



Bounty Mining Limited ACN: 107 411 067  
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## Appendix 4D

### Half Year Report: Half Year to 31 December 2014

		% change	\$A
Revenues from ordinary activities	<b>down</b>	(100%) To	1,055
Loss from ordinary activities after tax attributable to members	<b>down</b>	(16%)	(916,038)
Net loss for the period attributable to members	<b>down</b>	(16%)	(916,038)
<b>Dividends (distributions)</b>		Amount per security	Franked amount per security
<b>Final Dividend</b>		n/a	n/a
<b>Previous corresponding period</b>		n/a	n/a
Date for determining entitlements to the dividend		n/a	
		31/12/2014	30/06/2014
Net Tangible Assets per Security		0.42c	0.47c

Please refer to the directors' report on pages 2 to 3 of this financial report for an explanation of the figures reported above.

This financial report is the half-year information provided to the Australian Securities Exchange under listing rule 4.2A. The report also satisfies half-year reporting requirements under the Corporations Act 2001.

The financial report should be read in conjunction with the 2014 annual report, and with any public announcements made by Bounty Mining Limited ("Bounty") during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

# Bounty Mining Limited and its Controlled Entities

## DIRECTORS' REPORT

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The directors present their report together with the consolidated financial report of Bounty Mining Limited ("Bounty" or "the Company") and its controlled entities for the half-year ended 31 December 2014 and the auditor's review report thereon.

The names of directors who held office during and since the end of the half-year are:

<b>Name:</b>	<b>Appointed to the Board</b>
Gary Cochrane (Chair)	27 November 2007
Julie Garland McLellan	04 April 2008
Robert Stewart	17 September 2009

### **Operations Update – Wongai Coal Project**

\$0.44m was invested in the Wongai Coal Project during the period.

Activity on the Wongai project comprised both desk top and field based activities. Ongoing conceptual studies were completed identifying the potential for a fixed jetty option instead of barging and transshipping, alternative overland haulage systems and compilation of a preliminary coal market specification. Onsite activities included drilling of one 200mm large diameter cored hole, installation of two groundwater piezometers and replacement of a groundwater data logger, and survey of old bore hole locations in the Birthday Plains and Airstrip areas. The large diameter cored hole will be used to provide adequate coal sample for a full suite of hard coking coal test work.

Under the Farm-in agreement with joint venture partner Aust-Pac Capital Pty Ltd ("Aust-Pac"), by solely funding and completing these works in early 2014 Bounty had earned the "Phase 1 Interest", a 5% equity interest in the exploration tenements. Aust-Pac had confirmed in February 2014 that the conditions for the transfer of the Phase 1 interest had been met.

Bounty announced in February 2015 that the Department of Natural Resources and Mines has approved the transfer of the interest, and that Bounty now holds a 5% interest in the tenements.

Bounty has begun the Phase 2 works, completion of which will earn Bounty a further 15% interest in the tenements.

### **Revenue**

Bounty currently has no mining contract. As the Wongai Project is in the exploration and evaluation stage, no revenues are being derived.

During the half year to 31 December 2013, Bounty earned \$1.5m in the final month of its mining contract in July 2013, and thereafter earned no revenue.

# Bounty Mining Limited and its Controlled Entities

## DIRECTORS' REPORT

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### Loss After Tax

The loss after tax for the period was \$0.9m compared with a loss of \$1.1m for the half year ended 31 December 2013.

### Financing

During the period, 16,153,851 ordinary shares were issued at 2.6c and 22,500,000 ordinary shares were issued at 2.0c to raise a total of \$0.87m. Subsequent to 31 December 2014, 10,000,000 ordinary shares have been issued at 2.0c to raise \$0.2m.

On 18 August 2014 the Company announced that it had issued 3,846,500 Convertible Notes ("the Notes") at 2.6 cents per Convertible Note to raise \$100,009. The Notes have a conversion price of 2.6c per Note and a maturity date of 14 November 2015. Simple Interest of 15% accrues on the Notes. The Convertible Notes may be converted into ordinary Shares at any time at the request of the Note-holder. Conversion of the Notes will result in the issue of up to 4,616,764 ordinary Shares.

