and an 80% interest in Wonbindi Coal Pty Limited.
- Wonbindi Coal Pty Limited holds a 100% interest in Cacatua Pastoral Pty Limited and a 100% interest in Baralaba Coal Management Company Pty Ltd.
- Blackwood Corporation Pty Limited holds a 100% interest in Matilda Coal Pty Ltd and Drill Down Resources Pty Ltd.

NOTE 22 - SHARE BASED REMUNERATION

Options

The Company has a share option program that entitles key management personnel, senior employees and consultants to be granted options in the entity. No options were issued during the current or prior years.

Shares issued as remuneration

During the year ended 30 June 2015 the Company did not issue ordinary shares as remuneration to employees of the company (2014: 9,517,590). The shares issued in the prior year were valued at $0.036 per share which was based on the share price on the date of issue and were recognised as an expense in the prior year.

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 2015	Number of options 2015	Weighted average exercise price 2014	Number of options 2014
Outstanding at 1 July	$0.70	5,000,000	$0.66	17,650,000
Granted during the period	-	-	-	-
Exercised during the period	-	-	-	-
Expired/ Cancelled during the period	$0.70	(5,000,000)	$0.65	(12,650,000)
Outstanding at 30 June	-	-	$0.70	5,000,0000
Exercisable at 30 June	-	-	$0.70	5,000,000

There were no options outstanding at 30 June 2015.

Expenses arising from share based payment transactions

Expenses arising from share based payment transactions recognised during the year were as follows:

	2015 $	2014 $
Share based remuneration expenses		
Share options granted in 2012	-	49,991
Shares granted in 2014	-	342,633
Total expense recognised as share based remuneration costs	-	392,624

NOTE 23 - STATEMENT OF CASH FLOWS

	2015	2014
	$	$
Reconciliation of cash and cash equivalents, term deposits and restricted deposits		
Cash and cash equivalents at the end of the year as shown in the Statement of Cash Flows	24,738,344	1,407,237
Term deposits	40,000,000	-
Restricted deposits	6,634,876	45,740,642
	71,373,220	47,147,879

Restricted deposits are held as security for guarantees issued by financial institutions on behalf of the Company, refer Note 31.

	2015	2014
Reconciliation of net loss from ordinary activities after tax to net cash used in operating activities		
Profit/(loss) from ordinary activities after tax	(25,063,111)	(191,682,789)
Non-cash items		
Gain on disposal of associate	-	(1,043,475)
Depreciation and amortisation	6,979,637	7,224,126
Net foreign exchange (gain)/loss	1,468,087	260,999
Employee benefits	-	628,135
Finance facility fee	-	(2,046,510)
Impairment losses	7,550,267	152,041,746
Reversal of impairment	(13,135,757)	-
Share based remuneration	-	392,624
Reversal of provision	(1,060,400)	-
Changes in assets and liabilities		
Trade and other receivables	1,723,300	(5,399,001)
Inventories	(11,342,398)	7,249,797
Prepayments	311,142	(1,210,112)
Trade and other creditors	(14,457,045)	18,805,771
Employee entitlements	(345,590)	-
Non current borrowings	3,841,529	-
Non current liabilities	3,838,623	-
Non current provisions	3,957,686	6,913,833
Deferred Tax Liabilities	(400,000)	363,000
Net cash used in operating activities	(36,134,030)	(7,501,856)

NOTE 24 - KEY MANAGEMENT PERSONNEL DISCLOSURES

During the year ended 30 June 2015 compensation to key management personnel totalled $3,958,154 (2014 - $3,354,617), which comprised primary fees of $2,449,224 (2014 - $2,131,202), short-term incentive cash bonuses of $256,064 (2014 - nil), shares bonuses of nil (2014 - $84,936), superannuation of $224,548 (2014 - $171,672), termination payments of $1,028,317 (2014 - $856,758) and options with a fair value of nil (2014 - $49,991).

