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2014 Drilling Results, Wongai Project - Replacement

Bounty Mining Limited completed another short drilling programme within EPC2334 during November 2014, as part of a farm-in agreement with Aust-Pac Capital Pty Ltd to acquire up to a 51% interest in the Wongai Project. This project, in the Laura Basin of far north Queensland, is to test and potentially develop a shallow underground mining project within the Bathurst Seam which is the main coal seam in the region.

Executive Chairman, Gary Cochrane said "Bounty is pleased to announce results from the 2014 drilling program¹. A primary aim of the drilling was to obtain large diameter 8C (200mm) core of the Bathurst seam for detailed washability assessment and coke strength test work, and confirm results from the 2013 drilling."

Two holes were drilled, of which W006 drilled in the Birthday Plains resource area (Figure 1), intersected 2.86m of coal comprising the Bathurst seam. This result is encouraging as it indicates the Bathurst seam is thicker than currently modelled in this central area of a coalesced seam. Another large diameter hole (W007) started in the southern Airstrip resource area, was abandoned above coal due to difficult ground conditions. W007 will now be used for groundwater monitoring. Drilling results are summarised in Table 1.

Obtaining full seam recovery has historically been difficult at Wongai, in the typically very friable, vitrinite-rich Bathurst seam coals. Drilling at site W006, however, achieved 100% core recovery within the Bathurst seam using 8C conventional coring methods. Raw quality measured at W006 confirms that the Bathurst seam in the Birthday Plains resource area comprises a low-medium volatile bituminous coal, with typically high swell and variable total sulphur. Raw quality is summarised in Table 2, in comparison with results from 2013 drilling, which were announced 10 February, 2014.

¹ The information in this announcement that relates to Exploration Results is based on information collated by Mr Andrew Todd, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Todd is an employee of Geos Mining Mineral Consultants and is a consultant to Bounty Mining Limited. Mr Todd has sufficient experience that is relevant to the styles of mineralisation and types of deposits under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Mr Todd consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

It is noted that the 2013 drill holes are located around the central coalesced seam area (Figure 1) and intersected significant in-seam partings as indicated in Table 2. The 2013 product quality and washability results are presented as ranges, because they do not account for the impact of in-seam partings and were compromised by poor core recoveries.

Detailed size fraction washability results from W006 show that a full seam section, which includes in-seam partings less than 7mm thick at this site, will produce a 7-8% ash (ad) coking coal product with high yield (78%). Product quality results are summarised in Table 3 in comparison with 2013 results. Dilution studies have yet to be undertaken to determine the impact of any roof/floor dilution on all product quality and yield determinations.

Product quality results to date are positive, with particular regard to coking properties, ash composition and the very high vitrinite content of the Bathurst seam coal in the Birthday Plains resource area. However, product phosphorus appears to be variable, and high at W006, while a product total sulphur of around 1% (ad) may be expected.

Mr Cochrane said that “The data to date confirms the existence of a potentially mineable shallow seam in the Birthday Plains area that can be washed at high yield to a low ash, moderate sulphur, high CSN coking coal product. Product qualities determined to date are consistent with a premium hard coking coal.” He said “Further coke oven test work is underway to determine coke strength properties. The 2014 drilling results are a further important milestone in the development of the Wongai Project and access to a life of mine contract for Bounty Mining.”

The previously announced² JORC 2012 resource estimates for the Wongai Project have yet to be updated, but the W006 result is expected to increase the Indicated resource slightly. Bounty is not aware of any new information or data that will materially reduce the previously announced² JORC 2012 resource estimates and all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The previously announced JORC estimates comprised:

- The Birthday Plains deposit comprising 21.5 Mt, of which 15.5 Mt is Inferred and 6 Mt is Indicated, based on the results of a 2013 drilling programme; and
- The Airstrip deposit comprising 56.2 Mt of Inferred coal, was estimated after a reassessment of an earlier estimate³.