The total funds raised were used to fund the commencement of Wongai Coal Project Phase 2 works, working capital and the costs of the prospectus offer.

### Loan facility with VETL Pty Limited ("VETL")

On 11 August 2014 Bounty announced that it had reached agreement with VETL to vary certain terms of the debt:

- The loan repayment date was extended by 12 months to 31 December 2016 (unless the loan is extinguished before that date by other means); and
- if the August major capital raising was successful the Company would resume paying interest on the VETL debt, either fully or partially depending on the amount raised.

Other terms of the loan facility remain unchanged.

The August 2014 capital raising under a prospectus was not successful and the Company did not resume paying interest on the loan. Total interest of \$0.14m was capitalised during the period.

### Auditor's Independence

The Company has received the "Auditor's Declaration of Independence as required by s 307C of the Corporations Act 2001, and is set out on page 4 of this report.

Signed in accordance with a resolution of the Directors



Gary Cochrane  
Chairman, Bounty Mining Limited  
25 February 2015

The Board of Directors  
Bounty Mining Limited  
Level 10, 60 Pitt Street  
SYDNEY NSW 2000

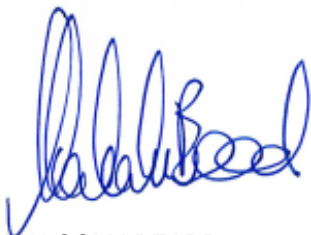
**LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C  
OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF BOUNTY MINING LIMITED**

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2014 there have been no contraventions of:

- the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- any applicable code of professional conduct in relation to the review.

GOULD RALPH ASSURANCE  
Chartered Accountants



MALCOLM BEARD, M.COM, FCA

Partner

Sydney, 25 February 2015

## Bounty Mining Limited and its Controlled Entities

Condensed consolidated statement of comprehensive income for the half year ended 31 December 2014

	Consolidated Group	
	31/12/2014	31/12/2013
	\$	\$
Revenue from rendering of services	-	1,471,026
Other revenues	1,055	7,634
Total revenue from ordinary activities	1,055	1,478,660
Cost of services	(14,147)	(148,180)
Employee expenses	(69,315)	(1,351,560)
Depreciation and amortisation expenses	(251,779)	(251,943)
Legal and professional costs	(251,746)	(233,260)
Occupancy expenses	(139,593)	(153,085)
Finance costs	(147,195)	(360,417)
Other expenses from ordinary activities	(43,318)	(71,174)
<b>Loss before related income tax expense</b>	<b>(916,038)</b>	<b>(1,090,959)</b>
Income tax expense	-	-
<b>Loss from continuing operations</b>	<b>(916,038)</b>	<b>(1,090,959)</b>
Other comprehensive income for the half year, net of tax	-	-
<b>Total comprehensive loss for the half year</b>	<b>(916,038)</b>	<b>(1,090,959)</b>
Loss attributable to members of the parent entity	<b>(916,038)</b>	<b>(1,090,959)</b>
<b>Total comprehensive loss attributable to members of the parent entity</b>	<b>(916,038)</b>	<b>(1,090,959)</b>
	<b>Cents</b>	<b>Cents</b>
Basic and dilutive loss per share	(0.131c)	(0.227c)

The statement of comprehensive income should be read in conjunction with the notes to the financial statements.

