

**COUNTY INTERNATIONAL LIMITED**

ABN 40 149 136 783

AND CONTROLLED ENTITIES

**Appendix 4D and Half-Year Financial Report****31 December 2020**

This half-year report is for the six months ended 31 December 2020. The previous corresponding period is the half-year ended 31 December 2019.

The information in this report should be read in conjunction with the most recent annual financial report.

**Results for announcement to the market**

		\$		\$
Revenues from ordinary activities	Increased 11,011%	104,494	to	105,443
Profit from ordinary activities after tax attributable to members	Increased	84,997	to	42,750
Profit for the period attributable to members	Increased	84,997	to	42,750
<b>Dividends</b>		Amount per security		Franked amount per security
Final dividend		- ¢		- ¢
Interim dividend		- ¢		- ¢
Record date for determining entitlements to the dividend	Not applicable			
Brief explanation of any of the figures reported above:				
Refer to comments in the attached Directors' Report.				
<b>NTA Backing</b>		31 December 2020		30 June 2020
Net tangible asset backing per share		0.60 cents		0.62 cents

# **County International Limited**

(ABN 40 149 136 783)

## **Half Year Report**

**31 December 2020**

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**Company Directory**

**Directors**

Robert Cameron AO

Rodney Ruston

David Miller

**Company Secretary**

Terry Flitcroft

**Principal and Registered Office**

Level 2 Kyle House

27 Macquarie Place

Sydney NSW 2000

Telephone: (02) 9251 3311

Facsimile: (02) 9521 6550

**Auditors**

Stirling International

**Share Registrar**

Boardroom Pty Limited

Level 7, 207 Kent Street

Sydney NSW 2000

Telephone: (02) 9290 9600

Facsimile: (02) 9279 0664

**Stock Exchange Listing**

Ordinary Shares: CCJ

**Bankers**

Westpac Banking Corporation

**Website**

[www.countyinternational.com](http://www.countyinternational.com)

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## DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2020. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### Directors

The names of directors, who held office during or since the end of the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Robert Cameron AO – Non-Executive Chairman

Rodney Ruston – Chief Executive Officer and Managing Director

David Miller – Non-Executive Director

## REPORT ON OPERATIONS

In Wyoming County owns the Miller coal leases and the BAT/Piney Creek coal rights of the Shell Creek area. There is renewed interest for coal conversion projects in the Wyoming area and the Company, together with adjoining owners of the BAT/Piney property, are actively seeking a partner to commercialise our interests. There is interest from the Green Energy sector for projects that convert coal and coal fines to synthetic fuels and alternative products. County, together with neighbouring owners of its Wyoming coal assets, have continued discussions with a potential partner to commercialise the collective coal assets by converting the coal and coal fines to synthetic fuels or alternatively gasification.

Given the Company has achieved JORC status on its coal assets, the Company is continuing its efforts on securing commercialization partners.

County successfully sold and settled a surplus parcel of freehold land located at Lake DeSmet in Wyoming for approximately AUD 530,000 in August 2020. The sale was in excess of its book value at 30 June 2020.

No further work is planned on County International's coal projects in the PRB in the immediate future. County International has previously announced some 381 million tonnes of JORC coal resource in its exploration areas in Wyoming's PRB.

County's shares were suspended from trading at the end of January 2020 as the ASX took the view that the level of existing operations was not sufficient. County has continued to work on its existing activities and County actively undertook due diligence on a number of projects during 2020. As detailed in the Outlook section of this Directors' Report below, County announced in December 2020 that it had entered into an agreement with a Queensland based exploration company focusing on securing economical gold resources in northern Queensland.

## SUBSEQUENT EVENTS

The directors are not aware of any matter or circumstance that has arisen since the end of the half-year to the date of this report, other than outlined below, that has significantly affected or may affect:

- (i) The operations of the company and the entities it controls
- (ii) The results of those operations
- (iii) The state of affairs of the company in subsequent years

## FINANCIAL POSITION

County is focused on maximising the value of its existing assets.

During the first half of the financial year, the Board continued to minimise cash used by the Company.

The Company has available cash of \$862,360 at 31<sup>st</sup> December 2020.

## OUTLOOK

Prior to December 2020 County actively looked for additional projects, in which the Company can use the skills and experience held in its management team to enhance value. County actively undertook due diligence on a number of projects based in Queensland and announced on 24 December 2020 that it had reached agreement with the shareholders of Far Northern Resources Ltd ("FNR") to purchase all the shares in Far Northern Resources Ltd in consideration of stock in County.

