

**COUNTY INTERNATIONAL LIMITED**

ABN 40 149 136 783

AND CONTROLLED ENTITIES

**Appendix 4D and Half-Year Financial Report****31 December 2021**

This half-year report is for the six months ended 31 December 2021. The previous corresponding period is the half-year ended 31 December 2020.

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	Decreased 99.95%	105,387	to 56
Loss from ordinary activities after tax attributable to members	Increased	253,575	to (210,825)
Loss for the period attributable to members	Increased	253,575	to (210,825)
<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 2021	30 June 2021	
Net tangible asset backing per share	5.69 cents	6.63 cents	

# **County International Limited**

(ABN 40 149 136 783)

## **Half Year Report**

31 December 2021

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## **Company Directory**

### **Directors**

Robert Cameron AO

Rodney Ruston

Nicholas Revell

### **Company Secretary**

Terry Flitcroft

### **Principal and Registered Office**

Suite 10.04, Level 10

56 Pitt Street

Sydney NSW 2000

Telephone: (02) 9251 3311

Facsimile: (02) 9521 6550

### **Auditors**

Stirling International

### **Share Registrar**

Boardroom Pty Limited

Sydney NSW 2000

(GPO Box 3993, Sydney NSW 2001)

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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<b>Contents</b>	<b>Page</b>
Directors' Report	<b>1</b>
Consolidated Income Statement	<b>4</b>
Consolidated Statement of Comprehensive Income	<b>5</b>
Consolidated Statement of Financial Position	<b>6</b>
Consolidated Statement of Changes in Equity	<b>7</b>
Consolidated Statement of Cash Flows	<b>8</b>
Notes to the Financial Statements	<b>9</b>
Director's Declaration	<b>13</b>
Independent Auditor's Review Report	<b>14</b>
Auditor's Independence Declaration	<b>16</b>

## DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2021. 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

Nicholas Revell – Non-Executive Director (appointed 5<sup>th</sup> August 2021)

David Miller – Non-Executive Director (resigned 5<sup>th</sup> August 2021)

## 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.

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 expanding its activities, actively undertaking due diligence on a number of projects during 2021.

As detailed in the Outlook section of this Directors' Report below, County announced in December 2021 that it has reached agreements to acquire two NSW based copper/gold exploration operations with key tenements in the Lachlan Fold Belt, a geologically significant minimised zone up to 700km wide that stretches from Cobar in the north into Victoria in the south. The acquisitions will be subject to meeting ASX and other regulatory requirements and both agreements will require shareholder approval at a meeting to be held in early 2022.

## 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

The agreement to acquire the Copper/Gold Group was amended in February 2022. Completion of this agreement and the agreement to acquire Polymet Resources Pty Limited remains 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 and shareholders' approving the transactions, which are also subject to meeting ASX requirements and other regulatory requirements at the date of these accounts.

An unsecured convertible note of \$100,000 was issued to County International Limited by Far Northern Resources Limited on 17<sup>th</sup> February 2021. This convertible note bears interest at 6% pa. This convertible note was converted into fully paid ordinary shares in Far Northern Resources Limited at a conversion price of \$0.20 per share in February 2022 and has been fully provided for in these accounts.

## 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 \$507,600 at 31<sup>st</sup> December 2021.

## OUTLOOK

County advised in September 2021 that it decided not to proceed with the proposed transaction with the shareholders of Far Northern Resources Ltd ("FNR") to purchase all the shares in FNR. Following this decision, County focused its attention to copper/gold opportunities in NSW.

In line with this change in focus, in December 2021, County announced that it has reached agreement to acquire all the shares in Polymet Pty Ltd ("**Polymet**"), the holder of two exploration tenements, and 100% of the shares in four companies (the "**Copper/Gold Group**") that together hold eleven exploration tenements. Key to these acquisitions is that all the exploration tenements being acquired are located in the Lachlan Fold Belt, a well-recognised, highly mineralised zone commencing around Cobar in northern NSW and stretching up to 700km wide southwards to central Victoria.