## Bounty Mining Limited and its Controlled Entities

Condensed consolidated statement of financial position as at 31 December 2014

	Note	Consolidated Group	
		31/12/2014	30/06/2014
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents		14,860	87,804
Trade and other receivables		32,951	2,398
Inventories		469,208	469,208
Other assets		168,792	145,471
<b>Total current assets</b>		<b>685,811</b>	<b>704,881</b>
<b>Non-current assets</b>			
Property, plant & equipment	3	4,178,744	4,431,172
Exploration and evaluation asset	4	1,437,027	995,185
<b>Total non-current assets</b>		<b>5,615,771</b>	<b>5,426,357</b>
<b>Total assets</b>		<b>6,301,582</b>	<b>6,131,238</b>
<b>Current liabilities</b>			
Trade and other payables		174,765	89,001
Financial liabilities		50,310	13,583
Convertible Notes		105,722	-
Short-term provisions		8,191	26,376
<b>Total current liabilities</b>		<b>338,988</b>	<b>128,960</b>
<b>Non-current liabilities</b>			
Related party liability		2,930,302	2,790,733
<b>Total non-current liabilities</b>		<b>2,930,302</b>	<b>2,790,733</b>
<b>Total liabilities</b>		<b>3,269,290</b>	<b>2,919,693</b>
<b>Net assets</b>		<b>3,032,292</b>	<b>3,211,545</b>
<b>Equity</b>			
Issued capital		38,206,485	37,469,700
Accumulated losses		(38,347,151)	(37,431,113)
Reserves		3,172,958	3,172,958
<b>Total equity</b>		<b>3,032,292</b>	<b>3,211,545</b>

The statement of financial position should be read in conjunction with the notes to the financial statements.

## Bounty Mining Limited and its Controlled Entities

Condensed consolidated statement of changes in equity for the half year ended 31 December 2014

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	Ordinary Share Capital	Options Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1/7/2013	31,633,560	3,172,958	(35,273,699)	<b>(467,181)</b>
Loss attributable to members of parent entity	-	-	(1,090,959)	<b>(1,090,959)</b>
Issue of ordinary securities	500,000	-	-	<b>500,000</b>
Balance at 31/12/2013	32,133,560	3,172,958	(36,364,658)	<b>(1,058,140)</b>
Balance at 1/7/2014	37,469,700	3,172,958	(37,431,113)	<b>3,211,545</b>
Loss attributable to members of parent entity	-	-	(916,038)	<b>(916,038)</b>
Issue of ordinary securities	870,000	-	-	<b>870,000</b>
Cost of issuing ordinary securities	(133,215)	-	-	<b>(133,215)</b>
Balance at 31/12/2014	38,206,485	3,172,958	(38,347,151)	<b>3,032,292</b>

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The statement of changes in equity should be read in conjunction with the notes to the financial statements.

**Bounty Mining Limited and its Controlled Entities**

Condensed consolidated statement of cash flows for the half year ended 31 December 2014

	<b>Consolidated Group</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	-	3,212,790
Payments to suppliers and employees	(569,933)	(5,540,747)
	(569,933)	(2,327,957)
Interest received	703	11,899
Interest and other costs of finance paid	(1,914)	(180,227)
<b>Net cash flows used in operating activities</b>	<b>(571,144)</b>	<b>(2,496,285)</b>
<b>Cash flows from investing activities</b>		
Payments for plant and equipment	-	(34,224)
Investments in Wongai	(328,551)	(770,823)
Proceeds from sale of equipment	1,000	-
<b>Net cash flows used in investing activities</b>	<b>(327,551)</b>	<b>(805,047)</b>
<b>Cash flows from financing activities</b>		
Gross proceeds from issue of shares	870,000	500,000
Costs related to issue of shares	(144,258)	(2,223)
Proceeds from borrowings	100,009	-
Repayment of borrowings	-	(100,000)
<b>Net cash flows provided by financing activities</b>	<b>825,751</b>	<b>397,777</b>
Net decrease in cash held	(72,944)	(2,903,555)
Cash at beginning of financial year	87,804	3,624,638
<b>Cash at end of financial period</b>	<b>14,860</b>	<b>721,083</b>

The statement of cashflow should be read in conjunction with the notes to the financial statements.