The acquisition is subject to the company complying with Listing Rules 11.1.2 and 11.1.3 and meeting the requirements of chapters 1 and 2 of the Listing Rules. County will be lodging a preliminary application with ASX shortly and intends to call a shareholders' meeting in early 2021 to approve the transaction, which is also subject to meeting ASX requirements.

FNR is a Queensland based exploration company focusing on securing economical gold resources in the Chillagoe area on the Atherton tableland in northern Queensland. The region has a history of mining for gold, copper, silver and other minerals. FNR has secured two key areas that are the target of the acquisition by County.

FNR owns 81% of the Empire Project, which is held under an already approved mining lease. This project is located near Chillagoe and has been the subject of intense data research coupled with exploration drilling by FNR over the last three years, an effort that has resulted in a delineated gold resource over a small area of the lease. The second area, known as Rocks Reef, is held under an exploration licence and while not yet as intensively explored, is considered to be highly prospective.

Under the Agreement, County will seek shareholder and ASX approval to (in order of execution):

- a. Undertake a share consolidation (at a ratio to be determined)
- b. Acquire 100% of the FNR shares by issuing County shares to FNR shareholders that will result in FNR shareholders owning 50% of the issued capital of County.
- c. Undertake a capital raising to fund the ongoing exploration and start-up of mining operations focusing initially on the Empire project.

The acquisition of FNR includes an "earn-in" agreement with the owner of the remaining 19% of the Empire project. Under this agreement, County will have the opportunity, subject to conditions of timing and value, to increase its holding in the project up to 94%.

## COAL RESOURCE SUMMARY

A summary of County International's current Coal Resources is contained in the following table.

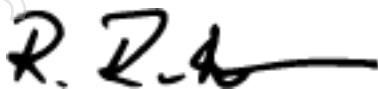
Prospect	JORC Inferred Coal Resource	JORC Indicated Coal Resource	JORC Measured Coal Resource	Total JORC Coal Resource
Shell Creek Coal Project	6 Mt	5 Mt	60 Mt	71 Mt
Miller Coal Project	-	-	310 Mt	310 Mt
Total JORC Coal Resource	6 Mt	5 Mt	370 Mt	381 Mt

Notes: (a) The information in the table "JORC-Compliant Coal Resources" is based on Independent Geologist's Report, Aqua Terra Consultants Inc., October 2012. The information in this table that relates to Geology, Exploration results and Mineral resources is based on information compiled by Steven J Stresky, who is a member of the American Institute of Professional Geologists, and a full time employee of Aqua Terra Consultants Inc. (the geology consultants to County Coal). Mr Stresky has sufficient experience which is relevant to the style of deposit under consideration and to the activity he is undertaking to qualify as a "Competent Person" as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr Stresky consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

**Auditor's Independence Declaration**

The auditor's independence declaration for the half year ended 31<sup>st</sup> December 2020 is set out on page 17 of these half yearly accounts.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'R. Ruston', followed by a horizontal line.

Rodney Ruston

Dated this 19<sup>th</sup> January 2021

# **CONSOLIDATED INCOME STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 \$	2019 \$
Interest revenue	2	120	949
Profit on disposal of land		105,323	-
Administration, development and corporate expenses		(62,693)	(43,196)
<b>Profit/(loss) before income tax expense</b>		<b>42,750</b>	<b>(42,247)</b>
Income tax expense		-	-
<b>Profit/(loss) for the period</b>		<b>42,750</b>	<b>(42,247)</b>
Basic earnings per share (cents per share)		<b>0.02</b>	<b>(0.02)</b>
Diluted earnings per share (cents per share)		<b>0.02</b>	<b>(0.02)</b>

The accompanying notes form part of these financial statements



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Profit/(loss) for the period	42,750	(42,247)
<b>Items that may be reclassified subsequently to profit or loss</b>		
Other comprehensive income:		
Foreign exchange translation difference for foreign operations	(93,815)	(3,327)
Other comprehensive loss for the period	(93,815)	(3,327)
<b>Total comprehensive loss attributable to members of the parent entity</b>	<b>(51,065)</b>	<b>(45,574)</b>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION** **AS AT 31 DECEMBER 2020**