NOTE 25 - RELATED PARTIES

During the year ended 30 June 2015, the Company sold coal and received coal sale prepayments from Noble Resources International Pty Ltd, a related party of a significant shareholder who has appointed Tim Gazzard and Stephen Motteram as a nominee Directors of the Company. The total value of coal sold to Noble International Pte Ltd during the year was $40,833,253 and the value of coal sale prepayments at 30 June 2015 is nil (2014 - $11,161,251). During the year ended 30 June 2014, the Company entered into coal marketing arrangements with Noble Resources International Pte Ltd. The total amount of marketing fees incurred but which remain unpaid at 30 June 2015 is $246,958 (2014: $257,615).

During the year ended 30 June 2015 the Company entered into a three year agreement with SK Networks Co., Ltd and a related party of a significant shareholder, Noble Group Limited which secured the release of $37.0 million in restricted cash. Interest is charged at 12.5% per annum and is to be paid on termination of the agreement.

During the year ended 30 June 2015 the Company has agreed off-take arrangements with both Noble and SK Networks who have agreed to each offtake 5.85Mt of ULV PCI coal from the Baralaba JV. Noble has also agreed a new off-take agreement for 28.5Mt.

NOTE 26 - FINANCIAL INSTRUMENTS DISCLOSURE

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. These policies are informally reviewed from time to time to reflect changes in market conditions and the Group's activities.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, currency risk and interest rate risk. The summaries below present information about the Group's exposure to each of these risks, their objectives, policies and processes for measuring and managing risk, the management of capital and financial instruments.

Credit risk

Credit risk arises mainly from the risk of counterparties defaulting on the terms of their agreements. The carrying amounts of the following assets represent the Group's maximum exposure to credit risk in relation to financial assets:

		2015	2014
		$	$
Cash and cash equivalents, restricted and non-restricted term deposits	23	71,373,220	47,147,879
Trade and other receivables	10	4,948,706	10,732,875
Security deposits	12	661,664	805,093
Other receivables	12	-	28,943
		76,983,590	58,714,790

The Group's maximum exposure to credit risk at the reporting date by geographic region was:

	2015	2014
Australia	75,131,665	54,153,730
Japan	1,851,925	4,561,060
	76,983,590	58,714,790

The Group mitigates credit risk on cash and cash equivalents, term deposits and security deposits by dealing with regulated banks in Australia. Credit risk of trade and other receivables is very low as it consists predominantly of coal sales receivable from a small number of customers, amounts recoverable from the Australian Taxation Authority and call deposits and related interest receivable held with regulated banks.

Impairment losses

Trade and other receivables totalling $62,000 are past due at 30 June 2015. (2014 - $307,000) but are not considered to be impaired.

NOTE 26 - FINANCIAL INSTRUMENTS DISCLOSURE (Con't)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying amount $	Contractual cash flows $	Less than one year $	Between one and five years $	More than five years $
30 June 2015					
Trade and other payables	33,209,516	(33,209,516)	(33,209,516)	-	-
Interest bearing liabilities	69,327,470	(131,589,370)	-		(131,589,370)
Other liabilities	3,838,623	(3,838,623)	-	(3,838,623)	-
	106,375,609	(168,637,509)	(33,209,516)	(3,838,623)	(131,589,370)
30 June 2014					
Trade and other payables	40,578,017	(40,578,017)	(40,578,017)	-	-
Interest bearing liabilities	65,244,462	(95,056,698)	(1,382,959)	(1,024,506)	(92,649,234)
Other liabilities	1,090,212	(1,200,000)	-	(1,200,000)	
	106,912,691	(136,834,715)	(41,960,976)	(2,224,506)	(92,649,234)

Ultimate responsibility for liquidity management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate funding and monitoring of future rolling cash flow forecasts of its operations, which reflect management's expectations of expected settlement of financial assets and liabilities. For further information on the Group’s ability to pay its debts as and when they fall due, refer Note 2.

NOTE 26 - FINANCIAL INSTRUMENTS DISCLOSURE (Con't)

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Sensitivity analysis

The Group is exposed to currency risk on its coal sales and cash that are denominated in United States currency. The Group's exposure to foreign currency risk was as follows, based on notional amounts.

