COUNTY COAL LIMITED

2015 ANNUAL REPORT

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COUNTY COAL LIMITED

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholder,

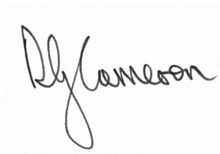
The worldwide coal market has remained depressed during the financial year, but the Company has continued its endeavour to secure ship loading facilities on the West Coast of North America. There is strong support for the view that there will be increasing thermal coal demand in Asia and that a substantial proportion of this increased demand will be supplied from the North West US and Canada. In addition, research undertaken by County Coal indicates there is a growing demand for other bulk commodities in Asia. County Coal believes now is the time to build a multiple commodity export business in the US North West to meet this projected increase in demand.

County Coal has identified an excellent site for the construction of a multi-product ship loading facility. In FY2016, the Company is aiming to secure that site and then commence the process of developing a bulk terminal to fulfill its overall strategy of becoming a significant supplier of Powder River Basin coal to the Asian thermal coal markets, as well as other commodities. Construction and operation of a bulk product terminal on the North American west coast would allow County Coal to maintain its business focus on being a supplier of coal sourced from the Powder River Basin and North West US to Asia and, because of the size of the proposed site, expand the business focus into loading products other than coal, such as grain and potash.

During the financial year the Board continued to minimize cash used by the Company. The Chairman and the CEO continued with reduced remuneration throughout the past financial year, as did a number of the Company's key advisors who had previously agreed to reduce the cost of the services supplied by up to 50%. Subsequent to the end of the financial year the Board, including the Managing Director and a number of the Company's key advisors, have agreed to reduce their remuneration to zero, so as to reduce the future cash outgoings of the Company. The Company has embarked on a rights issue to raise working capital for the Company.

I would like to thank Rod Ruston, our Managing Director and CEO, and our team for the contributions they have made to the Company during the year.

Yours faithfully,



Robert G Cameron AO

Chairman

COUNTY COAL LIMITED
MANAGING DIRECTOR'S REPORT

COMMENTARY

There is no doubt that the last twelve months have been difficult for the world coal industry in general and the US based thermal coal industry in particular. With respect to the world view, demand has declined, as world growth has slowed, resulting in a significant oversupply that has led to prices dropping by close to 30% year-on-year. The global decline, coupled with the concerted push by the US Federal Administration to cease the use of coal, in favour of gas, for domestic power generation, has magnified the issues facing the US coal industry.

The impact of this downturn has been both negative and positive for County Coal. At the end of FY2013, the Company announced that it had acquired an option over property adjacent to its Shell Creek resource area, increasing the Company's Project Area to 2,339 acres (955 hectares). The negative impacts of the decline in world coal prices are firstly, the value of County's 730 million tonnes of proven JORC coal resources has declined, resulting in a write-down in our accounts and secondly, when the option to purchase the additional property became due in July this year, County took the decision not to exercise its option. As a result, the total property under County's control in the Powder River Basin ("PRB") has reverted to the original 900+ acres (400 hectares). It should be noted that the Company's 730 million tonnes of JORC measured coal resource is contained within the original holdings and has not been affected by the decision not to exercise the purchase option.

On the positive side, County management believes that the US focus on phasing out coal-fired power generation has led to a glut in availability of export quality, domestic coal in Western USA and therefore, an increasing demand for supply routes into the Asian export markets. At the same time, amongst Asia's current major suppliers of thermal coal, a combination of government domestic coal-use policy to reduce exports from Indonesia and increasingly high cost, high risk, complex mining approval processes in Australia has resulted in these countries becoming higher risk suppliers leading Asian buyers to look to diversify.

COAL TRANSPORT PROGRAM

PRB coal is appealing from a coal quality perspective due to its low sulphur content and it provides a diversified source for Asian buyers to mitigate the increasing risk of long term reliance on Australia and Indonesia. The nature of the resources (shallow with thick seams amenable to open cut mining technology) coupled with the relatively low labour and materials costs, allows PRB coal to be competitive into Asia, in spite of the relatively large mine-to-port transport distance.

Looking at these issues, County Coal has determined the strategy for a successful, profitable US based export coal business lies in:

a) retaining our previously identified resources in the PRB and/or having access to third party coal that County can use to service markets County believes it can secure in Asia;

b) having a bulk ship-loading facility capable of efficiently loading 20mtpa into 60,000 tonne capacity ships or larger;

c) having third party coal suppliers that utilize the port facility to service their own Asian customers; and

d) having port loading capacity for other bulk products to offset the cyclic nature of the export coal business and the scale of the facility.

In early 2015, County commenced an in-depth focus on a particular site in North West USA that it believes provides an excellent opportunity for the construction of a major, multi-product bulk ship-loading facility. The area identified for this terminal is on a brownfields industrial site and while the water depth is not sufficient for panamax sized vessels (60,000 DWT), County believes the technology is available to provide efficient, environmentally safe, ship-loading capacity for this sized ship and potentially even larger ships.

The Company, through a corporate entity established specifically for the purpose, is pursuing the approvals for the construction of a port facility to export coal and other bulk commodities. County currently holds 30% of this vehicle but subject to a number of milestones being achieved and through a series of steps, including incremental funding, County will own an 85% share in the project.

The particularly exciting attribute, in relation to this property, is that the size of the identified land and water frontage is significantly greater than the other opportunities County examined, thus allowing for a larger facility that could include loading capacity for a number of commodities such as timber products, grain and potash.

After identifying the opportunity, County Coal engaged two international engineering companies, the first to examine the feasibility of constructing and operating a large, multi-product bulk ship-loading port on the identified site and the second to advise on the state of demand and supply for bulk products such as grain, potash, LNG and timber products sourced from within an economic distance of the North American west coast.

COAL TRANSPORT PROGRAM (continued)

The preliminary report on the feasibility of construction was generally positive, stating that the rail access plan was sound, the site was well located and excellent for the purpose proposed but the arrangements planned for the shipping itself could be a challenge due to tidal issues and dredging requirements. A subsequent review of the report by an expert engineer in the tidal and sea current issues of the US North West coast found the original report may have overstated the magnitude of the issues and that further study was required. Additionally, County obtained a report from a firm of naval architects and design specialists, which considered whether trans-shipment could provide a cost effective alternative. This report found trans-shipping could potentially remove many of the environmental issues, which may otherwise arise and would allow for the utilization of cape sized vessels, an opportunity not possible with dredging. By the end of FY2015, County Coal has:

a) identified a potential port site in a low-impact location;

b) had the identified site assessed by an international engineering company;

c) identified a very viable alternative to offset the risk related to the one negative issue raised by the engineering report; and

d) commenced a process to secure the access to the proposed port site.

County Coal's management considers that, under the right circumstances of demand and supply where a competitive cost/price relationship can be achieved, using our market expertise to sell coal sourced from other US suppliers would be a viable proposition. Initially, limited availability of US west coast coal loading infrastructure was a barrier to entry for this market because traditional shippers held options on future capacity. However, County Coal's proposed export terminal, located on the US North West coast, would provide an opportunity not only for the Company to sell third party coal it procured to service its identified markets (keeping its own coal reserves for exploitation in the future) but also provide access for the many smaller coal producers that have lost their domestic customers but are able to develop their own markets in the Asia. In addition, a port facility in the proposed location opens a good opportunity for the loading of bulk products other than coal.

FINANCIAL POSITION

As detailed above, the last twelve months for the world coal industry has been difficult. In light of this fact, the Board believes it was prudent to reassess the value of the Company's coal rights, freehold property and capitalised exploration and evaluation expenditure. To this end, the Board has impaired these assets by $9.9 million in the accounts as at 30 June 2015.

During the financial year the Board continued to minimize cash used by the Company. As advised previously, the Chairman and the CEO continued with reduced remuneration throughout the past financial year, as did a number of the Company's key advisors, who had previously agreed to reduce the cost of the services supplied by up to 50%. Subsequent to the end of the financial year the Board, including the Managing Director and a number of the Company's key advisors, have agreed to reduce their remuneration to zero, so as to reduce the future cash outgoings of the Company.

In early September the Company announced a Non-Renounceable Pro-Rata Rights Issue to raise approximately $470,875. The funds raised from this issue will be applied towards general administration costs and working capital requirements.