	Notes	31 December 2020	30 June 2020
		\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		862,360	301,615
Trade and other receivables		6,120	4,699
Assets held for resale	11	-	541,569
Costs of land sale		-	6,027
<b>Total Current Assets</b>		<b>868,480</b>	<b>853,910</b>
<b>Non-Current Assets</b>			
Coal rights and capitalised exploration and evaluation expenditure	5	574,389	640,181
<b>Total Non-Current Assets</b>		<b>574,389</b>	<b>640,181</b>
<b>Total Assets</b>		<b>1,442,869</b>	<b>1,494,091</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		8,500	8,657
<b>Total Current Liabilities</b>		<b>8,500</b>	<b>8,657</b>
<b>Non-Current Liabilities</b>			
Trade and other payables		-	-
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>8,500</b>	<b>8,657</b>
<b>Net Assets</b>		<b>1,434,369</b>	<b>1,485,434</b>
<b>Equity</b>			
Issued Capital	3	16,801,665	16,801,665
Reserves	4	2,913,427	3,007,242
Accumulated losses		(18,280,723)	(18,323,473)
<b>Total Equity</b>		<b>1,434,369</b>	<b>1,485,434</b>

The accompanying notes form part of these financial statements

# **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	Foreign Currency Translation Reserve	Issued Capital	Share Option Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	<b>2,505,170</b>	<b>16,801,665</b>	<b>481,200</b>	<b>(18,250,959)</b>	<b>1,537,076</b>
Loss attributable to members	-	-	-	(42,247)	(42,247)
Total other comprehensive income	(3,327)	-	-	-	(3,327)
<b>Balance at 31 December 2019</b>	<b>2,501,843</b>	<b>16,801,665</b>	<b>481,200</b>	<b>(18,293,206)</b>	<b>1,491,502</b>
<b>Balance at 1 July 2020</b>	<b>2,525,742</b>	<b>16,801,665</b>	<b>481,500</b>	<b>(18,323,473)</b>	<b>1,485,434</b>
Profit attributable to members	-	-	-	42,750	42,750
Total other comprehensive income	(93,815)	-	-	-	(93,815)
<b>Balance at 31 December 2020</b>	<b>2,431,927</b>	<b>16,801,665</b>	<b>481,500</b>	<b>(18,280,723)</b>	<b>1,434,369</b>

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	2020 \$	2019 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	-	-
Payments to suppliers and employees (inclusive of GST)	(64,522)	(53,789)
Interest received	124	974
Net cash (used in) operating activities	(64,398)	(52,815)
<b>Cash flows from investing/financing activities</b>		
Income on disposal of land	625,856	-
Share issuance costs	-	(9,895)
Net cash provided by/(used in) investing/financing activities	625,856	(9,895)
Net (decrease)/increase in cash and cash equivalents held	561,458	(62,710)
Cash and cash equivalents at beginning of period	301,615	397,157
Net foreign exchange difference	(713)	98
<b>Cash and cash equivalents at end of reporting period</b>	<b>862,360</b>	<b>334,545</b>

The accompanying notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Statement of compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

**Basis of preparation**

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of assets held for sale. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2020 annual financial report for the financial year ended 30 June 2020, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

**Segment Reporting**

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

The Consolidated Entity operates only in one segment and accordingly no segment information is disclosed.

**Share based payments**

The Company has granted options to certain employees. The fair value of options and shares granted is recognised as a share and option expense with a corresponding increase in equity. The fair value is measured at the date the options or shares are granted taking into account market based criteria and expensed over the vesting period after which the employees become unconditionally entitled to the options and shares. The fair value of the options granted is measured using the Black-Scholes method, taking into account the terms and conditions attached to the options. The fair value of the performance shares granted is measured using the weighted average share price of ordinary shares in the Company, taking into account the terms and conditions attached to the shares. The amount recognised as an expense is adjusted to reflect the actual number of options and shares that vest except where forfeiture is due to market related conditions.

**Significant accounting policies**

The accounting policies applied by the Consolidated Entity in this Consolidated Interim Financial Report are the same as those applied by the Consolidated Entity in the Consolidated Annual Financial Report as at and for the year ended 30 June 2020. There are no new and revised accounting requirements significantly affecting the half year financial statements.

**NOTE 2: PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE**

31 December 2020	31 December 2019
\$	\$

The following items are relevant in explaining the financial performance for the half-year:

Interest revenue – deposits	120	949
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**
**NOTE 3: ISSUED CAPITAL**

	<b>31 December 2020 #</b>	<b>30 June 2020 #</b>
(a) Ordinary shares		
Issued and fully paid	239,350,008	239,350,008

Nil (2019: nil) new shares were issued during the half year.