	2015	2014
	$	$
USD exposure		
Cash and term deposits	4,679,378	10,323
Trade receivables	1,851,925	4,561,060
Group balance sheet exposure	6,531,303	4,571,383

A strengthening/(weakening) of the AUD against the USD by 10 percent at 30 June would have decreased/(increased) equity and profit/(loss) for the year by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Equity	Profit or loss
	$	$
30 June 2015		
USD	593,755	593,755
30 June 2014		
USD	415,580	415,580

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2015	2014	2015	2014
AUD/USD	0.8369	0.9145	0.7655	0.9419

NOTE 26 - FINANCIAL INSTRUMENTS DISCLOSURE (Con't)

Interest rate risk

The Group's statement of comprehensive income is affected by changes in interest rates due to the impact of such changes on interest income and expenses from cash and term deposits.

At balance date, the Group had the following mix of financial assets and liabilities exposed to variable interest rate risk:

	Notes	Carrying amount	
		2015	**2014**
		$	**$**
Financial assets			
Cash and cash equivalents, term deposits and restricted deposits	23	71,373,220	47,147,879
		71,373,220	47,147,879

Sensitivity analysis

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit/(loss) for the period by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the comparative period.

Impact on profit/(loss) for the period	713,732	471,479

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board ensures costs are not incurred in excess of available funds and will seek to raise additional funding through issues of shares for the continuation of the Group's operation. There were no changes in the Group's approach to capital management during the year.

Neither the Group nor any of its subsidiaries are subject to externally imposed capital requirements.

Net fair values of financial assets and liabilities

The carrying amounts of financial assets and liabilities of the Company and the Group, for the year ended 30 June 2015 and 30 June 2014, approximate their net fair values.

NOTE 26 - FINANCIAL INSTRUMENTS DISCLOSURE (Con't)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quotes prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	$	$	$	$
30 June 2015				
Investments - available-for-sale	-	-	-	-
30 June 2014				
Investments - available-for-sale	-	-	-	-

During the prior year the Company recorded an impairment in relation to its available-for-sale investments writing down the investment to nil.

NOTE 27 - COMMITMENTS

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by tenement licences and acquisition agreements. These obligations are subject to renegotiation when the application for a mining lease is made and at other times. These obligations are not provided for in the financial report and are payable as follows:

	Carrying amount	
	2015	2014
	$	$
Not later than one year	4,349,766	2,705,746
Later than one year but not later than two years	3,570,274	6,197,000
Later than two years but not later than five years	9,588,832	13,985,500
Later than five years	-	358,000
	17,508,872	23,246,246

NOTE 27 – COMMITMENTS (Con't)

Operating lease commitments

The majority of the mining equipment utilised at the Baralaba mine is currently leased.

These obligations are not provided for in the financial report and are payable:

	Carrying amount	
	2015	2014
	$	$
Not later than one year	8,382,205	6,772,505
Later than one year but not later than two years	8,582,364	6,772,505
Later than two years but not later than five years	11,965,287	18,624,389
Greater than five years	7,350	-
	28,937,206	32,169,399

NOTE 28 - SEGMENT REPORTING

The Group has three reportable segments, as described below.

- Mining – production and sale of coal.
- Exploration and evaluation – exploration and evaluation activities of the Group.
- Other – corporate activities (including gains/losses from hedging, project management and foreign exchange).

Operating segments have been determined based on the analysis provided in the reports reviewed by the senior management team in assessing performance and determining strategy. The Group derives its revenue from the production and sale of coal and management fees as other income.

Operating Segments	**Mining**	**Exploration and evaluation**	**Other**	**Total**
	$	**$**	**$**	**$**
30 June 2015				
Segment revenue				
Revenues - external	69,520,177	39,317	2,599,688	72,159,182
Intersegment revenue	-	-	26,868,790	26,868,790
Finance income	28,725	7,480	1,328,883	1,365,087
	69,548,902	46,797	30,797,361	100,393,059
Segment expenses	(117,697,061)	(7,668,707)	(13,226,161)	(138,591,928)
Segment result	(48,148,158)	5,513,847	17,571,200	(25,063,111)
Segment assets	307,938,732	52,466,322	67,131,665	427,536,719
Segment liabilities	(112,448,529)	(369,055)	(5,308,286)	(118,425,869)
Other material items in 2015				
Depreciation	6,664,003	-	315,634	6,979,637
Impairment losses	-	7,550,267	-	7,550,267
Impairment reversals	-	13,135,757	-	13,135,757
Finance expense	(12,916,151)	-	(1,458,659)	(14,374,810)

An intercompany finance charge has been included in mining segment expenses and intersegment revenue.
Data is represented in summarised categories and this may cause some apparent discrepancies in totals

Major customers

Revenues from two customers of the Group amounted to 89% of the Group's revenues during the year ended 30 June 2015. Revenues individually from each of these companies totalled $40,809,928 and $20,864,014.