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² Announced by Bounty Mining on 26 February 2014 as “Revised Resource Estimate - Wongai Project”.

³ See ASX announcement ‘Wongai Coal Project’ released to the market on 26 September 2013.

Table 1: Drilling Results Summary

Hole ID	Dip/Azimuth	Easting (MGA94 Z55)	Northing (MGA94 Z55)	Collar RL	Total Depth	Seam ID	Bathurst Seam Depth Interval	Seam Thickness (m)	
								Coal	Seam *1
W001	Sub-vertical	203338.68	8403785.51	118.29	143.45	BAT_10	110.97 - 111.53	0.56	1.43
						BAT_20	111.83 - 112.40	0.57	
W002	Sub-vertical	203300.53	8404651.54	130.22	63.70	Hole abandoned above Bathurst due to difficult ground conditions.			
W003	Sub-vertical	204940.00	8404744.05	105.95	120.65	BAT_10	107.25 - 107.75	0.5	1.44
						BAT_20	107.95 - 108.69	0.74	
W004	Sub-vertical	204816.47	8405538.42	117.38	123.34	BAT_10	110.2 - 111.44	1.24	2.05
						BAT_20	111.85 - 112.25	0.4	
W005	Sub-vertical	204090.18	8404159.48	105.69	109.00	BAT_10	101.82 - 103.01	1.19	1.75
						BAT_20	103.1 - 103.57	0.47	
W006	Sub-vertical	204298.35	8404507.46	112.84	114.9	BAT_00	106.51 - 109.53	2.86	2.86
W007	Sub-vertical	203106	8399175	-	54	Abandoned due to ground conditions			

Notes: *1: working section thickness includes any in-seam partings.
Shaded results are from the 2013 drilling programme, announced 10 February 2014.

Table 2: Raw Analysis Results Summary

Hole ID	Hole Type	Seam ID	Seam Recovery %	TM %	IM% (ad)	Ash% (ad)	VM% (ad)	TS% (ad)	CSN
W001	Partial Core	BAT_10	30	1.3	0.8	16.2	19.9	5.68	9.5
		Parting		NR	NR	NR	NR	NR	NR
		BAT_20		NR	NR	NR	NR	NR	NR
W003	Partial Core	BAT_10	73	7.2	0.9	12.2	18.6	0.92	9.5
		Parting		3.2	0.7	69.1	8.7	0.81	0.5
		BAT_20		14.3	1	26.5	16.4	0.82	8.5
W004	Partial Core	BAT_10	58	8.64	0.90	18.87	18.53	1.19	9
		Parting		NA	0.7	73.3	8	NA	NA
		BAT_20		15.3	0.9	32.1	15.9	0.8	6
W005	Partial Core	BAT_10	13	NR	NR	NR	NR	NR	NR
		Parting		NR	NR	NR	NR	NR	NR
		BAT_20		4.6	0.8	19.4	20.1	1.08	8.5
W006	Partial Core	BAT_00	100	2.4	0.8	19.3	18.7	0.93	9

Notes: Analysis results are RD/length weighted averages for sampled intervals only.
Shaded results are from the 2013 drilling programme, announced 10 February 2014.

Table 3: Birthday Plains Coals – Indicative Product Quality

Quality Parameter	W006	2013 Drilling (4 hole summary)
Yield (%)	78.2	68 - 90
Total Moisture (ar)	8.0	-
Inherent Moisture (%ad)	0.8	0.8 – 0.9
Ash (%ad)	7.7	6.9 – 10.0
Volatile Matter (%ad)	19.8	18.9 – 21.1
Fixed Carbon (%ad)	71.7	68.8 – 72.2
Total Sulphur (%ad)	0.95	0.94 – 1.13
Phosphorus (%ad)	0.117	0.002 – 0.068
HGI	97	-
Crucible Swelling Number (CSN)	9 1/2	8 - 9
Maximum Fluidity (ddpm)	150	80 - 200
Total Dilatation (%)	98	77 - 123
G Index	89	-
Sapozhnikov Plastic Layer (y) (mm)	20	-
Total Vitrinite (%)	87	82.3 – 93.2
Vitrinite Reflectance (% mmr)	1.60	1.54 – 1.65
Basicity Index	0.08	0.03 – 0.06