**(b) Options**

No options were issued over unissued ordinary shares during the half-year.

5,000,000 options over unissued ordinary shares were issued to Mr Rodney Ruston during the half year to 31 December 2019. These options have an exercise price of 3 cents per share and will expire on 31 January 2023. These options will vest progressively, with 1,000,000 options vesting on 1 February 2020, a further 2,000,000 options vesting on 1 February 2021 and a further 2,000,000 options vesting on 1 February 2022.

At 31 December 2020 a total of 5,000,000 (2019: 13,000,000) options were on issue. 8,000,000 options with an exercise price of 4 cents per share expired on 31 January 2020.

**NOTE 4: RESERVES**

	<b>31 December 2020 \$</b>	<b>30 June 2020 \$</b>
Foreign currency translation reserve	2,431,927	2,525,742
Share option reserve	481,500	481,500
	<b>2,913,427</b>	<b>3,007,242</b>

**NOTE 5: EXPLORATION EXPENDITURE CAPITALISED**

Coal rights and capitalised exploration and evaluation expenditure	574,389	640,181
Movement		
At the beginning of reporting period	640,181	629,432
Foreign exchange fluctuation	(65,792)	10,749
Expended during the period	-	-
Impairment of coal rights and freehold property	-	-
At end of reporting period	<b>574,389</b>	<b>640,181</b>

As a result of the decline in world coal prices, Directors reassessed the carrying value of the 381Mt of proven-JORC Coal Resource in the Company's accounts. In assessing the recoverable value, the Directors took into consideration the attributes of the coal as determined in the Aqua Terra geologist's reports dated October 2011 and October 2012, the value paid for the various properties and coal resource in 2011 and the reduction in world thermal coal prices since 2011.

From November 2011 to June 2015 thermal coal prices reduced by approximately 44%. Given the further decline in thermal coal prices in the 2016 financial year, so as to comply with the accounting standards in assessing the value of the Company's assets, the Board further impaired the Company's coal rights and capitalised exploration and evaluation expenditure to reflect this reduction as at 30th June 2016. Given the current global thermal coal prices, the Board deems it prudent to maintain the valuation contained in the 30th June 2016 accounts. The value of the Miller coal resource was previously reduced in the Company's books in line with the decrease in world thermal coal prices. The quality of coal in the Company's Shell Creek property is below that of the Miller property and accordingly, the Board had previously written down the coal resource in this property in its entirety.

There has been no further impairment to these coal assets during the half-year ended 31 December 2020.

During July 2018, the Company relinquished some of its leases at the Shell Creek Project, to ensure future expenditure would not be necessary. County retains the BAT/Piney Creek portion of the Shell Creek area with a total JORC Coal Resource of 71Mt. County retains its ownership of the mineral leases at the Miller Coal Project with a total JORC Coal Resource of 310Mt.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020****NOTE 5: EXPLORATION EXPENDITURE CAPITALISED (continued)****Valuation technique**

Impairment of coal rights and property results from a reduction in the carrying value of the Company's exploration and evaluation expenditure as explained above and a reduction on the value of the Company's freehold property. The value of the Company's freehold property has been reassessed by the Directors based on existing market conditions.

During the 2015 financial year the Company determined it had freehold land which was considered excess to the Company's requirements. This land in Wyoming was previously reflected in coal rights, freehold property and capitalised exploration and evaluation expenditure and has been transferred to an asset held for resale. A contract for sale of this land was settled in August 2020.

Exploration assets and freehold property (Note 11) held by the Company exist in markets which are not liquid. In such cases it is challenging to determine accurate fair values for these assets. Therefore the ultimate value which may be realised for such assets in future years could vary significantly from the amounts reflected in these accounts.

**Fair value hierarchy**

In order to arrive at the recoverable amount when impairing the non-financial assets the Directors used level 3 inputs such as adjusted comparable land values and adjusted commodity prices as interpreted by the Directors. The valuation technique is as described above.

**NOTE 6: EVENTS SUBSEQUENT TO REPORTING DATE**

The directors are not aware of any matter that has significantly affected or may significantly affect the operations of the Company in subsequent financial periods.

**NOTE 7: DIVIDENDS**

No dividends were paid during or subsequent to the half year ended 31<sup>st</sup> December 2020.

**NOTE 8: ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND RESTRUCTURINGS**

No subsidiaries were acquired or disposed of during the half year ended 31<sup>st</sup> December 2020.