OUTLOOK

While the world coal industry is currently depressed, most commentators remain positive about two things. First, there is still strong support for the premise that there will be increasing thermal coal demand in Asia and second, there is a strong view that a substantial proportion of this increased demand will come from the North West US and Canada. In addition, research undertaken by County indicates there is a growing demand for other bulk commodities in Asia. County believes now is the time to build a bulk commodity export facility, underpinned by a coal export business sourcing coal from mines in the US North West, to meet the projected demand increase from 2018 onwards.

The Company has identified an excellent site for the construction of a multi-product ship loading facility. In FY2016, the Company expects to continue the process of securing that site. The Company's focus is to build a port facility while holding its own identified resources for exploitation at a later time.

FY2016 will see the Company further examining the availability of supply and concentrating on securing the rights to the land and other assets, required for its proposed bulk product terminal.

No further work is planned on County Coal's coal projects in the PRB in the immediate future. County Coal has previously announced some 730 million tonnes of JORC coal resource in its exploration areas in Wyoming's PRB.

COAL RESOURCE SUMMARY

A summary of County Coal'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	59 Mt	17 Mt	344 Mt	420 Mt
Miller Coal Project	-	-	310 Mt	310 Mt
Total JORC Coal Resource	59 Mt	17 Mt	654 Mt	730 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.

Directors and Management

Directors

Robert G. Cameron AO │ Non-executive Chairman BE (Hons), MBA, Grad Dip Geoscience, FAusIMM, FAIM, FAICD

Bob Cameron holds degrees in mining, mineral economics and business administration and has had more than 37 years of experience in the coal industry. This includes 14 years as a senior manager with Coal & Allied Industries in the Hunter Valley and 21 years as Founder and Managing Director/CEO of Centennial Coal Company Limited. This Company grew from a market capitalisation of $20 million and was acquired by Banpu PLC in 2010 for approximately $2.5 billion.

Upon the takeover of Centennial, Bob moved to the role of non-executive Chairman of the Company. Amongst other current positions, Bob is also Chairman of Hunter Valley Training Company Limited and Pacific Smiles Group. He is also a Director of the University of New South Wales Foundation and the Museum of Applied Arts and Sciences.

Bob is past Chairman of the Australian Coal Association, ACA Low Emissions Technology Ltd, NSW Minerals Council and the Australian Japan Coal Conference, and was a Director of Port Kembla Coal Terminal. He was also on numerous other government and industry boards and committees including the Ministerial Minerals Advisory Council and Mining Education Australia.

In 2002 The Australasian Institute of Mining and Metallurgy awarded Bob the Institute Medal in recognition of his outstanding leadership in the coal industry.

In 2005 he received the Hunter Business Person of the Year Award from the Hunter Business Chamber, and in 2010 he received the Australian Mining Prospect Award for Most Outstanding Contribution to Mining.

In 2012 he was awarded an Order of Australia for his contribution to the Australian mining industry, tertiary education and the community of the Hunter Valley.

David Miller │ Non-executive Director B.Sc (Geol)

David Miller is a geologist and businessman. He was a Director and CEO of Strathmore Minerals Corp (a TSX listed mining group) until August 2013. David's primary professional focus has been on minerals exploration, development, and mining. His career has spanned over 30 years, with a chain of companies that started with Utah International and evolved into AREVA, the French Nuclear Power Conglomerate. David is a eight term member of the Wyoming Legislature, serving District 55 – Riverton. He is currently Chairman of Judiciary Committee, served on Minerals, Revenue, Education, Corporations, and Health & Labor Committees and was an original appointee to the Wyoming Energy Commission. David is a registered professional geologist in Wyoming, a registered member of the Society of Mining Engineers, and a Fellow in the Society of Economic Geologists. David is the architect responsible for assembling the Miller Coal property, now owned by County Coal.

Rod Ruston │ Chief Executive Officer and Managing Director BE (Mining), MBA

Mr Ruston is a mining engineer, who also holds an MBA. He has 37 years of business experience in the resource industry and has worked at senior management level, including as CEO, in public companies in the coal, heavy minerals, construction and oil and gas industries. He has extensive international experience having done business in Asia through his experience in the coal industry (Savage Resources Limited, Wambo Mining, Oakbridge Limited and Kembla Coal & Coke) and in the heavy minerals industry where he was responsible, as the CEO of Ticor Ltd, for the construction and operation of a 120kt per annum titanium dioxide mining and smelting project in South Africa.

Mr Ruston joined County Coal in early July 2012. For the previous 7 years he was President and CEO of North American Energy Partners, a large mining and construction contracting company located in western Canada.

Mr Ruston is currently a non-executive director of AngloGold Ashanti Limited, a major international, South African based, gold mining company.

Your directors present their report on the company and its controlled entities for the financial year ended 30 June 2015.

Directors

The names of directors in office at any time during or since the end of the year are:

Robert G. Cameron AO - Non-Executive Chairman

Rodney Ruston – Managing Director

David Miller - Non-Executive Director

Directors have been in office since the start of the financial year to the date of this report, unless otherwise stated.

Further details as to the Directors' experience are contained on page 5 of this Annual Report.

Principal Activity

The principal activity of the Consolidated Entity during the financial year was coal exploration and development in the USA.

There were no significant changes in the nature of the Consolidated Entity's principal activities during the financial year.

Result

The consolidated loss of the Consolidated Entity amounted to $10,896,664 (2014: $1,503,667)

Dividends Paid or Recommended

There is no dividend paid, declared or recommended.

Significant Changes in State of Affairs

Other than as stated above and in the accompanying financial report, there were no significant changes in the state of affairs of the Company during the reporting year.

After Balance Date Events

The directors are not aware of any matter or circumstance that has arisen since the end of the year to the date of this report that has significantly affected or may affect:

(i) The operations of the company and the entities that it controls

(ii) The results of those operations

(iii) The state of affairs of the Company in subsequent years, other than in early September the Company announced a Non-Renounceable Pro-Rata Rights Issue to raise approximately $470,875. The funds raised from this issue will be applied towards general administration costs and working capital requirements. Additionally, subsequent to the end of the financial year the Directors and a number of the Company's key advisors have agreed to reduce their remuneration to zero from August 2015, so as to reduce the future cash outgoings of the Company.

Future Developments

In FY2016, the Company expects to continue the process of securing that site and then commence the process of developing a bulk terminal to fulfill its overall strategy of becoming a significant supplier of PRB coal to the Asian thermal coal markets. The Company's focus to build a port facility to load and/or trade third party coals into the Asian market is an appropriate strategy, given the current world oversupply of thermal coal and the availability of third party coal in the US North West. Construction and operation of a bulk coal terminal on the North American west coast would allow County Coal to maintain its business focus on being a supplier of coal sourced from the PRB and North West US to Asia and, because of the size of the proposed site, potentially expand the business focus into loading bulk products other than coal, such as grain and potash.

FY2016 will see the Company further examining the availability of supply and concentrating on securing the rights to the land and other assets required for its proposed coal loading terminal.

No further work is planned on County Coal's coal projects in the PRB in the immediate future. County Coal has previously announced some 730 million tonnes of JORC coal resource in its exploration areas in Wyoming's PRB.

Directors' Interests in Securities

As at the date of this report, details of Directors who hold shares or options in the company for their own benefit or who have an interest in holdings through a third party are detailed below.

Director	Shares	Options
Robert Cameron*	2,750,000	-
David Miller**	1,500,000	-
Rodney Ruston	-	3,000,000

* Two million five hundred thousand shares are held by Paula Suzanne Cameron and Robert Graham Cameron ATF Cameron Family Superannuation Plan of which Mr Cameron is a beneficiary and two hundred and fifty thousand are held directly.