### Polymet

Polymet is a private copper/gold and associated minerals exploration company which is headquartered in Narellan, south-western Sydney. The company, established to secure exploration tenements in the Lachlan Fold Belt of NSW, was granted EL8983, a 11km<sup>2</sup> lease area known as Mayfield, on 18<sup>th</sup> March 2020 for a two-year period. In January 2022 a second exploration area EL9343, known as the Shoalhaven Project, was awarded, covering 127km<sup>2</sup> immediately to the east of Mayfield. Both leases are located about 35km north of Braidwood, NSW.

Polymet's key tenement is Mayfield (EL8983), which contains drill-tested gold, copper, zinc and silver mineralisation associated with an outcropping skarn structure around 500 metres from the all-weather, gravel, public Mayfield Road. Following an analysis of historical drill results in 2012, Capital Mining reported JORC 2004 compliant Inferred Resources of 4.0Mt grading 0.4%Cu, 0.7g/t Au and 8.8g/t Ag and 0.2%Zn (estimated at a 0.3% copper cut-off) hosted in an easily accessible, outcropping deposit. A separate zone of zinc-rich mineralisation, adjacent to the copper mineralisation, was estimated to contain 0.9Mt grading 2.4% zinc, 5.9g/t Ag and 0.2%Cu. The reported results have not been upgraded to JORC 2012 standards and there is no guarantee that further studies will enable the reporting of mineral resources in accordance with the JORC Code 2012. However, the past results may be indicative of the prospectivity of the licence area.

In addition to the outcropping skarn deposit, several other prospective magnetic and geochemical anomalies have been identified on the site, including the Hanging Rock prospects to the west of Mayfield and the Mayfield North extension. These are yet to be fully tested.

A recent drone based magnetic survey, funded by County, returned some very positive results and has delivered the data necessary for siting the next exploration drilling campaign so that activity on this site can commence immediately upon the acquisition being completed.

### The Copper/Gold Group

County has established Lachlan Copper and Gold Pty Ltd ("**Lachlan Copper and Gold**") as a wholly owned subsidiary to be the purchaser of the four Copper/Gold Group companies. Between them these companies hold eleven tenements, five focused on gold exploration and six on copper exploration in total covering 1,580km<sup>2</sup> (see footnote below\*).

The five tenements focused on gold exploration are located in South-Eastern NSW and North-Eastern Victoria. The tenements vary in size but in total add up to 690km<sup>2</sup>. The most northern tenement is located about 30km inland from Narooma on the south-east coast of NSW and the most southern about 45km inland from Mallacoota on the north-east coast of Victoria.

\* County is acquiring eleven exploration tenements with its acquisition of the Copper/Gold Group. However, the four companies being acquired currently hold title to only ten exploration tenements. The SPA includes provision for the eleventh exploration tenement, currently held by a fifth company that is not included in the acquisition, to have its ownership transferred to be held by one of the companies being acquired.

**OUTLOOK (continued)****The Copper/Gold Group (continued)**

The six tenements focused on copper exploration are located in the NSW mid-west. Three of the tenements are located in close proximity to each other between Cowra and Boorowa, while the other three are located a short distance north of the township of Dunedoo. In total, the copper tenements cover some 890km<sup>2</sup>.

Similar to Polymet, one of the Copper/Gold Group tenements, Yambulla, has received the majority of the Group's attention. Yambulla is the site of a significant, circa 1900 mining town and the lease is host to four small, hand-worked mines and multiple small gold diggings, which records show all together produced some 26,500oz of gold from +20g/t ore between 1899 and 1913. Little work had been done on this lease until the Copper/Gold Group secured it and undertook a data search and on-site exploration leading to some very encouraging results. As of today, a drill plan for 34 diamond drill cored holes has been prepared with approvals granted and the site is shovel-ready to start a targeted resource development campaign that will interconnect the key past-mined pockets over a 1.2km strike to a depth of up to 250 metres.

The acquisitions are 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 and shareholders' approving the transactions, which are also subject to meeting ASX requirements and other regulatory requirements.