**NOTE 9: DISCONTINUING OPERATIONS**

No operations were discontinued during the half year ended 31<sup>st</sup> December 2020.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

**NOTE 10: CONTINGENT LIABILITIES AND COMMITMENTS**

The Consolidated Entity is not aware of any contingent liabilities, which existed as at the end of the financial period or have arisen as at the date of this report other than as detailed below.

Pursuant to the property purchase agreements in relation to the properties/leasehold coal rights acquired during the previous financial years, certain royalties are payable to vendors of the various properties. No royalties are payable at the date of these accounts.

As detailed in the "Outlook" section of the Directors' Report accompanying these accounts, County announced in December 2020 that it had entered into an agreement with a Queensland based exploration company focusing on securing economical gold resources in northern Queensland. Pursuant to the terms of this agreement County has made certain commitments to the shareholders of Far Northern Resources Ltd ("FNR") to purchase all the shares in Far Northern Resources Ltd in consideration of stock in County.

The acquisition is subject to the company complying with Listing Rules 11.1.2 and 11.1.3 and meeting the requirements of chapters 1 and 2 of the Listing Rules. County will be lodging a preliminary application with ASX shortly and intends to call a shareholders' meeting in early 2021 to approve the transaction, which is also subject to meeting ASX requirements.

	31 December 2020	31 December 2019
	\$	\$
<b>Lease Commitments</b>		
Lease Commitments contracted for but not capitalised in the financial statements		
Payable:		
-not later than 1 year	-	-
-later than 1 year but not later than 5 years	-	-
-later than 5 years	-	-
	<hr/>	<hr/>
	-	-
<b>Exploration Commitments</b>		
Exploration commitments contracted for but not capitalised in the financial statements		
Payable:		
-not later than 1 year	-	-
-later than 1 year but not later than 5 years	-	-
-later than 5 years	-	-
	<hr/>	<hr/>
	-	-



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

**NOTE 11: ASSETS HELD FOR SALE**

	<b>31 December 2020 \$</b>	<b>30 June 2020 \$</b>
Freehold property held for sale	-	541,569
Movement:		
At the beginning of reporting period	541,569	532,476
Foreign exchange fluctuation	-	9,093
Disposal during the period	(541,569)	-
	-	541,569

The Board determined prior to June 2020 that certain freehold land in Wyoming, USA would be realised as it is surplus to the Company's requirements. A contract for sale of this land was settled in August 2020 in excess of the book value.

The freehold land is not allocated to an operating segment.

**COUNTY INTERNATIONAL LIMITED**  
ACN 149136783  
**DIRECTORS' DECLARATION**

The directors of the Company declare that:

1. The financial statements and notes thereto, as set out on pages 3 to 13:
  - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
  - b. give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year then ended.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



Rodney Ruston  
Managing Director

Dated this 19<sup>th</sup> January 2021



# STIRLING INTERNATIONAL

CHARTERED ACCOUNTANTS

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF COUNTY INTERNATIONAL LIMITED

We have reviewed the accompanying half-year financial report of County International Limited and Controlled Entities (the consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies, other selected explanatory notes and the directors' declaration.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of County International Limited and Controlled Entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Independence*

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

We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the Directors of County International Limited would be in the same terms if provided to the Directors as at the date of this auditor's review report.

Level 3, 225 Clarence Street Sydney NSW 2000 Australia  
PO Box Q182 Sydney NSW 1230 ABN 65 085 182 822  
email [office@stirlinginternational.com.au](mailto:office@stirlinginternational.com.au)

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Telephone (02) 8268 8188

Liability limited by a scheme approved under Professional Standards Legislation

### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of County International Limited is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

### Inherent Uncertainty Regarding Recoverability of Assets

Without qualification to the opinion expressed above, attention is drawn to the following matters:

Included in non-current assets in Note 5 to the financial statements is capitalised exploration and evaluation expenditure at fair value of \$574,389. These assets have been valued by the directors of the company and they do not have an active market, therefore the values realised in future may be significantly different to the fair values determined by the directors of the company. The ultimate recovery of the value of these assets is dependent upon future coal prices.

Stirling International  
Chartered Accountants



**Peter Turner**

Partner

19<sup>th</sup> January 2021

225 Clarence St Sydney 2000

**LEAD AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF COUNTY INTERNATIONAL LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2020 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.

Stirling International  
Chartered Accountants



**Peter Turner**

Partner

19<sup>th</sup> January 2021

225 Clarence St Sydney 2000