# **Bounty Mining Limited and its Controlled Entities**

**Notes to the Financial Statements** for the half year ended 31 December 2014

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## **1 Statement of Significant Accounting Policies**

The condensed consolidated interim financial report is a general purpose financial report, prepared in accordance with AASB 134 "Interim Financial Reporting" and the requirements of the Corporations Act 2001.

The condensed consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the most recent annual financial report for the year ended 30 June 2014 and any public announcements made by Bounty Mining Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The financial report covers the economic entity of Bounty Mining Limited and its controlled entities.

The same accounting policies and methods of computation have been followed in this interim financial report as were used in the most recent annual financial statements.

### **Going concern**

As at 31 December 2014, the Group's current assets exceeded current liabilities by \$0.3m, and total assets exceeded total liabilities by \$3.0m. However Bounty has net financial liabilities of \$3.1m (30 June 2014: \$2.8m), incurred a loss from continuing operations for the half year of \$0.9m, had a deficiency in net cash flows from operating activities of \$0.6m and invested \$0.4m into an exploration and evaluation asset.

The Directors have prepared the financial statements on a going concern basis.

The Directors are satisfied that the current capital raising program will provide sufficient funds for operations for at least 12 months from the date of this report. While the Company remains in active discussion with a number of interested parties regarding other financing options, no funding commitments have been received at the time of release of this document.

The Directors cannot be certain therefore that sufficient capital will be raised to fund the Company's existing commitments or any future activities.

If additional contract mining opportunities or joint venture opportunities are identified these will generate additional cash flows.

Bounty also has the continued support of its secured lender, VETL Pty Ltd ("VETL"), a company associated with Chairman and Chief Executive Officer Gary Cochrane. The balance of the loan is due for repayment on 31 December 2016 if not extinguished by other means prior to that date.

## **Bounty Mining Limited and its Controlled Entities**

**Notes to the Financial Statements** for the half year ended 31 December 2014

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The Directors are therefore satisfied that Bounty will be able to continue as a going concern.

Should the Directors not achieve the matters set out above, there is material uncertainty whether the consolidated entity will be able to continue as a going concern.

If part or the whole of the consolidated entity is not able to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the normal course of business and at amounts different to those stated in the financial report.

The financial report does not include any adjustments relating to the recoverability or classification of recorded assets amounts, or to the amounts or classification of liabilities, which might be necessary should the consolidated entity not be able to continue as a going concern.

### **2 Operating Segment**

The Group's activities during the period were related to a drilling and exploration programme undertaken as part of a Farm In and life-of mine Management Agreement in relation to the Wongai Coal Project.

### **3 Property, plant and equipment**

The Group initially recognises and measures its Plant and Equipment and Capital Works in Progress at cost. The Group subsequently measures some items of its plant and equipment and capital works in progress at fair value on a non-recurring basis in accordance with AASB136: Impairment of Assets.

#### Fair Value Measurement

AASB 13 Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that is an input that is significant to the measurement can be categorised into as follows:

- Level 1: Measurements based on quoted prices in active markets for identical assets that the entity can access at the measurement date.
- Level 2: Measurements based on inputs other than the quoted prices included in Level 1, but that are observable for the asset, either directly or indirectly.
- Level 3: Measurements based on unobservable inputs for the asset or liability.

Bounty's management considers that the inputs used for the fair value measurement are Level 2 inputs.

## Bounty Mining Limited and its Controlled Entities

### Notes to the Financial Statements for the half year ended 31 December 2014

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Non-Recurring fair value measurements as at 31 December 2014 – Level 2

	At fair value (1)	At carrying value (2)	Total
	\$	\$	\$
Plant and equipment not in use	1,676,928	44,998	1,721,926
Capital works in progress	1,556,042	900,436	2,456,478
Total	3,232,970	945,434	4,178,404

(1) Non-financial assets recognised at fair value where fair value is less than carrying value.

(2) Non-financial assets recognised at cost less depreciation, where fair value is higher than carrying value. These assets are not included in (1).