Wongai Project 2014 Completed Drilling

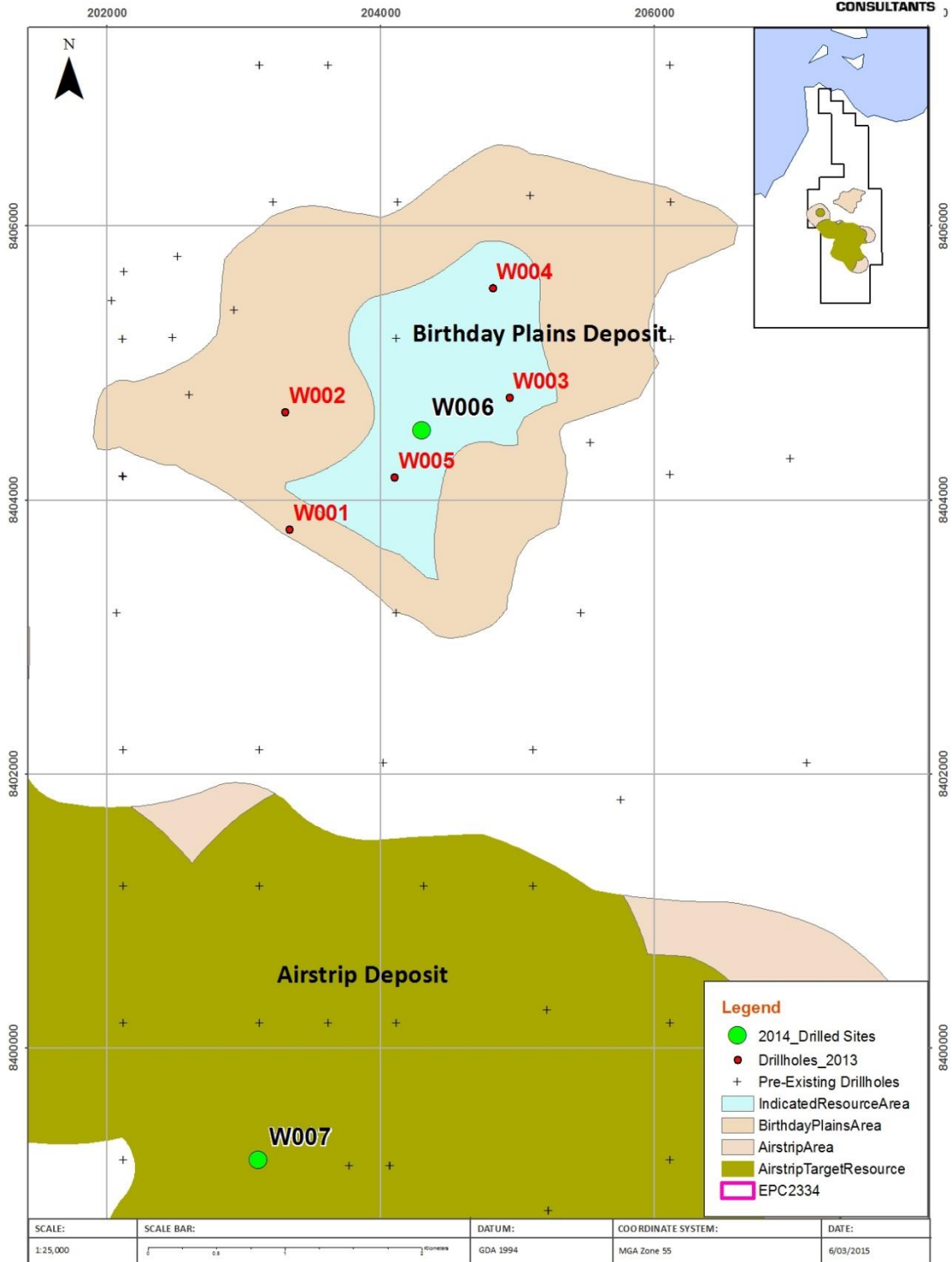


Figure 1: Drill Hole Locations

JORC Code, 2012 Table One Checklist of Assessment and Reporting Criteria

The following Section 1 and 2 of the JORC 2012 Table 1 supporting information, has been compiled for the 2014 drilling data only. That for the 2013 data was included in the 10 February 2014 announcement.

SECTION 1: SAMPLING TECHNIQUES & DATA

Sampling Techniques	<ul style="list-style-type: none">• All 2014 holes were geophysically logged by Mitchell Energy Services, with a full suite of logs including caliper, gamma, density, resistivity, sonic, televiwer and verticality;• Geophysical log calibration was observed at the start of the 2014 drilling programme;• The logs have been accepted as being fit for purpose.• 2014 holes were all 8C conventionally cored (200mm) through the Bathurst seam and immediate roof and floor, although W007 was abandoned before reaching the Bathurst seam, due to difficult ground conditions;• Openhole sections of the 2014 holes were sampled from chips sorted into 1m intervals;• For 2014 drill holes, the Bathurst seam was sampled with sub-samples selected to represent intervals of similar coal or non-coal lithology. Non-coal roof, parting and floor samples were also taken.
Drilling Techniques	<ul style="list-style-type: none">• The 2014 programme used rotary openhole and conventional diamond coring using polymer mud circulation;• All 2014 drill holes were planned to be drilled vertically. W006 showed hole deviations less than 0.6° to 60m depth, then tilt increased from 2° at 62m to 6.0- 6.8° through the Bathurst seam. The hole deviation through the Bathurst seam is not considered to have a material impact on the assessment of coal quality;• The 2014 cores were not oriented. This does not materially impact on the resource assessment.
Logging	<ul style="list-style-type: none">• All 2014 holes were logged and photographed by professional geologists on site by Geos Mining, and drill logs were later corrected against the geophysical density logs.
Drill Sample Recovery	<ul style="list-style-type: none">• There is a history of poor core recovery within coal seam intervals within the investigation area, due largely to the typically friable and intensely cleated nature of coals in the area;• 2014 drill logs were corrected against geophysical logs, and any core loss intervals were determined based on core length retained. Seam sampling recovery % was calculated on a linear basis, and checked against sample mass. Seam recovery was 100% for W006.