**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 2021 is set out on page 16 of these half yearly accounts.

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



Rodney Ruston

Dated this 3<sup>rd</sup> March 2022

# **CONSOLIDATED INCOME STATEMENT** **FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 \$	2020 \$
Interest revenue	2	56	120
Profit on disposal of land		-	105,323
Diminution of convertible note		(102,203)	-
Administration, development and corporate expenses		(108,678)	(62,693)
<b>(Loss)/profit before income tax expense</b>		<b>(210,825)</b>	<b>42,750</b>
Income tax expense		-	-
<b>(Loss)/profit for the period</b>		<b>(210,825)</b>	<b>42,750</b>
Basic earnings per share (cents per share)		<b>(1.03)</b>	<b>0.02</b>
Diluted earnings per share (cents per share)		<b>(1.03)</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 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
(Loss)/profit for the period	(210,825)	42,750
<b>Items that may be reclassified subsequently to profit or loss</b>		
Other comprehensive income:		
Foreign exchange translation difference for foreign operations	19,552	(93,815)
Other comprehensive profit/(loss) for the period	19,552	(93,815)
<b>Total comprehensive loss attributable to members of the parent entity</b>	<b>(191,273)</b>	<b>(51,065)</b>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION** **AS AT 31 DECEMBER 2021**

	Notes	31 December 2021	30 June 2021
		\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		507,600	675,572
Trade and other receivables		12,498	8,260
Convertible note	11	-	102,203
<b>Total Current Assets</b>		<b>520,098</b>	<b>786,035</b>
<b>Non-Current Assets</b>			
Coal rights and capitalised exploration and evaluation expenditure	5	607,535	588,210
Receivables	12	36,440	-
<b>Total Non-Current Assets</b>		<b>643,975</b>	<b>588,210</b>
<b>Total Assets</b>		<b>1,164,073</b>	<b>1,374,245</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		4,059	22,958
<b>Total Current Liabilities</b>		<b>4,059</b>	<b>22,958</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>4,059</b>	<b>22,958</b>
<b>Net Assets</b>		<b>1,160,014</b>	<b>1,351,287</b>
<b>Equity</b>			
Issued Capital	3	16,821,165	16,821,165
Reserves	4	2,954,539	2,934,987
Accumulated losses		(18,615,690)	(18,404,865)
<b>Total Equity</b>		<b>1,160,014</b>	<b>1,351,287</b>

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	Foreign Currency Translation Reserve	Issued Capital	Share Option Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
<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>
<b>Balance at 1 July 2021</b>	<b>2,453,187</b>	<b>16,821,165</b>	<b>481,800</b>	<b>(18,404,865)</b>	<b>1,351,287</b>
Loss attributable to members	-	-	-	(210,825)	(210,825)
Total other comprehensive income	19,552	-	-	-	19,552
<b>Balance at 31 December 2021</b>	<b>2,472,739</b>	<b>16,821,165</b>	<b>481,800</b>	<b>(18,615,690)</b>	<b>1,160,014</b>

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	2021 \$	2020 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	-	-
Payments to suppliers and employees (inclusive of GST)	(129,542)	(64,522)
Interest received	54	124
Net cash used in operating activities	(129,488)	(64,398)
<b>Cash flows from investing/financing activities</b>		
Proceeds on disposal of land	-	625,856
Payments to acquire entities	(38,759)	-
Net cash (used in)/provided by investing/financing activities	(38,759)	625,856
Net (decrease)/increase in cash and cash equivalents held	(168,247)	561,458
Cash and cash equivalents at beginning of period	675,572	301,615
Net foreign exchange difference	275	(713)
<b>Cash and cash equivalents at end of reporting period</b>	<b>507,600</b>	<b>862,360</b>

The accompanying notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

**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 2021 annual financial report for the financial year ended 30 June 2021, 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 2021. 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 2021	31 December 2020
	\$	\$

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

Interest revenue – deposits	56	120
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**
**NOTE 3: ISSUED CAPITAL**

	31 December 2021 #	30 June 2021 #
(a) Ordinary shares		
Issued and fully paid	20,373,648	20,373,648

Nil (2020: nil) new shares were issued during the half year.