NOTE 28 - SEGMENT REPORTING (Con't)

Operating Segments	Mining	Exploration and evaluation	Other	Total
	$	$	$	$
30 June 2014				
Segment revenue				
Revenues - external	81,532,272	72,626	5,804,370	87,409,268
Intersegment revenue	-	-	18,982,808	18,982,808
Gain on disposal of associate	-	-	1,043,475	1,043,475
Finance income	121,930	9,523	1,390,483	1,521,937
	81,654,202	82,149	27,221,136	108,957,488
Segment expenses	(97,842,014)	(138,257,041)	(64,541,221)	(300,240,274)
Segment result	(16,187,812)	(138,174,892)	(37,320,085)	(191,682,789)
Segment assets	224,074,556	76,974,687	48,197,856	349,697,098
Segment liabilities	(118,378,707)	(5,322)	(12,388,328)	(130,772,357)
Other material items in 2014				
Depreciation	6,757,403	-	466,723	7,224,126
Impairment losses	-	137,853,622	14,188,124	152,041,746
Finance expense	2,867,202	-	6,696,992	9,564,194

An intercompany finance charge has been included in mining segment expenses and intersegment revenue.

NOTE 28 - SEGMENT REPORTING (Con't)

Geographical segments

Whilst coal is all produced in Australia, during the 2015 and 2014 years the Group's customers were based in Australia, Japan Singapore and Korea. Segment revenue information is presented below based on the geographical location of customers.

	2015	2014
	$	$
Australia	792,580	11,391,454
Japan	20,864,014	63,151,026
Singapore	40,809,928	6,989,792
Korea	7,053,655	-
	69,520,177	81,532,272

The reduction in sales into Japan is a result of prepaid arrangements facilitated by Noble Group throughout the year resulting in an increase in sales allocated to Singapore.

NOTE 29 - PARENT ENTITY DISCLOSURES

As at, and throughout the financial year ending 30 June 2015 the parent entity of the Group was Cockatoo Coal Limited.

	Company	
	2015	2014
	$	$
Result of the parent entity		
Net profit/(loss)	18,006,245	(15,440,268)
Other comprehensive income	-	-
Total comprehensive loss	18,006,245	(15,440,268)
Financial position of the parent entity at year end		
Current assets	60,097,848	10,082,971
Non-current assets	247,455,494	176,027,087
Total assets	307,553,342	186,110,058
Current liabilities	5,255,856	16,244,393
Non-current liabilities	52,430	1,177,075
Total liabilities	5,308,286	17,421,468
Net assets	302,245,056	168,689,590
Equity		
Share capital	611,466,098	495,916,877
Option premium reserve	-	7,588,554
Accumulated losses	(309,221,042)	(334,815,841)
Total equity	302,245,056	168,689,590

Refer to Note 31 for details of contingent liabilities of the parent entity.

NOTE 30 – ASSETS HELD FOR SALE

	2015 $	2014 $
Opening balance	-	18,000,000
Sales	-	(18,000,000)
Closing balance	-	-

During the prior year the Company completed the sale of its 30% interest in Hume Coal Pty Limited to POSCO Australia Pty Ltd ('POSA') for $9.74 million in cash and the cancellation of 134,807,307 Cockatoo Coal Limited shares held by POSA. A gain of $1,043,475 was recorded on sale. Assets held for sale had been valued at their fair value less costs to sell.