Sub-sampling techniques & sample preparation	<ul style="list-style-type: none">• Field sampling in the 2014 drilling programme involved taking 100% of core for the selected sampling intervals;• Sample preparation and analysis for the 2014 programme was undertaken by ALS, Brisbane, who are a NATA registered lab. ALS used fit for purpose Australian Standard methodologies.• Sample sizes (200mm diameter core) are appropriate to the assessment of raw coal quality, separate size fraction washability and product quality. There was also sufficient sample for Coke strength testing.
Quality of assay data & laboratory tests	<ul style="list-style-type: none">• Sample preparation and analysis procedures used by ALS, Brisbane are considered appropriate to the current assessment of coal resource quality;
Verification of sampling & assaying	<ul style="list-style-type: none">• Results from the 2014 drilling programme are generally in accordance with the geological trends and analysis results identified in previous drilling;• All data is stored digitally and fully backed up.
Location of data points	<ul style="list-style-type: none">• All coordinates are supplied in GDA 1994, MGA Zone 55, and collar elevations are in AHD.• 2014 holes were surveyed by qualified surveyors from Control Points set up by GPS Static Survey (Class C vertical and Class B horizontal). Bore locations and collar elevations were established by a combination of RTK and fast static survey.• The current topography DTM surface is sourced from Geoscience Australia in the form of 1 second STRM v1.0 DTM data. Significant inaccuracies are observed by comparison with survey spot heights, however this has no material impact on assessment of the resource, which is an underground mining prospect.
Data spacing & distribution	<ul style="list-style-type: none">• As shown on plan provided
Orientation of data in relation to geological structure	<ul style="list-style-type: none">• Industry standard vertical drilling has been used in all holes to sample the coal seams, which are flat lying to gently dipping in an anticlinal structure. Although significant faulting is thought to exist on the limbs of the anticline, there is no evidence from drilling of fault related over-thickening of the coal intersections sampled, or any other evidence of sampling bias being introduced due to structural discontinuity.