** Shares held by Miller and Associates LLC of which Mr Miller is a Director

	DIRECTORS' MEETINGS		COMMITTEE MEETINGS			
			AUDIT COMMITTEE		REMUNERATION COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Robert Cameron	4	4	2	2	1	1
Rodney Ruston	4	4	-	-	-	-
David Miller	4	4	2	2	1	1

Indemnifying Directors or Officers

Each Director has entered into a Deed with the Company under which the Director is given access to documentation and in addition is:

- indemnified by the Company to the full extent permitted by law against all liabilities sustained or incurred through acting as a Director (under the Corporations Act the indemnity does not extend to a liability owed to the Company or its related bodies corporate, or which arises out of conduct involving a lack of good faith, or is for a pecuniary penalty order under section 1317G of the Corporations Act or a compensation order under section 1317H of the Corporations Act);
- indemnified by the Company to the full extent permitted by law against legal costs and expenses incurred in defending an action for a liability incurred as an officer of the Company (under the Corporations Act the indemnity does not extend to costs incurred in circumstances where the Director is found to have a liability for which the Director cannot be indemnified, or costs of defending or resisting criminal proceedings in which the Director is found guilty or defending proceedings brought by ASIC or a liquidator for a court order where the court holds that the grounds for making the order are established, or costs of proceedings seeking relief for the Director under the Corporations Act where the court denies relief);
- entitled to a loan to meet the costs of defending or responding to any such claim or proceeding; and
- entitled to have the Company maintain and pay premiums in respect of directors' and officers' insurance.

Board Member's Directorships

Listed below are details of other listed public company directorships held by Board Members over the last three years.

Director	Directorship of	Date Appointed	Date Resigned
Robert Cameron	Pacific Smiles Group Limited*	6 December 2002	Current
David Miller	Strathmore Minerals Corp	2004	30 August 2013
Rodney Ruston	AngloGold Ashanti Limited	1 January 2012	Current
	Cockatoo Coal Limited	15 January 2014	6 March 2015

* Listed on 21 November 2014

Options

At the date of this report there are 6.1 million ordinary shares of County Coal Limited under option. The options are exercisable at prices between 4 and 40 cents each. Each option entitles the holder, when exercised, to one Share in the capital of County Coal Limited. Further details are below.

Number of Options	Issue Date	Exercisable Date	Expiry Date	Exercise Price
3,000,000	9 July 2012	9 July 2015	9 July 2017	40 cents
100,000	25 January 2013	14 January 2016	14 January 2018	15 cents
3,000,000	24 February 2015	31 January 2018	31 January 2020	4 cents

No options were granted over unissued shares during or since the end of the financial year by the company to directors or any of the specified officers as part of their remuneration.

No options have been exercised in the last financial year.

7.2 million (2014: nil) options expired or lapsed in the last financial year.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of County Coal Limited and for the executives receiving the highest remuneration.

Remuneration Policy

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Consolidated Entity is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the remuneration committee, which currently is the majority of the board. All executives receive a total remuneration package, which may include a base salary (commensurate with their expertise and experience), superannuation, fringe benefits, options and in the future performance incentives. The remuneration committee reviews executive packages annually by reference to the Consolidated Entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The performance of executives is assessed annually and for the Chief Executive Officer's annual review considers his performance, any change to the nature and scope of his work, the current employment market for similar positions, the performance of the Company and any other matter the Board considers relevant. There are currently no bonuses and incentive arrangements in place, however the Company will give reasonable consideration to the establishment of a short term incentive plan in the future. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Other future executives may also be entitled to participate in the employee option arrangements at the discretion of the Board.

Australian executives receive a superannuation guarantee contribution, required by the government, which is currently 9.5%, and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Options are valued using the Black and Scholes methodology.

The board's normal policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Fees for executive and non-executive directors are not linked to the performance of the Consolidated Entity. Subsequent to the end of the financial year the Directors have agreed to reduce their remuneration to zero, so as to reduce the future cash outgoings of the Company. During the financial year the Directors reduced their remuneration by between 50-67% in an effort to reduce the Company's cash outgoings.

Performance Based Remuneration

As part of senior executives' remuneration packages in the future there may be a performance-based component, consisting of key performance indicators (KPIs) but there is currently no such component.

Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. The issue of options to a share option trust on behalf of the Chief Executive Officer subsequent to year end was to encourage the alignment of personal and shareholder interests. The company believes this policy should be effective in increasing shareholder wealth over the medium term.

The board will review its remuneration policy annually to ensure it is effective.

Performance Income as a proportion of Total Remuneration

All senior executives' remuneration for the year ended 30 June 2015 had only a fixed component and no variable component of their overall remuneration.

Options Issued as part of remuneration for the year ended 30 June 2015

No options were issued to directors as part of their remuneration during the year ended 30 June 2015.

REMUNERATION REPORT (continued)

Employment Contracts of Directors and Senior Executives

The employment conditions of the chief executive officer (or similar) and specified executives are formalised in contracts of employment. All executives are permanent employees of County Coal Limited.

No contract is for a fixed term. Each contract states it can be terminated by the company by giving the executive up to three months' notice and by paying a redundancy of between three to six months.

Directors' remuneration

The following table discloses the remuneration of Directors of the company for the years ended 30 June 2014 and 2015, as specified for disclosure by AASB 124. The information contained in this table is audited.

	Short-term Benefits		Post- Employment Benefits		
Director	**Salary & Fees**	**Share Option Benefit**	**Superannuation**	**Termination Benefits**	**Total**
Robert Cameron					
- 2015	60,000	-	5,700	-	65,700
- 2014	115,000	-	10,638	-	125,638
Rodney Ruston*					
- 2015	91,533	160,000	8,696	-	260,229
- 2014	259,922	160,000	24,044	-	443,966
David Miller					
- 2015	53,259	-	-	-	53,259
- 2014	52,462	-	-	-	52,462
Marcus Boland**					
- 2015	-	-	-	-	-
- 2014	56,094	-	5,458	17,614	79,166
TOTAL 2015	**204,792**	**160,000**	**14,396**	**-**	**379,188**
TOTAL 2014	**483,478**	**160,000**	**40,140**	**17,614**	**701,232**

* In addition to salary and superannuation, Mr Ruston also received a share option benefit of $160,000 pertaining to options issued to a share option trust on his behalf in 2012.

** Resigned from the Board effective November 2013.

For the year ended 30 June 2015 the Company had two employees (2014: 2). The key management personnel of the consolidated group comprise the directors.

REMUNERATION REPORT (continued)

Share and Option holdings

Details of shares and options held by key management personnel (including those holding entities associated with Directors) are set out below.

Shares held by Key Management Personnel

Year ended 30 June 2015 Directors	Balance at beginning of year	Shares Acquired	Shares held at resignation	Balance at end of year
R. Cameron**	2,750,000	-	-	2,750,000
R. Ruston	-	-	-	-
D. Miller***	1,500,000	-	-	1,500,000
Total	4,250,000	-	-	4,250,000

Year ended 30 June 2014 Directors	Balance at beginning of year	Shares Acquired	Shares held at resignation	Balance at end of year
M. Boland*	19,000,000	-	(19,000,000)	-
R. Cameron**	2,750,000	-	-	2,750,000
R. Ruston	-	-	-	-
D. Miller***	1,500,000	-	-	1,500,000
Total	23,250,000	-	(19,000,000)	4,250,000

* Shares held by companies of which Mr Boland is a Director (RTM Holdings Limited (7 million shares), Intercoal Limited (5 million shares) and Resource Capital Limited (7 million shares)). Mr Boland resigned effective 14 November 2013.

** Two million five hundred thousand shares are held by Paula Suzanne Cameron and Robert Graham Cameron ATF Cameron Family Superannuation Plan of which Mr Cameron is a beneficiary and two hundred and fifty thousand are held directly.

*** Shares held by Miller and Associates LLC of which Mr Miller is a Director.

REMUNERATION REPORT (continued)

Options held by Key Management Personnel

Year ended 30 June 2015 Directors	Balance at beginning of year	Options Issued	Options Lapsed or Exercised	Balance at end of year	Total Vested 30.6.15	Total Exercisable	Total Un-exercisable
R. Ruston	3,000,000	-	-	3,000,000	2,000,000	-	3,000,000
R. Cameron*	3,000,000	-	(3,000,000)	-	-	-	-
D. Miller**	500,000	-	(500,000)	-	-	-	-
Total	6,500,000	-	3,500,000	3,000,000	2,000,000	-	3,000,000

Year ended 30 June 2014 Directors	Balance at beginning of year	Options Issued	Options Lapsed or Exercised	Balance at end of year	Total Vested 30.6.14	Total Exercisable	Total Un-exercisable
R. Ruston	3,000,000	-	-	3,000,000	1,000,000	-	3,000,000
R. Cameron*	3,000,000	-	-	3,000,000	3,000,000	3,000,000	-
D. Miller**	500,000	-	-	500,000	500,000	500,000	-
Total	6,500,000	-	-	6,500,000	4,500,000	3,500,000	3,000,000

* Options are held by Paula Suzanne Cameron and Robert Graham Cameron ATF Cameron Family Superannuation Plan of which Mr Cameron is a beneficiary.