NOTE 31 - CONTINGENT LIABILITIES

Guarantees

The Company has a $71,454,703 bank guarantee facility with ANZ. At 30 June 2015 ANZ has issued guarantees under this facility totalling $71,454,703. The Company held term deposits with ANZ totalling $6,634,876 as security for the financial guarantees issued under the facility. The Company also arranged other external bank guarantees in favour of ANZ totalling $37,000,000 as part security for the facility. These external bank guarantees were issued as part of arrangements finalised with its major shareholders, Noble and SKN, during the year which enabled the release of $37,000,000 from restricted term deposits. Under the arrangements Noble and SKN each procured an $18,500,000 bank guarantee in favour of ANZ as security for guarantees on issue. Refer note 32 Subsequent Events for ANZ review of bank guarantee facility.

Details of the guarantees provided at 30 June 2015 are:

- $32,400,000 to WICET Holdings Pty Ltd under the 'Take or Pay' agreement for Stage 1 of the Wiggins Island Coal Export Terminal;
- $34,424,603 as an environmental bond to the State of Queensland against rehabilitation and any potential loss attributable to mining operations at Baralaba;
- $3,041,100 to Gladstone Ports Corporation as required by the port services agreement entered into for WICET Stage 1;
- $1,428,000 to Aurizon as an above rail security guarantee as part of the rail transportation agreement dated 24 July 2012
- $161,000 as an environmental bond to the State of Queensland against environmental offsets at the new train load out facility currently under construction.

NOTE 31 - CONTINGENT LIABILITIES (Con't)

Infrastructure agreements

The Group has entered into agreements for port and rail services (Infrastructure Agreements) that enable the Group to export coal from its existing 1 million tonne per annum mining operation. The Infrastructure Agreements include financial commitments (rail and port charges) and will also facilitate the export of coal for the expansion of mining operations to 3.5 million tonnes per annum. Increased financial commitments are associated with the commissioning and ramp up of the Stage 1 Wiggins Island Coal Export Terminal.

NOTE 32 - SUBSEQUENT EVENTS

Other than as described below, there has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

In the interval between the end of the financial year and the date of this report, ANZ has been conducting its scheduled annual review of the Group's $81m bank guarantee facility (LC facility). On 25 September 2015, ANZ has indicated to the Group that it is not willing to continue to provide the LC facility under the current arrangements. The Group awaits formal notice of the outcome of the review from ANZ, however, the Group and ANZ have commenced discussions as to how and when the facility will be restructured or terminated. The Group is also currently considering its alternatives in relation to the refinancing of the ANZ guarantee facility.

COCKATOO COAL LIMITED
and its controlled entities

DIRECTORS' DECLARATION

In the opinion of the Directors of Cockatoo Coal Limited ('the Company'):

1. (a) the consolidated financial statements and notes set out on pages 32 to 76, and the remuneration disclosures that are contained in the Remuneration Report in the Directors' Report, set out on pages 22 to 28, are in accordance with the *Corporations Act 2001*, including:

    (i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and

    (ii) complying with Australian Accounting Standards, (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

   (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2;

   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and company secretary for the financial year ended 30 June 2015.

Signed at Brisbane this 30th day of September 2015
in accordance with a resolution of the Board of Directors:

Peter Richards
Chairman

Mark Tomek

Independent auditor's report to the members of Cockatoo Coal Limited

Report on the financial report

We have audited the accompanying financial report of Cockatoo Coal Limited ('the Company'), which comprises the consolidated statement of financial position as at 30 June 2015, and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 32 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Material uncertainty regarding continuation as a going concern

Without modifying our opinion, we draw attention to note 2, "Going Concern" in the financial report. The conditions disclosed in note 2, including the Group's ability to continue as a going concern being critically dependent upon the successful completion of the Baralaba Expansion Project and the restructure or refinance of the existing $81m bank guarantee facility, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the Remuneration Report included on pages 22 to 28 of the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the Remuneration Report of Cockatoo Coal Limited for the year ended 30 June 2015, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

KPMG

KPMG

Simon Crane
Partner

Adam Twemlow
Partner

Brisbane
30 September 2015

ADDITIONAL STOCK EXCHANGE INFORMATION

Additional information as required by the Australian Stock Exchange Listing Rules and not disclosed elsewhere in this report.

Home Exchange

The Company is listed on the Australian Stock Exchange. The Home Exchange is Sydney.

Audit Committee and Technical Committee

As at the date of the Directors' Report, the Company has an Audit Committee and a Technical Committee.