Sample security & audits • All 2014 samples were despatched by courier to a reputable laboratory.

SECTION 2: REPORTING OF EXPLORATION RESULTS

Mineral tenement & land tenure status	<ul style="list-style-type: none">• EPC 2334 (expiry 13/12/2016) is held by Aust-Pac Capital Pty Ltd, as Trustee for the Wongai Unit Trust. The associated land is owned by the Kalpowar Aboriginal Lands Trust, who have a material interest in the Wongai Unit Trust.
Exploration done by other parties	<ul style="list-style-type: none">• Prior to the 2014 drilling programme, exploration was by the Bounty Mining Ltd for the Wongai Trust in 2013, Utah Development Company and BHP from 1978 – 1985, and then by Bathurst Coal and Power in 1995 and 1996.
Geology	<ul style="list-style-type: none">• Coal seams occur within the Middle to Late Jurassic Dalrymple Sandstone, which overlies Paleozoic Basement rocks in the North Qld Laura Basin;• The basal Bathurst seam is the only continuous and prospective seam, comprising coking coal up to 2-3m thick at depths ranging from 100m to in excess of 300m;• The shallowest coal occurs along the crest of a broad south plunging anticline which forms the Bathurst Range. Generally north-south trending faults are mapped to the west and east of a relatively flat lying anticlinal crest, which comprises the current area of exploration interest, but structure is not well defined in these areas.
Drill hole information	<ul style="list-style-type: none">• A summary of the 2013 and 2014 drill hole information is presented in Table 1;• A summary of coal analysis data is presented in Table 2, along with coal seam recovery calculations.• Geos Mining notes that coal seam recoveries were variable and generally low for the 2013 drilling programme, and for previous drilling programmes, while 100% for W006 in 2014.
Data aggregation methods	<ul style="list-style-type: none">• Data presented in Table 2 has, where necessary, been aggregated for the sampled interval of each seam using a density and interval thickness weighted average of the original laboratory data.
Relationship between mineralisation widths and intercept depths	<ul style="list-style-type: none">• The sample lengths presented are based on geophysical log corrected downhole depths, which are considered to be perpendicular to an essentially flat lying coal seam.
Diagrams	<ul style="list-style-type: none">• Drill hole locations in relation to pre-existing drill holes and the Birthday Plains resource area are shown in Figure 1.
Balanced reporting	<ul style="list-style-type: none">• All results for the Bathurst seam have been reported. The 2013 and 2014 raw data presented in Table 2 is consistent with the publically available data from previous drilling programmes.
Other substantive exploration data	<ul style="list-style-type: none">• Detailed washability, sizing and clean coal composite data is available on request for the 2014 drilling. Clean coal composite data for the 2013 holes has also not as yet been fully reported, and is available on request.
Further Work	<ul style="list-style-type: none">• Further drilling is planned. Detailed recommendations for further work have not yet been fully developed, but further drilling will be required to obtain further coal quality data, to close up drill hole spacing in structurally disturbed areas, and to upgrade resource estimates.