COUNTY INTERNATIONAL LIMITED
ABN 40 149 136 783
ASX Preliminary final report – 30 June 2019

This preliminary yearly report is for the twelve months ended 30 June 2019. The previous corresponding period is the year to 30 June 2018.

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

Contents

COUNTY INTERNATIONAL LIMITED
YEAR ENDED 30 JUNE 2019
RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Increase/(Decrease)			2019	2018
Revenue from ordinary activities	$320	35.9%	to	$1,211	$891
Loss from ordinary activities before tax attributable to members	($33,646)	(29.6%)	to	($80,195)	($113,841)
Loss from ordinary activities after tax attributable to members	($33,646)	(29.6%)	to	($80,195)	($113,841)
Loss for the period attributable to members	($33,646)	(29.6%)	to	($80,195)	($113,841)

Additional dividend/distribution information

Details of dividends/distributions declared or paid during or subsequent to the year ended 30 June 2019 are as follows:

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	Nil	Nil
Interim dividend	Nil	Nil

The Board has resolved that no dividend will be paid for the year ended 30 June 2019.

Record date for determining entitlements to the dividend | N/A

COMMENTARY

BUSINESS ACTIVITIES

In Wyoming County retains its Miller coal leases and the BAT/Piney Creek portion of the Shell Creek area. There is renewed interest for coal gasification projects in the Wyoming area and the Company, together with adjoining owners of the BAT/Piney property, are actively seeking a partner to commercialise our interests. There is interest from the Green Energy sector for projects that convert coal and coal fines to synthetic fuels.

Given the Company has achieved JORC status on its coal assets, further exploration expenditure is not necessary at this time, so the Company is concentrating its efforts on securing commercialization partners.

Investor sentiment for coal assets has improved as a result of both changes in the political landscape and improvements in thermal and coking coal prices.

County owns a surplus parcel of freehold land, which is a 25 lot subdivision located at Lake DeSmet in Wyoming. County is considering undertaking the subdivision and is paralleling planning for this subdivision with marketing the entire parcel of land.

In addition to the above-mentioned activities County is actively reviewing a number of opportunities in the resources industry, especially where its management team has experience to enhance value. A number of potential projects have been reviewed during the year.

FINANCIAL POSITION

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

During the financial year, the Board continued to minimise cash used by the Company. The Company has available cash of $397,157 at 30th June 2019.

SHARE ISSUE

On 16th May 2019 County International announced a Share Purchase Plan, offering shareholders of County International to purchase additional fully paid ordinary shares in the Company at a subscription price of $0.006 to provide additional working capital for the Company and its activities.

On 18th June 2019 30,500,000 new shares were issued at $0.006 per share pursuant to the Share Purchase Plan. On 28th June 2019 20,500,000 new shares were issued at $0.006 per share pursuant to a placement.

COAL RESOURCE SUMMARY

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

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

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

PRELIMINARY CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

	2019 $	2018 $
Interest revenue	1,211	891
Administration, development and corporate expenses	(81,406)	(114,732)
Loss before income tax expense	**(80,195)**	**(113,841)**
Income tax expense	-	-
Loss for the period	**(80,195)**	**(113,841)**
Basic loss per share (cents per share)	**(0.04)**	**(0.06)**
Diluted loss per share (cents per share)	**(0.04)**	**(0.06)**

The accompanying notes form part of these financial statements

PRELIMINARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	2019 $	2018 $
Loss	(80,195)	(113,841)
Items that may be classified subsequently to the income statement		
Other comprehensive income:		
Foreign exchange translation difference for foreign operations	63,181	42,233
Other comprehensive income for the period	63,181	42,233
Total comprehensive loss attributable to members of the parent entity	**(17,014)**	**(71,608)**

The accompanying notes form part of these financial statements

PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	NOTE	2019 $	2018 $
Assets			
Current Assets			
Cash and cash equivalents		397,157	184,089
Trade and other receivables		5,378	6,096
Assets held for resale	11	532,476	504,799
Total Current Assets		**935,011**	**694,984**
Non-Current Assets			
Coal rights and capitalised exploration and evaluation expenditure	12	629,432	596,715
Total Non-Current Assets		629,432	**596,715**
Total Assets		**1,564,443**	**1,291,699**
Liabilities			
Current Liabilities			
Trade and other payables		27,367	24,362
Total Current Liabilities		**27,367**	**24,362**
Non-Current Liabilities			
Trade and other payables		-	-
Total Non-Current Liabilities		-	**-**
Total Liabilities		**27,367**	**24,362**
Net Assets		**1,537,076**	**1,267,337**
Equity			
Issued Capital		16,801,665	16,515,212
Reserves		2,986,370	2,922,889
Accumulated losses		(18,250,959)	(18,170,764)
Total Equity		**1,537,076**	**1,267,337**

The accompanying notes form part of these financial statements

PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Issued Capital	Foreign Currency Translation Reserve	Share Option Reserve	Accumulated Losses	Total
	$	$	$	$	$
Balance at 1 July 2017	**16,515,212**	**2,399,756**	**480,600**	**(18,056,923)**	**1,338,645**
Share option reserve on recognition of remuneration options	-	-	300	-	300
Loss attributable to members	-	-	-	(113,841)	(113,841)
Total other comprehensive income for the year	-	42,233	-	-	42,233
Balance at 30 June 2018	**16,515,212**	**2,441,989**	**480,900**	**(18,170,764)**	**1,267,337**
Share option reserve on recognition of remuneration options	-	-	300	-	300
Issue of shares (net of costs)	286,453	-	-	-	286,453
Loss attributable to members	-	-	-	(80,195)	(80,195)
Total other comprehensive income for the year	-	63,181	-	-	63,181
Balance at 30 June 2019	**16,801,665**	**2,505,170**	**481,200**	**(18,250,959)**	**1,537,076**