Substantial Shareholdings

At 20 August 2015 the Register of Substantial Shareholders showed the following:

Liberty Metals & Mining Holdings LLC	41.39%
Maylion Pty Limited	41.39%
Harum Energy Australia Pty Limited	5.39%

Class of Shares and Voting Rights

The voting rights attached to ordinary shares, as set out in the Company's Constitution, are that every member in person or by proxy, attorney or representative, shall have one vote on a show of hands and one vote for each share held on a poll.

A member holding partly paid shares is entitled to a fraction of a vote equivalent to the proportion which the amount paid up bears to the issue price for the share.

Shares Subject to Escrow Restrictions

At 31 July 2015 there were no shares subject to escrow restrictions.

On Market Buy Back

There is no on market buy-back.

ADDITIONAL STOCK EXCHANGE INFORMATION

Distribution of Shareholders

As at 20 August 2015, the distribution of each class of equity was as follows:

Fully Paid Ordinary Shares

Range	Number of holders	Number of shares	Issued capital %
1 – 1,000	493	144,771	0.00
1,001 – 5,000	1,335	3,992,028	0.01
5,001 – 10,000	1,054	8,723,692	0.01
10,001 – 100,000	3,398	132,869,830	0.20
100,001 – 999,999,999	2,968	8,233,830,235	12.28
1,000,000,000 and above	4	58,655,334,286	87.5
Total	9,252	67,034,894,842	100.00

As at 20 August 2015, 7764 shareholders held less than marketable parcels of 495,688,433 shares.

Twenty Largest Shareholders

As at 20 August 2015 the twenty largest quoted shareholders held 92.54% of the fully paid ordinary shares as follows:

	Name	Number	%
1	JP Morgan Nominees Australia Limited	27,786,970,277	41.45
2	National nominees limited <DB A/C>	26,688,114,244	39.81
3	Harum Energy Australia Pty Limited	3,616,465,372	5.39
4	Maylion Pty Limited	1,055,410,765	1.57
5	SK Networks Resources Australia Pty Ltd	1,055,410,765	1.57
6	Citicorp Nominees Pty Ltd	490,146,903	0.73
7	Eastwood Financial & Investment Services Pty Ltd <G & E Super Fund>	206,845,675	0.31
8	JH Nominees Australia Pty Ltd <Harry Family Super Fund A/C>	132,140,854	0.20
9	HSBC Custody Nominees (Australia) Limited	129,226,862	0.19
10	Waratah Capital Partners Pty Limited	128,625,000	0.19
11	Beirne Trading Pty Ltd	125,575,127	0.19
12	Lonway Pty Limited	100,000,000	0.15
13	Wapimala Pty Limited <Lonergan Super Fund A/C>	100,000,000	0.15
14	Eastwood Financial + Investment Services Pty Ltd	93,200,630	0.14
15	Mrs Gemma YI	79,968,500	0.12
16	Australian Exports and Industrialisation Super Pty Ltd <Buck Family Super Fund A/C>	60,000,000	0.09
17	Mr Edward YI	52,925,000	0.08
18	JB Torro Pty Ltd	50,000,000	0.07
19	Mr Michael Wayne Beard <Executor G E Beard A/C>	46,305,000	0.07
20	Mr Philip Wan + Mrs Moi Wan + Miss Phoebe Jia Wan <The WAN Group Superfund A/C>	45,050,000	0.07

CORPORATE DIRECTORY

Directors:

Peter Richards (Chairman)
Damon Barber
Tim Gazzard
Stephen Motteram
K. Scott A. Thompson
Mark Tomek
Robert A. Yeates
Neil Dhar (alternate for Tim Gazzard)

Company Secretary:

Martin Lackner

Principal Place of Business and Registered Office:

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AUSTRALIA

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Web:	www.cockatoocoal.com.au

Auditors:

KPMG
Level 16, Riparian Plaza
71 Eagle Street
BRISBANE QLD 4000

Solicitors:

Minter Ellison
88 Phillip Street
SYDNEY NSW 2000

Share Registrars:

Computershare Investor Services Pty Limited
117 Victoria Street
WEST END QLD 4000

Phone:	61-7 3237 2100
Fax:	61-7 3229 9860