

## Quarterly Activities Report – Q4 16

- In Q4, County changed its approach towards securing the rights to build a multi-product bulk export terminal on the US north-west coast.
- County is no longer intending to become a rail operator, rather it is seeking to partner with an existing short-haul rail operator.
- County held further discussions with a potential supplier of non-coal, bulk export product, which confirmed their level of interest to utilise the proposed terminal.

### About County International

County International Limited (ASX:CCJ) is an Australian listed company focused on developing a North American bulk export solution that can be utilised for bulk products sourced from emerging U.S. and Canadian producers and exporters. As a potential back-up supply of bulk products, the Company holds 730Mt of JORC coal resources located in the Powder River Basin (PRB) USA.

### Investment Highlights

- County has narrowed its focus to the development of a North American multi-product bulk export terminal.
- In the 4<sup>th</sup> Quarter County changed its strategy from itself becoming a rail operator to partnering with an established US short-haul rail operator.
- To secure support of the regional port authorities while concurrently significantly reducing capital costs, County has virtually eliminated the need for dredging by securing the exclusive right to use a modern, environmentally friendly barge and transhipment technology developed in Australia.
- The proposed site is of sufficient size to allow multiple bulk loading and storage facilities for coal, grain, fertiliser or other bulk products.

### Capital Structure

<b>ASX Code</b>	<b>CCJ</b>
Share Price (Close 27-07-16)	A\$0.006
Ordinary Shares	188.350m
Total Options	11.1m
ITM Options*	-
<b>Fully-Diluted Market Cap.</b>	<b>A\$1.130m</b>
Less: Cash	A\$0.641m
Add: Debt	-
<b>Enterprise Value (EV)</b>	<b>A\$0.489m</b>

\*ITM options: in-the-money options

### Progress during the Quarter

#### North American Bulk Export Terminal

During the June quarter County International Limited (CCJ.ASX) continued to concentrate its activities on the bulk export terminal site identified in F2015.

During the past twelve months County identified and extensively analysed for acquisition a number of potential railway assets. County now intends to partner with an existing US based short-haul rail operator, rather than lease or purchase a railway asset in order to become a rail operator. This new direction will, if successful, result in County foregoing some portion of the project in exchange for the benefits an existing operator can bring to the table and, in the opinion of management, will provide a greater likelihood of overall success.

With this change of strategy in mind, County's management met with a number of established US short-haul rail operators. The outcome of these meetings is that the Company has identified a potential partner and has arranged for further meetings in the next Quarter to progress this strategy.

In the 3<sup>rd</sup> Quarter, County visited a number of businesses which it considered would be high potential shippers through a west coast port. This visit focused on coal producers in the US north west and it reconfirmed our view that there is a need for our project. In the 4<sup>th</sup> Quarter, County, along with a senior representative of County's barge and trans-shipping partner, revisited a high potential non-coal bulk materials producer to confirm that company's continued interest in the port opportunity. This meeting was positive, with the potential customer confirming interest in both the port facility and the trans-shipping strategy.

County's proposal to build and operate a ship-loading facility on the US North West coast, with capacity to load a range of bulk commodities, remains ideal with respect to both location and timing to service the expected increase in demand that should flow as recovery in the international commodities markets continues.

## Board & Management

Chairman	Robert Cameron AO
Managing Director	Rod Ruston
Non-Executive Director	David Miller
Company Secretary	Terry Flitcroft

## JORC-Compliant Coal Resources

	Shell Creek	Miller	Total
<b>Measured</b>	344	310	654
<b>Indicated</b>	17	-	17
<b>Inferred</b>	59	-	59
<b>Total</b>	<b>420</b>	<b>310</b>	<b>730</b>

See disclaimer and notes for more info

## Corporate Details

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## For More Information

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## Note to JORC-Compliant Resources

The information in the table "JORC-Compliant Coal Resources" is based on Independent Geologist's Report, Aqua Terra Consultants Inc., October 2012. The information in this table that relates to Geology, Exploration results and Mineral resources is based on information compiled by Steven J Stresky, who is a member of the American Institute of Professional Geologists, and a full time employee of Aqua Terra Consultants Inc. (the geology consultants to County International). 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.

The area identified for the proposed terminal is a brownfields industrial site. Water depth is currently not sufficient for full Panamax sized vessels (75,000 DWT) and would thus require dredging if standard port operating practices were to be adopted. To overcome this high cost aspect of the port construction and operation, County has secured the rights to a very modern and proven trans-shipment option using barges. This system is already well utilized in a number of operations in Australia and overseas. It has a relatively low capital cost and is more environmentally friendly by substantially eliminating the need for both initial and maintenance dredging of the bay. Furthermore it provides a capability to load Cape sized vessels in an area of the US north west coast where even Panamax size vessels are limited.

At the port site, the size of the available land and water frontage is significantly greater than the other opportunities investigated, thus allowing for a larger facility that could include loading capacity for both coal and other commodities such as grain and potash. As previously highlighted, other potential terminal sites, currently entering or navigating the permitting process, provide valuable information and insights as to the timelines, challenges and requirements to achieve a successful project. One of these other potential projects has recently had its approval application rejected on grounds pertinent to the area of operation of that terminal but not prevailing in the region of County's proposed project. The rejection of this other project potentially increases the need for County's project.

## Powder River Basin Coal Projects

No further work was carried out on County International's coal projects in the Powder River Basin (PRB) during the quarter. County International has previously announced some 730 million tonnes of JORC measured coal resource in its exploration areas in Wyoming's PRB. At this stage, the Company considers it has sufficient information regarding its coal assets and does not currently intend to undertake any further work on the resource.