The accompanying notes form part of these financial statements

PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 $	2018 $
Cash flows from operating activities		
Receipts from customers	-	-
Payments to suppliers and employees (inclusive of GST)	(87,008)	(109,087)
Interest received	1,204	852
Net cash used in operating activities	(85,804)	(108,235)
Cash flows from investing activities		
Net cash provided/(used) by investing/financing activities	-	-
Cash flows from financing activities		
Proceeds from issue of shares	306,000	-
Share issuance costs	(9,652)	-
Net cash provided by financing activities	296,348	-
Net (decrease) /increase in cash and cash equivalents held	210,544	(108,235)
Cash and cash equivalents at beginning of period	184,089	288,994
Net foreign exchange difference	2,524	3,330
Cash and cash equivalents at end of reporting period	**397,157**	**184,089**

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. REPORTING ENTITY

County International Limited is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2019 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 preliminary 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 preliminary 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. The preliminary financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read with the latest annual report for the year ended 30 June 2018 and any public announcement made by the Consolidated Entity during the year in accordance with the continuous disclosure requirement of the Corporations Act 2001.

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 period in which the estimate is revised and in any future periods 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 periods 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

g. Impairment (continued)

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 periods only. The estimated useful lives in the current and comparative periods are as follows:

Plant & equipment	3 – 10 years

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 period 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 periods 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 period, using tax rates enacted or substantially enacted at reporting date, and any adjustment to tax payable in respect of previous periods.

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.

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 period, 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 2019. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019 and it is not anticipated that it will have any financial impact on 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.

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 period-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 period 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

t. Other financial assets (continued)

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

4. FINANCIAL RISK MANAGEMENT (continued)

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.

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

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

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.

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 period.

5. 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.

6. EVENTS SUBSEQUENT TO REPORTING DATE

Since the end of the year, 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.

7. DIVIDENDS

No dividends were paid during or subsequent to the year ended 30thJune 2019.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

8. SEGMENT REPORTING

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

9. ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED ENTITIES

The Canadian subsidiaries, County Terminals Limited and County Coal (Canada) Limited were disposed of during the year ended 30th June 2019.

10. DISCONTINUING OPERATIONS

No operations were discontinued during the year ended 30th June 2019.

11. ASSETS HELD FOR SALE

	2019 $	2018 $
Freehold property held for sale	532,476	504,799
Movement:		
At the beginning of reporting year	504,799	486,436
Foreign exchange fluctuation	27,677	18,363
Disposal during the period	-	-
Impairment of asset held for sale	-	-
At end of reporting year	532,476	504,799

The Board determined in previous financial years that certain freehold land in Wyoming is to be realised as it is now surplus to the Company's requirements.

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

This land had been revalued during the 2016 financial year based on the Director's 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

12. EXPLORATION EXPENDITURE CAPITALISED

Coal rights and capitalised exploration and evaluation expenditure

	2019 $	2018 $
Movement		
At the beginning of reporting year	596,715	575,009
Foreign exchange fluctuation	32,717	21,706
At end of reporting year	629,432	596,715

As a result of the decline in world coal prices, Directors have reassessed the carrying value of the 381Mt 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 continued to strengthen in recent times.

There has been no further impairment to these coal assets during the year to 30th June 2019.

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

There is renewed interest for coal seam gas in the Wyoming area and the Company, together with adjoining owners of the BAT/Piney property, are actively seeking a partner to commercialise our interests.

Given the Company has achieved JORC status on its coal assets, further exploration expenditure is not necessary at this time, so the Company is concentrating its efforts on securing commercialization partners.

Valuation technique

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

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

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

Fair value hierarchy

In order to arrive at the recoverable amount when impairing the non-financial assets the 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

13. FOREIGN ACCOUNTING STANDARDS

N/A

14. NTA BACKING

	2019	**2018**
Net tangible asset backing per ordinary share	0.64 cents	0.67 cents

15. OTHER SIGNIFICANT INFORMATION

N/A

16. LOSS PER SHARE

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

	2019	**2018**
Net loss used in calculating basic and diluted earnings per share	($80,195)	($113,841)
Basic and diluted (loss) per share (cents per share)	(0.04)	(0.06)
Weighted average number of shares used in the calculation of basic and diluted loss per share	189,465,076	188,350,008
Shares on issue at year end	239,350,008	188,350,008
Number of options on issue at year end – each option is exercisable at 4 cents per share (2018: 4 cents) and converts to one ordinary share	8,000,000	8,000,000

Share options are not considered dilutive as their impact would be to decrease the net loss per share. Accordingly, diluted loss per share has not been disclosed.

Audit

This report is based on accounts, which are in the process of being audited.

Description of likely dispute or qualification if the accounts have not yet been audited or subject to review or are in the process of being audited or subjected to review - Nil

Description of dispute or qualification if the accounts have been audited or subjected to review - Nil

Sign here:

.... Date: 30th August 2019

(Secretary)

Print name: T. Flitcroft