** Options are held by Miller and Associates LLC of which Mr Miller is a Director.

In July 2012 the company issued three million options to an option share trust on behalf of Mr Ruston, the Company's Managing Director. The options vest progressively at the rate of one third each completed year of Mr Ruston's employment over the next three years and are to be exercisable, upon payment of 40 cents per share, during the period from 9 July 2015 until their expiry on 9 July 2017.

Contracts with Key Management Personnel

Pursuant to a property purchase agreement in relation to properties acquired in 2011 from Miller and Associates LLC, located in Campbell County, Wyoming, certain royalties may be payable to Miller and Associates LLC in the future. Pursuant to this agreement one million shares and 500,000 options were issued to Miller and Associates LLC in 2011. These options expired during this financial year. In the 2011/2012 year the company exercised its option to acquire additional land (including coal rights) in the Shell Creek area and in consideration US$100,000 and an additional 500,000 shares were issued to Miller Associates LLC. Miller and Associates LLC is associated with Mr Miller a director of the company.

All the above transactions were made on normal commercial terms and conditions.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of County Coal Limited support and have adhered to key principles of corporate governance.

Please refer to the Corporate Governance Statement of County Coal Limited on our website for more information http://www.countycoal.com/index.php/corporate-details/corporate-governance.

Environmental regulations

The operations and proposed activities of its wholly owned subsidiary companies County Energy Inc., County Coal Company LLC., and Clear Creek Holdings LLC are and will be subject to USA laws and regulations concerning the environment. The operations and proposed activities of its wholly owned subsidiary companies County Coal (Canada) Limited and County Terminals Limited are and will be subject to Canadian laws and regulations concerning the environment. As with most production operations, County Coal's activities are expected to have an impact on the environment. It is County Coal's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all operational and environmental laws. Nevertheless, there are certain risks inherent in County Coal's activities, such as accidental waste water spills, gas leaks, or explosions or other unforeseen circumstances, which could subject County Coal to extensive liability.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of these proceedings.

The company was not a party to any such proceedings during the year.

Use of Cash

Since listing the Company has utilised the cash that it had at the time of admission to the ASX in a way consistent with its business objectives.

Non-audit Services

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Fees of $1,500 were paid to the external auditors during the year ended 30 June 2015 for the preparation of income tax returns.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2015 is set out on page 42.

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

Robert Cameron
Chairman
30 September 2015

COUNTY COAL LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $	2014 $
Interest revenue		14,728	68,244
Administration, development and corporate expenses		(1,039,967)	(1,571,903)
Impairment of coal rights and freehold property	8	(9,871,376)	-
Interest paid		(49)	(8)
Loss before income tax expense		**(10,896,664)**	**(1,503,667)**
Income tax expense	5	-	-
Loss for the period		**(10,896,664)**	**(1,503,667)**
Basic earnings per share (cents per share)	23	**(11.57)**	**(1.60)**
Diluted earnings per share (cents per share)	23	**(11.57)**	**(1.60)**

The accompanying notes form part of these financial statements.

COUNTY COAL LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	2015 $	2014 $
Loss	(10,896,664)	(1,503,667)
Items that may be reclassified subsequently to the income statement		
Other comprehensive income:		
Foreign exchange translation difference for foreign operations	1,517,170	(354,668)
Other comprehensive income for the period	**1,517,170**	**(354,668)**
Total comprehensive loss attributable to members of the parent entity	**(9,379,494)**	**(1,858,355)**

The accompanying notes form part of these financial statements.

COUNTY COAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	2015 $	2014 $
Assets			
Current Assets			
Cash and cash equivalents	6	245,114	1,564,165
Trade and other receivables	7	41,714	107,640
Assets held for resale	26	1,168,418	-
Total Current Assets		**1,455,246**	**1,671,805**
Non-Current Assets			
Coal rights, freehold property and capitalised exploration and evaluation expenditure	8	637,200	10,272,355
Interest in joint venture	25	431,907	-
Property, plant and equipment	9	650	2,026
Total Non-Current Assets		**1,069,757**	**10,274,381**
Total Assets		**2,525,003**	**11,946,186**
Liabilities			
Current Liabilities			
Trade and other payables	10	86,951	288,640
Total Current Liabilities		**86,951**	**288,640**
Non-Current Liabilities			
Trade and other payables	10	-	-
Total Non-Current Liabilities		**-**	**-**
Total Liabilities		**86,951**	**288,640**
Net Assets		**2,438,052**	**11,657,546**
Equity			
Issued Capital	11	16,054,410	16,054,410
Reserves	12	2,837,261	1,160,091
Accumulated losses		(16,453,619)	(5,556,955)
Total Equity		**2,438,052**	**11,657,546**

The accompanying notes form part of these financial statements.

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

	Issued Capital	Foreign Currency Translation Reserve	Share Option Reserve	Accumulated Losses	Total
	$	$	$	$	$
Balance at 1 July 2013	**16,054,410**	**1,194,759**	**160,000**	**(4,053,288)**	**13,355,881**
Loss attributable to members	-	-	-	(1,503,667)	(1,503,667)
Share option reserve on recognition of remuneration options	-	-	160,000	-	160,000
Total other comprehensive income	-	(354,668)	-	-	(354,668)
Balance at 30 June 2014	**16,054,410**	**840,091**	**320,000**	**(5,556,955)**	**11,657,546**
Loss attributable to members	-	-	-	(10,896,664)	(10,896,664)
Share option reserve on recognition of remuneration options	-	-	160,000	-	160,000
Total other comprehensive income	-	1,517,170	-	-	1,517,170
Balance at 30 June 2015	**16,054,410**	**2,357,261**	**480,000**	**(16,453,619)**	**2,438,052**

The accompanying notes form part of these financial statements.

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

	Note	2015 $	2014 $
Cash flows from operating activities			
Receipts from customers		-	-
Payments to suppliers and employees (inclusive of GST)		(745,878)	(1,589,895)
Interest received		16,704	81,420
Interest paid		(49)	(8)
Net cash used in operating activities	14(b)	(729,223)	(1,508,483)
Cash flows from investing/financing activities			
Funds advanced to joint venture		(377,369)	
Acquisition of coal rights, freehold property and exploration and evaluation expenditure		(212,459)	(214,162)
Net cash used by investing/financing activities		(589,828)	(214,162)
Net decrease in cash and cash equivalents held		(1,319,051)	(1,722,645)
Cash and cash equivalents at beginning of period		1,564,165	3,286,810
Cash and cash equivalents at end of reporting period	14(a)	245,114	1,564,165

The accompanying notes form part of these financial statements.

1. REPORTING ENTITY

County Coal Limited is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2015 comprise the Company and its controlled entities (together referred to as the Consolidated Entity). The Consolidated Entity is involved in coal exploration and development in the USA.

2. BASIS OF PREPARATION

a. Statement of compliance

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The financial report of the Consolidated Entity and the financial report of the Company comply with International Financial Reporting Standards and Interpretations adopted by the International Accounting Standards Board.

b. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

c. Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

d. Use of judgments and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and 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 year in which the estimate is revised and in any future years affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is described in the following areas: Impairment and Financial Instruments.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements and have been applied consistently by all entities in the Consolidated Entity.

a. Basis of Consolidation

Controlled entities

Controlled entities are entities controlled by the Company. Control exists when the Company has power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases. Investments in controlled entities are carried at their cost of acquisition in the Company's financial statements.

Transactions eliminated on consolidation

Intra-group balances and any recognised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

b. Income Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognised:

Interest

Control of the right to receive the interest payment.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of 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 relevant taxation authority is included as a current asset or liability in the balance sheet. 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 relevant taxation authority are classified as operating cash flows.

d. Foreign Currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of controlled entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary transactions denominated in foreign currencies that are stated at historical cost 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 the functional currency at the foreign exchange rates ruling at the date the fair value was determined. Foreign exchange differences arising on translation are recognised in the income statement.

Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, generally are translated to the functional currency at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated to the functional currency at rates approximating the foreign exchange rates ruling at the dates of transactions. Foreign currency differences arising from translation of controlled entities with a different functional currency to that of the Consolidated Entity are recognised in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount of its FCTR is transferred to profit or loss.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the FCTR.

e. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

f. Provisions

A provision is recognised in the balance sheet when the Consolidated Entity has a present legal or constructive obligation as a result of a past event that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

g. Impairment

The carrying amounts of the Consolidated Entity's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below). 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 income statement unless the 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 the income statement. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit or a group of units and then, to reduce the carrying amount of the other assets in the unit or a group of units on a pro-rata basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Impairment (continued)

Calculation of recoverable amount

Receivables

The recoverable amount of the Consolidated Entity's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted. Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Impairment testing of significant receivables that are not assessed as impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance date. The allowance for impairment is calculated with reference to the profile of debtors in the Consolidated Entity's sales and marketing regions.

Other Assets

The recoverable amount of other 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 discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash flows from continuing use that are largely independent of the cash flows of other assets or groups of assets (cash generating units). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to the cash generating units that are expected to benefit from the synergies of the combination. 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 in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. 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 recognised, if no impairment loss had been recognised.

h. 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 accounting policy (g)). An asset's cost is determined as the consideration provided plus incidental costs directly attributable to the acquisition. Subsequent costs in relation to replacing a part of property, plant and equipment are recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the Consolidated Entity and its cost can be measured reliably. All other costs are recognised in the income statement as incurred.

Leased assets – Operating leases

Payments made under operating leases are expensed on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Minimum lease payments include fixed rate increases.

Depreciation

Depreciation is recognised in the income statement on a straight-line basis. Items of property, plant and equipment, including leasehold assets, are depreciated using the straight-line method over their estimated useful lives, taking into account estimated residual values. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use. Depreciation rates and methods, useful lives and residual values are reviewed at each balance sheet date. When changes are made, adjustments are reflected prospectively in current and future financial years only. The estimated useful lives in the current and comparative years are as follows:

Plant & equipment	3 – 10 years

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

i) such costs are expected to be recouped through successful development and exploitation or from sale of the area; or

ii) exploration and evaluation activities in the area have not, at balance date, resulted in booking economically recoverable reserves, and active operations in, or relating to, this area are continuing.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Amortisation is charged against individual deposits currently based on reserve estimates. Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

j. Restoration

Provisions for future environmental restoration are recognised where there is a present obligation as a result of exploration, development, production, transportation or storage activities having been undertaken, and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated future obligations include the costs of removing facilities, abandoning mines and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements and technology. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at the end of the balance sheet date, with a corresponding change in the cost of the associated asset.

The amount of the provision for future restoration costs relating to exploration, development and production facilities is capitalized and depleted as a component of the cost of those activities.

The unwinding of the effect of discounting on the provision is recognised as a finance cost.

k. Employee Benefits

Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave expected to settle within 12 months of the year end represent present obligations resulting from employees' services provided up to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Consolidated Entity expects to pay as at reporting date including related on-costs, such as workers' compensation insurance and payroll tax.

l. Receivables

Trade and other receivables are stated at amortised cost less impairment losses (see accounting policy (g)).

m. Taxation

Income tax expense in the income statement for the years presented comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is calculated using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of goodwill and other assets or liabilities in a transaction that affects neither accounting nor taxable profit, or differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Taxation (continued)

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based upon the laws that have been enacted at reporting 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 recognised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be recognised. Additional income taxes that arise from distribution of dividends are recognised at the same time as liability to pay the related dividend is recognised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on a different tax entity but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be recognised simultaneously.

n. Payables

Trade and other payables are stated at amortised cost.

o. Finance income and expense

Interest income is recognised as it accrues in the income statement using the effective interest method.

p. Earnings per share

The Consolidated Entity presents basic and diluted earnings/(loss) per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the net profit/(loss) attributable to equity holders of the parent for the financial year, after excluding any costs of servicing equity (other than ordinary shares) by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated using the basic EPS earnings/(loss) as the numerator. The weighted average number of shares used as the denominator is adjusted by the after-tax effect of financing costs associated with the dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares adjusted for any bonus issue.

q. Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any income tax benefit.

r. New standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2015. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

r. New standards and interpretations not yet mandatory or early adopted (continued)

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2017. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

s. New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The consolidated entity has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

The consolidated entity has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

The consolidated entity has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Other financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the year established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category ‘financial assets at fair value through profit or loss’. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when investments are derecognised or impaired, as well as through amortisation process.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm’s length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

4. FINANCIAL RISK MANAGEMENT

Overview

The Company and Consolidated Entity have exposure to the following risks from the use of financial instruments:

• Credit risk

• Liquidity risk

• Market risk

This note presents information about the Company's and the Consolidated Entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these consolidated financial statements. The Board of directors has overall responsibility for the establishment and oversight of the risk management and monitors operational and financial risk management throughout the Consolidated Entity. Monitoring risk management includes ensuring appropriate policies and procedures are published and adhered to.

The Board aims to manage the impact of short-term fluctuations on the Company's and the Consolidated Entity's earnings. Over the longer term, permanent changes in market rates will have an impact on earnings.

The Company and the Consolidated Entity are exposed to risks from movements in exchange rates and interest rates that affect revenues, expenses, assets, liabilities and forecast transactions. Financial risk management aims to limit these market risks through ongoing operational and finance activities.

Exposure to credit, foreign exchange and interest rate risks arises in the normal course of the Company's and the Consolidated Entity's business. Derivative financial instruments are not used to hedge exposure to fluctuations in foreign exchange rates.

Credit Risk

Credit risk is the risk of financial loss to the Company or the Consolidated Entity if a customer, controlled entity or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's and the Consolidated Entity's receivables from customers.

Trade and other receivables

The Company's and Consolidated Entity's exposure to credit risk is influenced mainly by the geographical location and characteristics of individual customers. The Consolidated Entity does not have a significant concentration of credit risk with a single customer.

Policies and procedures of credit management and administration of receivables are established and executed at a regional level. Individual regions deliver reports to management and the Board on debtor ageing and collection activities on a monthly basis.

In monitoring customer credit risk, the ageing profile of total receivables balances is reviewed by management by geographic region on a monthly basis. Regional management is responsible for identifying high risk customers and placing restrictions on future trading, including suspending future shipments and administering dispatches on a prepayment basis.

The Company and the Consolidated Entity have established an allowance for impairment that represents their estimate of incurred losses in respect of trade and other receivables.

Cash and Cash Equivalents

Credit risk related to balances with banks and other financial institutions is managed in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor’s rating of at least AA-. Note 21 provides information regarding the credit risk relating to cash and money market securities based on S&P counterparty credit ratings.

Liquidity Risk

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as they fall due. The Consolidated Entity'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 Consolidated Entity's reputation.

The Consolidated Entity monitors cash flow requirements and produces cash flow projections for the short and long term with a view to optimising return on investments. Typically, the Consolidated Entity ensures that it has sufficient cash on demand to meet expected operational net cash flows for a period of at least 30 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

4. FINANCIAL RISK MANAGEMENT (continued)

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's and the Consolidated Entity's net loss or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency Risk

The Consolidated Entity will undertake its coal exploration and development activities in US and Canadian currency and be exposed to currency risk on the value of its exploration assets that are denominated in United States dollars (USD) and Canadian dollars (CAD).

A percentage of the Consolidated Entity's future revenues from coal exploration and development activities may be denominated in currencies other than AUD. Risk resulting from the translation of assets and liabilities of foreign operations into the Consolidated Entity's reporting currency is not hedged.

Interest Rate Risk

The Consolidated Entity is exposed to interest rate risks in Australia. See Note 21 for effective interest rates.

Capital Management

The Consolidated Entity's objectives when managing capital are to safeguard its ability to continue as a going concern, to provide returns to shareholders, to provide benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board aims to maintain and develop a capital base appropriate to the Consolidated Entity. In order to maintain or adjust the capital structure, the Consolidated Entity can issue new shares. The Board of directors undertakes periodic reviews of the Consolidated Entity's capital management position to assess whether the capital management structure is appropriate to meet the Consolidated Entity's medium and long-term strategic requirements. Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements. There were no significant changes in the approach to capital management during the year.

