COUNTY INTERNATIONAL LIMITED

ABN 40 149 136 783

AND CONTROLLED ENTITIES

Appendix 4D and Half-Year Financial Report

31 December 2017

This half-year report is for the six months ended 31 December 2017. The previous corresponding period is the half-year ended 31 December 2016.

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

Results for announcement to the market

		$		$
Revenues from ordinary activities	Increased 170.56%	307	to	487
Loss from ordinary activities after tax attributable to members	Decreased 91.62%	674,553	to	(61,720)
Loss for the period attributable to members	Decreased 91.62%	674,553	to	(61,720)

Dividends	Amount per security	Franked amount per security
Final dividend	- ¢	- ¢
Interim dividend	- ¢	- ¢

Record date for determining entitlements to the dividend	Not applicable

Brief explanation of any of the figures reported above:

Refer to comments in the attached Directors' Report.

NTA Backing	31 December 2017	30 June 2017
Net tangible asset backing per share	0.67 cents	0.71 cents

County International Limited

(ABN 40 149 136 783)

Half Year Report

31 December 2017

Company Directory

Directors

Robert Cameron AO

Rodney Ruston

David Miller

Company Secretary

Terry Flitcroft

Principal and Registered Office

Level 2 Kyle House

27 Macquarie Place

Sydney NSW 2000

Telephone: (02) 9251 3311

Facsimile: (02) 9521 6550

Auditors

Stirling International

Share Registrar

Boardroom Pty Limited

Level 7, 207 Kent Street

Sydney NSW 2000

Telephone: (02) 9290 9600

Facsimile: (02) 9279 0664

Stock Exchange Listing

Ordinary Shares: CCJ

Bankers

Westpac Banking Corporation

Website

www.countyinternational.com

Contents

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2017. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

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

Robert Cameron AO – Non-Executive Chairman

Rodney Ruston – Chief Executive Officer and Managing Director

David Miller – Non-Executive Director

REPORT ON OPERATIONS

The Company ceased any further spending in Washington State while the Board considers the future of the Washington port project. County has informed its US based partners that it will not proceed with any further activity in relation to this project at this time and expenditure on the proposed port project was suspended. The Company's interest in this joint venture has been fully impaired in the accounts at 30th June 2017.

Ongoing Business Opportunities

County retains its coal leases in Wyoming and did not expend any funds on these areas during the half-year.

County is offering for sale a surplus parcel of freehold land in Wyoming.

County is actively looking at and analysing additional projects, particularly in coal, where its management team has experience to enhance value. A number of new projects have been reviewed during the half-year.

It is encouraging that the economic climate for coal has improved substantially in line with improvements in thermal and coking coal prices.

COAL EXPORTS

No further work was carried out on County International's coal projects in the Powder River Basin (PRB) during the half year.

County International has previously announced some 730 million tonnes of JORC measured coal resource in its exploration areas in Wyoming's PRB. At this stage, the Company considers it has sufficient information regarding the resource and does not intend to undertake any further work on the resource until a viable, cost-efficient export path has been identified and secured. County's two wholly-owned thermal coal projects, Shell Creek and Miller, are both located in the PRB of Wyoming in the U.S. and together host 730Mt of JORC-compliant thermal coal resources. Shell Creek, in the western region of the PRB, hosts a 420Mt open-cut and underground thermal coal resource and Miller, in the eastern part of the PRB, hosts a 310Mt shallow underground/deep open cut thermal coal resource.

SUBSEQUENT EVENTS

Subsequent to the half-year ended 31 December 2017, the Company relinquished its leases at the Shell Creek Project, which will ensure future expenditure will not be necessary. County retains its ownership of the mineral leases at the Miller Coal Project with a Total JORC Coal Resource of 310Mt.

DIRECTORS' REPORT (continued)

FINANCIAL POSITION

As detailed above, the Company's interest in the joint venture has been fully impaired.

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

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

The Company has available cash of $218,516 at 31st December 2017.