#### 4 Exploration and evaluation asset

During the period Bounty invested \$0.44m in the commencement of the Phase 2 Works of the Wongai Coal Project which has been capitalised into the Exploration and evaluation asset. Recoverability of the carrying amount of the exploration asset is dependent on the successful development of the Wongai Coal Project.

	6 months to December 2014	12 months to June 2014
	\$	\$
Opening Balance	995,185	-
Expenditure capitalised during the period	441,842	995,185
Total	1,437,027	995,185

#### 5 Equity securities issued

##### Issued Shares

In August 2014 Bounty lodged a prospectus to raise up to \$4,500,000 to fund Phase 2 of the Wongai Coal project, working capital and the costs of the offer. The minimum subscription under the prospectus was not reached and Bounty advised the market that the Offer was closed. No shares were therefore issued under the prospectus.

During the period, 16,153,851 ordinary shares were issued at 2.6c and 22,500,000 ordinary shares were issued at 2.0c to raise a total of \$870,000. Subsequent to 31 December 2014, 10,000,000 ordinary shares have been issued at 2.0c to raise \$200,000.

The total funds raised were used to fund a reduced scope of Phase 2 works, working capital and the costs of the prospectus offer.

## **Bounty Mining Limited and its Controlled Entities**

**Notes to the Financial Statements** for the half year ended 31 December 2014

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### **6 Subsequent Events**

Subsequent to 31 December 2014, 10,000,000 ordinary shares have been issued at 2.0c to raise \$200,000.

Under the Farm-in agreement with joint venture partner Aust-Pac Capital Pty Ltd (“Aust-Pac”), by solely funding and completing these works in early 2014 Bounty had earned the “Phase 1 Interest”, a 5% equity interest in the exploration tenements. Aust-Pac had confirmed in February 2014 that the conditions for the transfer of the Phase 1 interest had been met.

Bounty announced in February 2015 that the Department of Natural Resources and Mines has approved the transfer of the interest, and that Bounty now holds a 5% interest in the tenements.

No other matters or circumstances have arisen since the end of the reporting period which significantly affected or could significantly affect the operations of the consolidated group, the results of the operations, or the state of affairs of the consolidated group in future financial years.

### **7 Capital Commitments**

Bounty has no capital commitments. (December 2013: \$nil).

# Bounty Mining Limited and its Controlled Entities

## DIRECTORS' DECLARATION

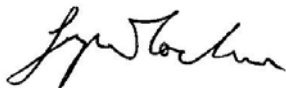
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The directors of the Company declare that:

1. The financial statements and notes set out in pages 5 to 12:
  - a) Comply with Accounting Standard AASB134 : Interim Financial Reporting and the Corporations Regulations 2001; and
  - b) Give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance, as represented by the results of its operations and its cashflow, for the half-year ended on that date.
  
2. In the directors' opinion there are reasonable grounds to believe that the Consolidated entity 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 Directors.

Dated at Sydney this 25<sup>th</sup> February 2015



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Gary Cochrane

*Chairman*

## **Independent Review Report To the members of Bounty Mining Limited**

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Bounty Mining Limited and the entities it controlled during the half year, which comprises the condensed consolidated statement of financial position as at 31 December 2014, and the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other selected explanatory notes and the directors' declaration.

#### *Directors Responsibility on 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 company's financial position as at 31 December 2014 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 Bounty Mining Limited, 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*.

*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 Bounty Mining Limited and the entities it controlled during the half year is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entities financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and *Corporations Regulations 2001*.

*Emphasis of Matter*

Without qualification to the opinion expressed above, we draw attention to Note 1 in the financial statements which indicates that the consolidated entity had net financial liabilities of \$3.1m (30 June 2014: \$2.8m), incurred a loss from continuing operations for the half year of \$0.9m and had a deficiency in net cash flows from operating activities of \$0.6m. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern.

GOULD RALPH ASSURANCE  
Chartered Accountants



MALCOLM BEARD M.Com., F.C.A.  
Partner  
Sydney, 25 February 2015