5. INCOME TAXES

	2015 $	2014 $
(a) Tax expense/(benefit)		
The prima facie income tax expense on pre-tax accounting profit/(loss) from operations reconciles to the income tax expense in the financial statements as follows:		
Net loss for the year	(10,896,664)	(1,503,667)
Income tax benefit calculated at 30% of loss using the company's domestic tax rate.	(3,268,999)	(451,100)
Add/(less) tax effect of:		
Other non-allowable items	82,814	103,100
Other allowable items	(69,055)	(69,055)
Other temporary differences not recognised	3,005,486	45,827
Unused tax losses not recognised as deferred tax assets	249,754	371,228
Income tax expense/(benefit)	-	-
(b) Deferred Tax Assets		
The following deferred tax balances at 30% (2014: 30%) have not been recognised:		
Revenue losses	1,571,906	1,322,152
Development expenditure	662,870	580,056
Capital raising costs	69,055	138,110
Other	2,669,247	(53,400)
Provisions and accruals	4,497	8,307
	4,977,575	1,995,225

6. CASH AND CASH EQUIVALENTS

	2015 $	2014 $
Cash at bank – A$ Accounts	40,826	1,025,370
Cash at bank – USD Accounts	196,665	538,112
Cash at bank – CAD Accounts	7,623	683
	245,114	1,564,165

Cash at bank earns interest at floating rates based on daily bank deposit rate.

7. OTHER RECEIVABLES

	2015 $	2014 $
Current		
Other receivables	41,714	107,640
	41,714	107,640

There is no exposure to credit risk from other receivables. Other receivables are not past due and not impaired.

8. EXPLORATION EXPENDITURE CAPITALISED

	2015 $	2014 $
Coal rights, freehold property and capitalised exploration and evaluation expenditure	637,200	10,272,355
	637,200	10,272,355
Movement		
At the beginning of reporting year	10,272,355	10,609,873
Foreign exchange fluctuation	1,192,144	(551,680)
Expended during the year	212,495	214,162
Impairment of coal rights and freehold property	(9,871,376)	-
Transfer to assets held for resale (refer Note 26)	(1,168,418)	-
At end of reporting year	637,200	10,272,355

8. EXPLORATION EXPENDITURE CAPITALISED (continued)

As a result of the decline in world coal prices, Directors have reassessed the carrying value of the 730Mt of proven-JORC Coal Resource in the Company's accounts. In assessing the recoverable value, the Directors have taken 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 have reduced by approximately 44%. The value of the Miller coal resource has been reduced in the Company's books in line with this 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 has written down the coal resource in this property in its entirety.

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 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 as it is the Directors intention to realise this property.

Exploration assets and freehold property (Note 26) 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 Director 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.

9. PROPERTY, PLANT & EQUIPMENT	**2015 $**	**2014 $**
Cost	6,284	6,284
Less provision for depreciation	(5,634)	(4,258)
	650	2,026

Movements in the carrying amounts of plant and equipment during the year:		
Balance at the beginning of the year	2,026	3,758
Foreign exchange fluctuation	16	(28)
Additions	-	-
Depreciation expense	(1,392)	(1,704)
Carrying amount at end of year	650	2,026

10. TRADE & OTHER PAYABLES

Current		
Other creditors	5,418	223,516
Accruals	81,553	65,124
	86,951	288,640
Non-Current		
Other creditors	-	-

11. SHARE CAPITAL

Issued and paid up capital

94,175,004 (2014 – 94,175,004) Ordinary shares fully paid	16,054,410	16,054,410

(a) Movements in paid up capital

At the beginning of the reporting year	16,054,410	16,054,410
- Issued during year (refer below)	-	-
- Less costs of issue	-	-
At end of reporting year	16,054,410	16,054,410

(b) Movements in shares on issue

	2015 # shares	2014 # shares
At the beginning of the reporting year	94,175,004	94,175,004
Shares issued during the year	-	-
At end of reporting year	94,175,004	94,175,004

(c) Options

At 30th June 2015 there were 6.1 million (2014: 10.3 million) existing options on issue. The options are exercisable at prices between 4 and 40 cents (2014: between 15 and 40 cents) each. Each option entitles the holder, when exercised, to one Share in the capital of County Coal Limited.

Number of Options	Issue Date	Exercisable Date	Expiry Date	Exercise Price
3,000,000	9 July 2012	9 July 2015	9 July 2017	40 cents
100,000	25 January 2013	14 January 2016	14 January 2018	15 cents
3,000,000	24 February 2015	31 January 2018	31 January 2020	4 cents

Terms and conditions of contributed equity

Ordinary shares

Holders of ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Options over ordinary shares

There was no exercise of options during the year ended 30 June 2015.

	2015 $	2014 $
12. RESERVES		
Share option reserve	480,000	320,000
Foreign currency translation reserve	2,357,261	840,091
	2,837,261	1,160,091

The share option reserve records items recognized as expenses on valuation of share options issues as remuneration.

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiaries.

13. REMUNERATION OF AUDITORS

	2015 $	2014 $
Remuneration of the Company's auditors for:		
Auditing or reviewing the financial report	15,000	16,000
Other services	1,500	1,500
Total auditors' remuneration included in operating result	16,500	17,500

14. RECONCILIATION OF CASH

(a) Cash balances comprises cash at bank:

	2015 $	2014 $
- $A accounts	40,826	1,025,370
- US Dollar accounts	196,665	538,112
- CAD Dollar accounts	7,623	683
	245,114	1,564,165

(b) Reconciliation of operating loss after income tax to net cash outflow from operating activities

	2015 $	2014 $
Net loss	(10,896,664)	(1,503,667)
Depreciation	1,392	1,704
Share option expense	160,000	160,000
Impairment of coal rights and freehold property	9,871,376	-
Effects of movement in foreign exchange	402,288	(28,715)
Change in assets/liabilities:		
Increase/(decrease) in receivables	(65,926)	21,788
Decrease in payables	(201,689)	(159,593)
Net cash used in operating activities	(729,223)	(1,508,483)

15. INTEREST IN SUBSIDIARIES

Interests are held in the following

Name	Country of Incorporation	Ownership Interest 2015	Ownership Interest 2014
County Coal Company LLC	USA	100%	100%
County Energy Inc.	USA	100%	100%
Clear Creek Holdings LLC	USA	100%	100%
County Coal Export Pty Limited	Australia	100%	100%
County Coal (Canada) Limited	Canada	100%	100%
County Terminals Limited	Canada	100%	100%

16. SHARE BASED PAYMENTS

(a) Shareholdings and Options and Rights Holdings held by Key Management Personnel, including options held in associated entities.

Please refer to the Remuneration Report section of the Directors' Report.

(b) Options issued as Part of Remuneration for the year ended 30 June 2015

No options are held by or were issued to directors as part of their remuneration in the current year. Upon Rodney Ruston's appointment as Chief Executive Officer in July 2012 a total of 3,000,000 options was issued to a share option trust on his behalf. These options were still held by the share option trust as at 30 June 2015.

In January 2013, the company issued 100,000 options to an employee vesting progressively over the next 3 years at the rate of 30,000 options for each of the first two years of completed employment by the employee from 14 January 2013 and the remaining 40,000 options vesting after the employee's third completed year of employment from 14 January 2013. The options are exercisable upon payment of 15 cents per share during the period from 14 January 2016 until their expiry on 14 January 2018.

In February 2015, the company issued 3,000,000 options to an employee, subject to vesting conditions. The options are exercisable upon payment of 4 cents per share during the period from 31 January 2018 until their expiry on 31 January 2020.

The options issued to executives outstanding at 30 June 2015 had a weighted average exercise price of $0.1535 (2014: $0.3876) and a weighted average remaining contractual life of 3.05 years (2014: 3.52 years). Exercise prices range from $0.04 to $0.40 (2014: $0.15 to $0.40) in respect of options outstanding at 30 June 2015. No options were issued as remuneration in the previous year.