OUTLOOK

County is actively looking for additional projects, particularly related to coal, in which the Company can use the skills and experience held in its management team to enhance value. The Company will continue to review projects as they arise.

COAL RESOURCE SUMMARY

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

Prospect	JORC Inferred Coal Resource	JORC Indicated Coal Resource	JORC Measured Coal Resource	Total JORC Coal Resource
Miller Coal Project	-	-	310 Mt	310 Mt
Total JORC Coal Resource	-	-	310 Mt	310 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.

Subsequent to the half-year ended 31 December 2017, the Company relinquished its leases at the Shell Creek Project, which will ensure future expenditure will not be necessary. County retains its ownership of the mineral leases at the Miller Coal Project with a Total JORC Coal Resource of 310Mt.

Auditor's Independence Declaration

The auditor's independence declaration for the half year ended 31st December 2017 is set out on page 16 of these half yearly accounts.

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

Rodney Ruston

Dated this 23rd February 2018

CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Notes	2017 $	2016 $
Interest revenue	2	487	180
Administration, development and corporate expenses		(62,207)	(158,544)
Impairment of interest in joint venture	11	-	(577,909)
Loss before income tax expense		**(61,720)**	**(736,273)**
Income tax expense		-	-
Loss for the period		**(61,720)**	**(736,273)**
Basic earnings per share (cents per share)		**(0.03)**	**(0.39)**
Diluted earnings per share (cents per share)		**(0.03)**	**(0.39)**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	2017 $	2016 $
Loss for the period	(61,720)	(736,273)
Items that may be reclassified subsequently to profit or loss		
Other comprehensive income:		
Foreign exchange translation difference for foreign operations	(17,051)	50,882
Other comprehensive income for the period	(17,051)	50,882
Total comprehensive loss attributable to members of the parent entity	**(78,771)**	**(685,391)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Notes	31 December 2017	30 June 2017
Assets		**$**	**$**
Current Assets			
Cash and cash equivalents		218,516	288,994
Trade and other receivables		6,963	7,875
Assets held for resale	12	479,100	486,436
Total Current Assets		**704,579**	**783,305**
Non-Current Assets			
Coal rights and capitalised exploration and evaluation expenditure	5	566,427	575,009
Interest in joint venture	11	-	-
Total Non-Current Assets		**566,427**	**575,009**
Total Assets		**1,271,006**	**1,358,314**
Liabilities			
Current Liabilities			
Trade and other payables		11,132	19,669
Total Current Liabilities		**11,132**	**19,669**
Non-Current Liabilities			
Trade and other payables		-	-
Total Non-Current Liabilities		**-**	**-**
Total Liabilities		**11,132**	**19,669**
Net Assets		**1,259,874**	**1,338,645**
Equity			
Issued Capital	3	16,515,212	16,515,212
Reserves	4	2,863,305	2,880,356
Accumulated losses		(18,118,643)	(18,056,923)
Total Equity		**1,259,874**	**1,338,645**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Foreign Currency Translation Reserve	Issued Capital	Share Option Reserve	Accumulated Losses	Total
	$	$	$	$	$
Balance at 1 July 2016	**2,445,667**	**16,515,212**	**480,300**	**(17,200,844)**	**2,240,335**
Loss attributable to members	-	-	-	(736,273)	(736,273)
Total other comprehensive income	50,882	-	-	-	50,882
Balance at 31 December 2016	**2,496,549**	**16,515,212**	**480,300**	**(17,937,117)**	**1,554,944**
Balance at 1 July 2017	**2,399,756**	**16,515,212**	**480,600**	**(18,056,923)**	**1,338,645**
Loss attributable to members	-	-	-	(61,720)	(61,720)
Total other comprehensive income	(17,051)	-	-	-	(17,051)
Balance at 31 December 2017	**2,382,705**	**16,515,212**	**480,600**	**(18,118,643)**	**1,259,874**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	2017 $	2016 $
Cash flows from operating activities		
Receipts from customers	-	-
Payments to suppliers and employees (inclusive of GST)	(70,965)	(170,337)
Interest received	487	180
Net cash (used in) operating activities	(70,478)	(170,157)
Cash flows from investing/financing activities		
Funds advanced to joint venture	-	(44,589)
Funds received from rights issue (net of issue costs)	-	-
Sale of freehold property	-	-
Net cash provided/(used in) by investing/financing activities	-	(44,589)
Net (decrease)/increase in cash and cash equivalents held	(70,478)	(214,746)
Cash and cash equivalents at beginning of period	288,994	625,246
Cash and cash equivalents at end of reporting period	**218,516**	**410,500**