**(b) Options**

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

In November 2019 the company issued five million options to Mr Ruston, the Company's Managing Director. These options had 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. Following consolidation of the Company's shares in June 2021 the number of options reduced by a factor of 11.78 and the exercise price converted to 35.34 cents per share.

At 31 December 2021 a total of 199,491 (2020: 5,000,000) options were on issue.

**NOTE 4: RESERVES**

	31 December 2021 \$	30 June 2021 \$
Foreign currency translation reserve	2,472,739	2,453,187
Share option reserve	481,800	481,800
	<b>2,954,539</b>	<b>2,934,987</b>

**NOTE 5: EXPLORATION EXPENDITURE CAPITALISED**

Coal rights and capitalised exploration and evaluation expenditure	607,535	588,210
Movement		
At the beginning of reporting period	588,210	640,181
Foreign exchange fluctuation	19,325	(51,971)
Impairment of coal rights and freehold property	-	-
At end of reporting period	<b>607,535</b>	<b>588,210</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 2021.

During July 2018, the Company relinquished some of its leases at the Shell Creek Project, which will ensure future expenditure will 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 2021****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 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, other than details below:-

The agreement to acquire Lachlan Copper and Gold Pty Ltd has been amended in February 2022. Completion of this agreement and the agreement to acquire Polymet Resources Pty Limited remains 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 and shareholders' approving the transactions, which are also subject to meeting ASX requirements and other regulatory requirements at the date of these accounts.

An unsecured convertible note of \$100,000 was issued to County International Limited by Far Northern Resources Limited on 17th February 2021. This convertible note bears interest at 6% pa. This convertible note was converted into fully paid ordinary shares in Far Northern Resources Limited at a conversion price of \$0.20 per share in February 2022 and has been fully provided for in these accounts.

**NOTE 7: DIVIDENDS**

No dividends were paid during or subsequent to the half year ended 31<sup>st</sup> December 2021.

**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 2021.

**NOTE 9: DISCONTINUING OPERATIONS**

No operations were discontinued during the half year ended 31<sup>st</sup> December 2021.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

## 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.

	31 December 2021	31 December 2020
	\$	\$
<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/>
	-	-

## Exploration Commitments

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/>
	-	-
	<hr/>	<hr/>

## NOTE 11. CONVERTIBLE NOTE

An unsecured convertible note of \$100,000 was issued to County International Limited by Far Northern Resources Limited on 17th February 2021. This convertible note bears interest at 6% pa. This convertible note was converted into fully paid ordinary shares in Far Northern Resources Limited at a conversion price of \$0.20 per share in February 2022 and has been fully provided for in these accounts.

## NOTE 12. RECEIVABLES

	31 December 2021	30 June 2021
	\$	\$
Loans to other companies	36,440	-
	<hr/>	<hr/>
	36,440	-
	<hr/>	<hr/>

Funds have been advanced to other companies, which may become part of the group on completion of the acquisitions referred to elsewhere in these accounts.



**COUNTY INTERNATIONAL LIMITED**

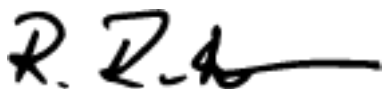
ACN 149136783

**DIRECTORS' DECLARATION**

The directors of the Company declare that:

1. The financial statements and notes thereto, as set out on pages 3 to 12:
  - 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 2021 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 3<sup>rd</sup> March 2022



# 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 2021, 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 2021 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.

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### 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 2021 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 6 to the financial statements is capitalised exploration and evaluation expenditure at fair value of \$607,535. 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



.....  
**Keanu Arya**

Partner

3<sup>rd</sup> March 2022

370 Pitt Street Sydney NSW 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 2021 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



.....  
**Keanu Arya**

Partner

3<sup>rd</sup> March 2022

370 Pitt Street Sydney NSW 2000