The weighted average fair value of the options granted during the year was $0.005 per option (2014: N/A).
This price was calculated by using a Black-Scholes option pricing model applying the following inputs:

	2015	2014
Weighted average exercise price	$0.04	-
Weighted average life of the option	5 years	-
Underlying share price approximating	$0.021	-
Expected share price volatility	50	-
Risk free interest rate	2.75	-

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future trends, which may not eventuate.

Exercisability of the options has been considered when determining the fair value of the options.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future. Included under share and option expense in the income statement is $160,000 (2014: $160,000), that relates, in full, to equity-settled share-based payment transactions.

(c) Employee Benefits

At 30 June 2015, County Coal Limited had one executive director (2014: 1) and one employee (2014: 2)

17. EVENTS SUBSEQUENT TO BALANCE DATE

The directors are not aware of any matter or circumstance that has arisen since the end of the year to the date of this report that has significantly affected or may affect:

(i) The operations of the company and the entities that it controls

(ii) The results of those operations

(iii) The state of affairs of the company in subsequent years other than in early September 2015 the Company announced a Non-Renounceable Pro-Rata Rights Issue to raise approximately $470,875. The funds raised from this issue will be applied towards general administration costs and working capital requirements. Additionally, subsequent to the end of the financial year the Directors have agreed to reduce their remuneration to zero from August 2015, so as to reduce the future cash outgoings of the Company.

18. 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.

Pursuant to a property purchase agreement in relation to the Shell Creek Coal Project located in Johnson County, Wyoming, in addition to certain royalties payable in the future, an additional amount is payable to the vendors of US$0.10 per short ton* proved up to JORC Proved Coal Reserve status over 10 years, up to an estimated 220,000,000 short tons. An amount of US$5 million was paid to the vendors in December 2011 in lieu of the first 50,000,000 short tons to be proven up.

*Note that this agreement uses an imperial unit of measurement known as a "short ton" which is a unit of weight equivalent to 2,000 pounds or 907.18474 kilograms.

Lease commitments	**2015 $**	**2014 $**
Lease commitments contracted for but not capitalised in the financial statements		
- Payable:		
- Not later than 1 year	-	40,500
- Later than 1 year but not later than 5 years	-	-
- Later than 5 years	-	-
	-	40,500
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	-	-
	-	-

19. RELATED PARTY DISCLOSURES

(a) Ultimate Parent

County Coal Limited is the ultimate Australian parent company.

The following companies are wholly owned subsidiaries- County Energy Inc., County Coal Company LLC and Clear Creek Holdings LLC, all of which are incorporated in the USA, County Terminals Ltd and County Coal (Canada) Limited both of which are incorporated in Canada and County Coal Export Pty Limited.

19. RELATED PARTY DISCLOSURES (continued)

(b) Other Related Party Transactions

Pursuant to a property purchase agreement in relation to properties acquired in 2011 from Miller and Associates LLC, located in Campbell County, Wyoming, certain royalties may be payable to Miller and Associates LLC in the future. Pursuant to this agreement one million shares and 500,000 options were issued to Miller and Associates LLC in 2011. These options expired during this financial year. In the 2011/2012 year the company exercised its option to acquire additional land (including coal rights) in the Shell Creek area and in consideration US$100,000 and an additional 500,000 shares were issued to Miller Associates LLC. Miller and Associates LLC is associated with Mr Miller a director of the company.

All the above transactions were made on normal commercial terms and conditions.

20. KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Details of Key Management Personnel

Directors during the year ended 30 June 2015 were:

Robert Cameron – Non-Executive Chairman

Rodney Ruston – Managing Director

David Miller – Non-Executive Director

(b) Compensation Practices and Key Management Personnel Compensation

Details of compensation practices and key management personnel compensation are disclosed in the Directors' Report which accompanies these financial statements.

(c) Other Transactions and Balances with Key Management Personnel

There were no transactions with key management personnel in the year to 30 June 2015 other than as detailed in Note 19.

21. FINANCIAL INSTRUMENTS

Credit Risk

Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2015 **$**	**2014** **$**
Cash and equivalents (AA rated)	245,114	1,564,165
Other receivables	41,714	107,640
	286,828	1,671,805

Currency Risk

Consolidated Entity's exposure to foreign currency (USD) and (CAD) risk was as follows, based upon notional amounts:

2015

Amounts local currency	USD	CAD
Cash and equivalents	196,665	7,623
Trade Payables	(53,403)	(1,611)
	143,262	6,012

21. FINANCIAL INSTRUMENTS (continued)

Currency Risk (continued)

2014	2015 $	2014 $
Amounts local currency	USD	CAD
Cash and equivalents	538,112	683
Trade Payables	(36,893)	-
	501,219	683

The following significant exchange rates applied to the Company and the Consolidated Entity during the year:

	Closing Rate		Average Rate	
AUD = 1	**2015**	**2014**	**2015**	**2014**
USD =	0.7707	0.9432	0.8371	0.9134
CAD =	0.9628	1.0063	0.9858	0.9743

Carrying amount

Profile

At the reporting date, the interest rate profile of the Company's and the Consolidated Entity's interest bearing financial instruments was:

Carrying amount

Variable rate instruments	**2015 $**	**2014 $**
Financial assets	245,114	1,564,165
Financial liabilities	86,951	288,640

Liquidity Risk

The following are the contractual maturities of the Consolidated Entity's financial assets and liabilities including estimated interest payments.

2015	Effective interest rate p.a.	Carrying amount $	Less than 1 year $	1-5 years $	More than 5 years $
Cash and cash equivalents	3.3%	245,114	245,114	-	-
Other receivables		41,714	41,714	-	-
Payables		(86,951)	(86,951)	-	-
Total		199,877	199,877	-	-

2014	Effective interest rate p.a.	Carrying amount $	Less than 1 year $	1-5 years $	More than 5 years $
Cash and cash equivalents	3.9%	1,564,165	1,564,165	-	-
Other receivables		107,640	107,640	-	-
Payables		(288,640)	(288,640)	-	-
Total		1,383,165	1,383,165	-	-

21. FINANCIAL INSTRUMENTS (continued)

Sensitivity Analysis

In managing interest rate and currency risks, the Consolidated Entity aims to reduce the impact of short-term fluctuations on the Consolidated Entity's earnings. Over the longer term however, permanent changes in foreign exchange and interest rates will have an impact on the result.

For the year ended 30 June 2015, it is estimated that a general increase of one percent in interest rates would have decreased the Consolidated Entity's loss after income tax and equity by approximately $3,500 (2014: $13,000).

It is estimated that a general increase of ten percent in the value of the AUD against the USD would have decreased the Consolidated Entity's loss for the year ended 30 June 2015 by $1,010,000 (2014: $27,000) and increase the Consolidated Entity's equity by approximately $1,010,000 (2014: $27,000).

It is estimated that a general increase of ten percent in the value of the AUD against the CAD would have decreased the Consolidated Entity's loss for the year ended 30 June 2015 by $17,000 (2014: $17,000) and increase the Consolidated Entity's equity by approximately $17,000 (2014: $17,000).

Fair Values

The fair values of financial assets and liabilities, together with carrying amounts in balance sheet are as follows:

	Carrying Amount 2015 $	Fair value 2015 $	Carrying Amount 2014 $	Fair value 2014 $
Cash and equivalents	245,114	245,114	1,564,165	1,564,165
Other receivables	41,714	41,714	107,640	107,640
Trade and other payables	(86,951)	(86,951)	(288,640)	(288,640)
Total	199,877	199,877	1,383,165	1,383,165

Basis for determining fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments reflected in the table above.

Non-derivative financial assets and liabilities

The fair value of cash and receivables is considered to approximate their carrying amount because of their short maturity. Other assets are based on the assets carrying values as per the subsidiary company's accounts, which approximates fair value.

Fair value hierarchy

There are no other financial instruments carried at fair value or valued using the following:

- Level 1: quoted 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

22. PARENT ENTITY DISCLOSURES

At and throughout the financial year ended 30 June 2015, the parent company was County Coal Limited.