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

Basis of preparation

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

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2017 annual financial report for the financial year ended 30 June 2017, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Segment Reporting

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

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

Share based payments

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

Significant accounting policies

The accounting policies applied by the Consolidated Entity in this Consolidated Interim Financial Report are the same as those applied by the Consolidated Entity in the Consolidated Annual Financial Report as at and for the year ended 30 June 2017. There are no new and revised accounting requirements significantly affecting the half year financial statements.

NOTE 2: LOSS BEFORE INCOME TAX EXPENSE

	31 December 2017 $	31 December 2016 $
The following items are relevant in explaining the financial performance for the half-year:		
Interest revenue – deposits	487	180

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 3: ISSUED CAPITAL	**31 December 2017 #**	**30 June 2017 #**
(a) Ordinary shares		
Issued and fully paid	188,350,008	188,350,008

Nil (2016: nil) new shares were issued during the half year.

(b) Options

No options were issued during the half year to 31st December 2017 (2016: nil). At 31st December 2017 a total of 8,100,000 (2016: 11,100,000) options were on issue, 100,000 with an exercise price of 15 cents per share until 14 January 2018 and 8,000,000 with an exercise price of 4 cents per share until 31 January 2020.

3,000,000 options with an exercise price of 40 cents per share expired on 9 July 2017.

NOTE 4: RESERVES	**31 December 2017 $**	**30 June 2017 $**
Foreign currency translation reserve	2,382,705	2,399,756
Share option reserve	480,600	480,600
	2,863,305	2,880,356

NOTE 5: EXPLORATION EXPENDITURE CAPITALISED

Coal rights and capitalised exploration and evaluation expenditure

Movement		
At the beginning of reporting period	575,009	593,080
Foreign exchange fluctuation	(8,582)	(18,071)
Expended during the period	-	-
Impairment of coal rights and freehold property	-	-
At end of reporting period	566,427	575,009

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

There has been no further impairment to these coal assets during the half-year to 31st December 2017.

Subsequent to the half-year ended 31 December 2017, the Company relinquished its leases at the Shell Creek Project, which will ensure future expenditure will not be necessary. County retains its ownership of the mineral leases at the Miller Coal Project with a Total JORC Coal Resource of 310Mt.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 5: EXPLORATION EXPENDITURE CAPITALISED (continued)

Valuation technique

Impairment of coal rights and property resulted 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 had been reassessed by the Directors based on existing market conditions.

During the 2015 financial year the Company determined it had freehold land which was considered excess to the Company's requirements. This land in Wyoming was previously reflected in coal rights, freehold property and capitalised exploration and evaluation expenditure and was transferred to an asset held for resale given the Directors intention to realise this property.

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

Fair value hierarchy

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

NOTE 6: 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 periods, 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.

Subsequent to the half-year ended 31 December 2017, the Company relinquished its leases at the Shell Creek Project, which will ensure future expenditure will not be necessary. County retains its ownership of the mineral leases at the Miller Coal Project with a Total JORC Coal Resource of 310Mt.

*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.

	31 December 2017	31 December 2016
	$	$
Lease Commitments		
Lease Commitments contracted for but not capitalised in the financial statements		
Payable:		
-not later than 1 year	-	-
-later than 1 year but not later than 5 years	-	-
-later than 5 years	-	-
	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 6: CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Exploration Commitments	**31 December 2017 $**	**31 December 2016 $**
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	-	-
	-	-

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

The directors are not aware of any matter that has significantly affected or may significantly affect the operations of the Company in subsequent financial periods other than that subsequent to the half-year ended 31 December 2017, the Company relinquished its leases at the Shell Creek Project, which will ensure future expenditure will not be necessary. County retains its ownership of the mineral leases at the Miller Coal Project with a Total JORC Coal Resource of 310Mt.

