

## Quarterly Activities Report – Q3 16

- In Q3, County continued with negotiations to secure the key assets required to build a multi-product bulk export terminal on the US north-west coast.
- County has an agreement with a US based company to develop a shipping terminal with capacity to load bulk products railed from the west and mid-west states of the US, as well as from Canada
- County has undertaken a review and confirmed the availability of export product which could potentially utilise its proposed terminal
- The terminal would allow County to become a key player in the export shipping of energy, grain and fertiliser products to Asia at a time when US exports of these products are expected to increase

### About County International

County International Limited (ASX: CCJ) holds 730Mt of JORC coal resources located in the Powder River Basin (PRB) USA and is now focused on developing a North American bulk export solution that can be utilised for bulk products sourced from emerging U.S. and Canadian producers and exporters.

### Investment Highlights

- County has narrowed its focus to the development of a North American multi-product bulk export terminal.
- In the first quarter County received further legal advice which supported our view that County can secure the right of access to the land being sought for the loader.
- To secure rail access to the proposed loader site, County has completed some key steps towards becoming a registered railway operator through approval of the US Surface Transportation Board (STB).
- County's business strategy has evolved from originally being an operator of US based coal mines (primarily for export) to being a coal miner with dedicated port capacity to service a need for bulk ship-loading capacity in the US North West to load Asia-bound US and Canadian produced bulk commodities.
- The proposed site is of sufficient size to allow multiple bulk loading and storage facilities for coal, grain, fertiliser or other bulk products.

### Progress during the Quarter

#### North American Bulk Export Terminal

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

During the quarter, County progressed negotiations to lease or purchase a railway asset working closely with the current owners towards reaching an arrangement satisfactory to both parties. At the same time, County visited a number of businesses who may be shippers through a west coast port to reconfirm our view that there is a need for our project. These meetings were positive and underwrote our understanding of the high potential for export growth of bulk commodities from the US west coast over the next decade.

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

The strategy of developing a multi-product facility will significantly reduce risk, inherent in the cyclical nature of the coal business, by opening up the opportunity for County to secure revenue from a range of bulk export products.

The area identified for the proposed terminal is a brownfields industrial site. Water depth is currently not sufficient for full panamax sized vessels (75,000 DWT). County has engaged in discussions to utilise a very modern and proven trans-shipment option using barges. This strategy has relatively low capital cost and is a more environmentally friendly alternative. It would also enhance the project by substantially eliminating the need for both initial and maintenance dredging of the bay and by providing a capability to load Cape sized vessels.

At the port site, the size of the available land and water frontage is significantly greater than the other opportunities investigated, thus allowing for a larger facility that could include loading capacity for both coal and other commodities such as grain and potash.

## Capital Structure

<b>ASX Code</b>	<b>CCJ</b>
Share Price (Close 26-04-16)	A\$0.005
Ordinary Shares	188.350m
Total Options	11.1m
ITM Options*	-
<b>Fully-Diluted Market Cap.</b>	<b>A\$0.997m</b>
Less: Cash	A\$0.672m
Add: Debt	-
<b>Enterprise Value (EV)</b>	<b>A\$0.325m</b>

\*ITM options: in-the-money options

## Board & Management

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

## JORC-Compliant Coal Resources

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

See disclaimer and notes for more info

## Corporate Details

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## For More Information

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## Note to JORC-Compliant Resources

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

The company with which County has negotiated a business agreement spent three years investigating the project area and researching and developing strategies and budget estimates for every aspect of the project requirements covering land access, rail transport, stakeholder (community, native tribe, local business and government) impacts, environmental impacts and engineering needs.

Technical assistance on this project commenced in the first quarter of F2015 with an international engineering group using the extensive information database developed by the proponent company to give the County board confidence to move forward with this project over all others being studied.

A bulk commodity terminal in this location has been scoped by the proponent company to be economically viable at a throughput capacity of 18.5 mtpa of coal. However, the land size could also allow for loaders for other bulk products, such as grain and fertiliser, significantly improving the potential economics and at the same time reducing the risk inherent in a one-product project.

Should the project proceed to approval, County, through a series of funding steps, will own an 85% share in the facility.

As previously highlighted, other potential terminal sites currently entering or navigating the permitting process provide valuable information and insights as to the timelines, challenges and requirements to achieve a successful project. County has the advantage of being able to benefit from this information to minimize both the costs and timelines associated with the permitting process.

## Powder River Basin Coal Projects

No further work was carried out on County International's coal projects in the Powder River Basin (PRB) during the quarter. County International has previously announced some 730 million tonnes of JORC measured coal resource in its exploration areas in Wyoming's PRB. At this stage, the Company considers it has sufficient information regarding 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.