Result of the parent entity	**2015 $**	**2014 $**
Net profit/(loss)	2,172,604	(1,206,987)
Other comprehensive income	-	-
Total comprehensive income	**2,172,604**	**(1,206,987)**
Financial position of the parent entity at year end		
Current assets	40,842	1,027,881
Total assets	16,782,702	14,467,200
Current liabilities	18,718	35,820
Total liabilities	18,718	35,820
Total equity of the parent entity comprising of:		
Issued capital	16,054,410	16,054,410
Share option reserve	480,000	320,000
Accumulated gains/(losses)	229,574	(1,943,030)
Total Equity	**16,763,984**	**14,431,380**

Parent entity contingencies

The details of all contingent liabilities and future commitments in respect to County Coal Limited are in Note 18.

23. LOSS PER SHARE

The following reflects the loss and share data used in the calculations of basic and diluted loss per share.

	2015	**2014**
Net loss used in calculating basic and diluted earnings per share	($10,896,664)	($1,503,667)
Basic and diluted (loss) per share (cents per share)	(11.57)	(1.60)
Weighted average number of shares used in the calculation of basic and diluted loss per share	94,175,004	94,175,004
Shares on issue at year end	94,175,004	94,175,004
Number of options on issue at year end – each option is exercisable at prices between 4 and 40 cents per share (2014: 15 and 40 cents) and converts to one ordinary share	6,100,000	10,300,000

24. SEGMENT REPORTING

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

25. JOINT VENTURE

During the year the Company acquired interest in a joint venture entity as part of its port project. The Company made equity contributions totalling $431,907 to the joint venture during the year to fund its port project. The Company's share of profit for the year ended 30 June 2015 was nil (2014: nil).

	2015 $	2014 $
Summarised Presentation of Aggregate Assets, Liabilities and Performance of Joint Venture		
Current assets	65,022	-
Non-current assets	366,885	-
Total assets	431,907	-
Current liabilities	-	-
Non-current liabilities	431,907	-
Total liabilities	431,907	-
Net assets	-	-
Revenues	-	-
Unaudited results after income tax of joint venture	-	-

26. ASSETS HELD FOR SALE

	2015 $	2014 $
Freehold property held for sale	1,168,418	-

The Board has determined that certain freehold land in Wyoming, USA previously shown in the accounts as part of the capitalised exploration expenditure, is to be realised as it is now surplus to the Company's requirements.

The Directors have revalued this land based on their assessment of the value of nearby properties and after consideration of local government valuations for the parcels of land. Refer Note 8 for valuation hierarchy.

It is intended that the sale of these properties will be realised within the next financial year.

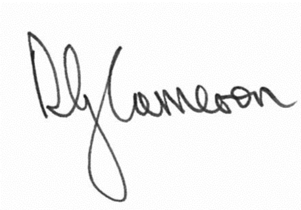
The freehold land is not allocated to an operating segment.

COUNTY COAL LIMITED
ACN 003255221
DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 14 to 38 are in accordance with the Corporations Act 2001*:*
   a. comply with Accounting Standards and the Corporations Regulations 2001*;* and
   b. give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the company and Consolidated Entity;
2. The Executive Director and Company Secretary have each declared that:
   a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
   b. The financial statements and notes for the financial year comply with the Accounting Standards; and
   c. The financial statements and notes for the financial year give a true and fair view.
3. 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 made in accordance with a resolution of the Board of Directors.



Robert Cameron
Chairman
30 September 2015

STIRLING INTERNATIONAL
CHARTERED ACCOUNTANTS

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF COUNTY COAL LIMITED

Report on the Financial Report

We have audited the accompanying financial report of County Coal Limited (the company) and the consolidated entity, which comprises the consolidated statement of financial position as at 30 June 2015, and the consolidated statement of profit and loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2a, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 company'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 company'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 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. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of County Coal Limited, would be in the same terms if provided to the directors as at the date of this auditor's report.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF COUNTY COAL LIMITED

Auditor's Opinion

In our opinion:

a. the financial report of County Coal Limited is in accordance with the *Corporations Act 2001*, including:
   i. giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2015 and of their performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2a.

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 8 to the financial statements is capitalised exploration and evaluation expenditure at fair value of $637,200 and included in Note 26 is freehold property held for resale at fair value of $1,168,418. 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 the recovery in the coal prices and a successful sale of the freehold property.

Included in non-current assets in Note 25 are funds advanced to a joint venture entity as part of a port project at book value of $431,907. The ultimate recovery of the value of this asset is dependent upon the successful development of a commercially viable and feasible port facility.

Report on the Remuneration Report

We have audited the Remuneration Report included at pages 9 to 12 of the report of the directors 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 s 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 the Australian Auditing Standards.

Auditor's Opinion

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

Stirling International

Chartered Accountants

Keanu Arya

285 Clarence St Sydney 2000

30 September 2015

Liability limited by a scheme approved under Professional Standards Legislation

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

I declare that, to the best of my knowledge and belief, during 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.

Stirling International

Chartered Accountants

Keanu Arya

30 September 2015

285 Clarence St Sydney 2000

ADDITIONAL INFORMATION

Equity Securities

a. **Distribution of Equity Securities**

Category (size of Holding- by number)	Shareholders	Shares	Optionholders	Options
1-1,000	4	3,549	-	-
1,001-5,000	35	144,232	-	-
5,001-10,000	27	230,970	-	-
10,001-100,000	163	5,949,323	-	-
100,001 and over	96	87,846,930	2	6,100,000
	325	**94,175,004**	**2**	**6,100,000**

b. The number of shareholdings held in less than marketable parcels is 160

c. The names of the substantial shareholders listed in the holding company's register as at 16 September 2015 are:

Shareholder	# of Ordinary Shares	Percentage
RTM Holdings Limited , Resource Capital Limited, Interenergy Pty Ltd <Boland Super Fund A/C>, Intercoal Limited and Marcus Boland	17,202,027	18.266
Kemlay Pty Limited <Grasmere A/C>	7,335,000	7.789
Mismo Pty Limited <Southwest A/C>	7,335,000	7.789
Balander Pty Limited <Balander Super Fund A/C>	7,335,000	7.789

d. **Voting Rights**

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands. Options do not carry a vote.

e. **20 Largest Shareholders — Ordinary Shares as at 16 September 2015**

	Name	No. of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	Kemlay Pty Limited <Grasmere A/C>	7,335,000	7.789
2.	Mismo Pty Limited <Southwest A/C>	7,335,000	7.789
3.	Balander Pty Limited <Balander Super Fund A/C>	7,335,000	7.789
4.	Resource Capital Limited	7,000,000	7.433
5.	Intercoal Limited	5,000,000	5.309
6.	Mr Anthony James Haggarty	4,700,000	4.991
7.	Dottie Investments Pty Ltd	3,742,500	3.974
8.	RTM Holdings Limited	3,700,000	3.929
9.	Warneet Super Pty Limited <Warneet Super Fund A/C>	3,555,769	3.776
10.	Consanguine Pty Ltd	3,373,406	3.582
11.	Mr Wayne Russell Cooper	2,616,993	2.779
12.	Mrs Paula Suzanne Cameron & Mr Robert Graham Cameron <Cameron Family S/F A/C>	2,500,000	2.655
13.	Miller And Associates LLC	1,500,000	1.593
14.	Mr Alexander John Abrahams	1,438,965	1.528
15.	FNL Investments Pty Ltd <Staff Super Fund A/C>	1,394,000	1.480
16.	Citicorp Nominees Pty Limited	1,387,918	1.474
17.	Mr Leslie Szancer	1,040,795	1.105
18.	Ms Rena Claire Merchant <Boda Investments-RSM Fund A/C>	1,005,000	1.067
19.	Interenergy Pty Ltd <Boland Super Fund A/C>	1,002,027	1.064
20.	Hacute Pty Ltd <Anne Gordon Holdings Sf A/C>	1,000,000	1.062
		67,962,373	**72.166**

CORPORATE DIRECTORY

Board of Directors
Robert Cameron – Non-Executive Chairman
Rodney Ruston – Managing Director
David Miller – Non-Executive Director

Company Secretary
Terence Flitcroft

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Level 2, 27 Macquarie Place,
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Telephone: +61 2 9251 3007
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Auditors
Stirling International
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Sydney, NSW 2000

Share Registry
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www.boardroomlimited.com.au

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Cheyenne, Wyoming 82003-1208
United States of America

Stock Exchange Listing
Australian Securities Exchange
ASX Code: CCJ