NOTE 8: DIVIDENDS

No dividends were paid during or subsequent to the half year ended 31st December 2017.

NOTE 9: ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND RESTRUCTURINGS

No subsidiaries were acquired or disposed of during the half year ended 31st December 2017.

NOTE 10: DISCONTINUING OPERATIONS

No operations were discontinued during the half year ended 31st December 2017.

NOTE 11: JOINT VENTURE

During the 2015 financial year, the Company acquired 30% direct interest in a joint venture entity as part of its port development project. As at 31st December 2017 the Company had made equity contributions of $577,909 (2016: $530,165) to the joint venture to fund its port development project. As at 31st December 2017 the Company's direct interest in this joint venture is 30%. The Company has ceased any further spending on this project while the Board considers the future of the Washington port project. As a result, County has informed its US based partners that it will not proceed with any further activity in relation to this project at this time and therefore the Company's interest in this joint venture has been fully impaired in the accounts at 30th June 2017.

Company's share of the profit for the joint venture for the half-year ended 31st December 2017 was nil (2016: nil).

Summarised Presentation of Aggregate Assets, Liabilities and Performance of Joint Venture (Unaudited)	**31 December 2017 $**	**30 June 2017 $**
Current assets	-	-
Non-current assets (expenditure capitalised on port project)	577,909	577,909
Total assets	577,909	577,909
Liabilities	-	-
Net assets	577,909	577,909
Equity contributions	577,909	577,909
Revenues	-	-
Unaudited results after income tax of joint venture	-	-

The above-mentioned summarised joint venture financial information does not include the joint venture's intellectual property as the joint venture has assigned no monetary value to this asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 12: ASSETS HELD FOR SALE

	31 December 2017 $	30 June 2017 $
Freehold property held for sale	479,100	486,436
Movement:		
At the beginning of reporting period	486,436	511,787
Foreign exchange fluctuation	(7,336)	(15,594)
Disposal during the period	-	(9,757)
	479,100	486,436

During the 2015 financial year 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.

During the 2016 financial year the Company disposed of a parcel of freehold land held for resale which had a book valuation of US$415,000, resulting in a loss of US$129,000. At this time, the Directors also reassessed the value of the remaining freehold land held for sale, resulting in an additional impairment of US$104,000 in the 2016 financial year.

During the 2017 financial year, the Company disposed of a small portion of the parcel of freehold land held for resale.

The Directors revalued this land in the 2016 financial year based on their assessment of the value of nearby properties and after consideration of local government valuations for the parcels of land.

It is intended that the sale of the remaining property will be realised within the next twelve months.

The freehold land is not allocated to an operating segment

COUNTY INTERNATIONAL LIMITED

ACN 149136783

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes thereto, as set out on pages 3 to 12:
   a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
   b. give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year then ended.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Rodney Ruston

Managing Director

Dated this 23rd February 2018

STIRLING INTERNATIONAL
CHARTERED ACCOUNTANTS

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

We have reviewed the accompanying half-year financial report of County International Limited and Controlled Entities (the consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2017, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of County International Limited and Controlled Entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

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

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

Telephone (02) **8268 8188** Facsimile (02) 8268 8199

Conclusion

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

- giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Inherent Uncertainty Regarding Recoverability of Assets

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

Included in non-current assets in Note 5 to the financial statements is capitalised exploration and evaluation expenditure at fair value of $566,427 and included in Note 12 is freehold property held for resale at fair value of $479,100. 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.

Stirling International

Chartered Accountants

.....

Peter Turner

Partner

23rd February 2018

225 Clarence St Sydney 2000

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2017 there have been:

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

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

Stirling International

Chartered Accountants

……..

Peter Turner

Partner

23rd February 2018

225 Clarence St Sydney 2000