



Bounty Mining Limited ACN: 107 411 067  
Suite 307, Level 3, 66 Hunter Street, Sydney NSW 2000, Australia

## **BOUNTY MINING LIMITED**

**A C N 107 411 067**

### **HALF YEAR RESULTS FOR THE PERIOD TO 31 DECEMBER 2015**

**ATTACHMENT TO FORM 7051 DATED 14 MARCH 2016**

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

## **DIRECTORS' REPORT**

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### **Half Year Report: Half Year to 31 December 2015**

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 2015 and the auditor's review report thereon.

The names of directors who held office during the half year and to the date of this report 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

### **Company Structure**

On 4 January 2016 the Company's securities were removed from the official list under a policy introduced by ASX whereby companies whose securities remain in suspension for more than three years at 1 January 2016 are automatically removed.

The Company remains a public unlisted entity.

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

Due to the difficulties of raising capital during 2015, the development of the Wongai project was limited to desk-top work.

### **Revenue**

As the Wongai Project is in the exploration and evaluation stage, no revenues were derived during the period.

### **Loss After Tax**

The loss after tax for the period was \$1.2m compared with a loss of \$0.9m for the half year ended 31 December 2014.

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

During the period VETL agreed to extend the moratorium on interest charges.

In March 2016 Bounty and VETL agreed to vary the terms of the agreement as follows:

- The moratorium on interest charges on the loan is further extended to 31 July 2017; and
- The repayment date of the loan is deferred to 31 December 2017, unless extinguished by other means before that date.

### **Voluntary Administration**

On 11 November Martin Green and Robyn Karam of BRI Ferrier (NSW) Chartered Accountants were appointed Joint and Several Administrators of Bounty Mining Limited and its subsidiaries ("the

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

## **DIRECTORS' REPORT**

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Companies”) pursuant to Section 436A of the Corporations Act 2001 by resolutions passed at meetings of the directors of the Companies.

Bounty entered into a Deed of Company Arrangement (“the Deed”) with its creditors which was effected on 8 March 2016. To satisfy the Deed, the Company will issue:

- 67,063,144 securities at 0.35cps to Nominated Unsecured Creditors in lieu of receiving a distribution from the Pool Fund.
- 141,637,763 securities at 0.212c per share to entities associated with Brian McMaster and Matthew Wood of Garrison Capital Pty Ltd in respect of its payments of \$215,000 into the Pool Fund and \$85,000 to Bounty for working capital.

### **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  
14th March 2016



# Russell Bedford NSW

*Chartered Accountants*

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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 2015 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.

**RUSSELL BEDFORD NSW**  
**Chartered Accountants**

A handwritten signature in blue ink, appearing to read 'Gregory Ralph'.

**GREGORY RALPH, M.Com., F.C.A.**  
**Partner**

Sydney, 14 March 2016

## Bounty Mining Limited and its Controlled Entities

Condensed consolidated statement of comprehensive income for the half year ended 31 December 2015

	Consolidated Group	
	31/12/2015	31/12/2014
	\$	\$
Revenue from rendering of services	-	-
Other revenues	8,467	1,055
Total revenue from ordinary activities	8,467	1,055
Cost of services	(2,680)	(14,147)
Employee expenses	(144,077)	(69,315)
Depreciation and amortisation expenses	-	(251,779)
Legal and professional costs	(158,674)	(251,746)
Occupancy expenses	(221,414)	(139,593)
Finance costs	(7,060)	(147,195)
Loss on sale of fixed assets and inventories	(633,144)	-
Other expenses from ordinary activities	(28,038)	(43,318)
<b>Loss before related income tax expense</b>	<b>(1,186,620)</b>	<b>(916,038)</b>
Income tax expense	-	-
<b>Loss from continuing operations</b>	<b>(1,186,620)</b>	<b>(916,038)</b>
Other comprehensive income for the half year, net of tax	-	-
<b>Total comprehensive loss for the half year</b>	<b>(1,186,620)</b>	<b>(916,038)</b>
Loss attributable to members of the parent entity	<b>(1,186,620)</b>	<b>(916,038)</b>
<b>Total comprehensive loss attributable to members of the parent entity</b>	<b>(1,186,620)</b>	<b>(916,038)</b>
	<b>Cents</b>	<b>Cents</b>
Basic and dilutive loss per share	(0.161c)	(0.131c)

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 2015

	Note	Consolidated Group	
		31/12/2015	30/06/2015
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents		-	1,167
Trade and other receivables		-	1,346
Inventories	4	-	88,753
Other assets		-	162,673
<b>Total current assets</b>		-	<b>253,939</b>
<b>Non-current assets</b>			
Property, plant & equipment	4	-	887,621
Exploration and evaluation asset	3	1,491,961	1,479,675
<b>Total non-current assets</b>		<b>1,491,961</b>	<b>2,367,296</b>
<b>Total assets</b>		<b>1,491,961</b>	<b>2,621,235</b>
<b>Current liabilities</b>			
Trade and other payables		406,303	341,720
Financial liabilities		-	12,578
Related party liability	6	2,942,002	17,200
Convertible Notes		119,551	119,551
Short-term provisions		13,534	11,160
<b>Total current liabilities</b>		<b>3,483,390</b>	<b>496,242</b>
<b>Non-current liabilities</b>			
Related party liability	6	-	2,930,302
<b>Total non-current liabilities</b>		-	<b>2,930,302</b>
<b>Total liabilities</b>		<b>3,483,390</b>	<b>3,426,544</b>
<b>Net liabilities</b>		<b>(1,991,929)</b>	<b>(805,309)</b>
<b>Equity</b>			
Issued capital	5	38,500,507	38,500,507
Accumulated losses		(43,665,394)	(42,478,774)
Reserves		3,172,958	3,172,958
<b>Total deficiency</b>		<b>(1,991,929)</b>	<b>(805,309)</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 2015

	Ordinary Share Capital	Options Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
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>
Balance at 1/7/2015	38,500,507	3,172,958	(42,478,774)	<b>(805,309)</b>
Loss attributable to members of parent entity	-	-	(1,186,620)	<b>(1,186,620)</b>
Issue of ordinary securities	-	-	-	-
Cost of issuing ordinary securities	-	-	-	-
Balance at 31/12/2015	38,500,507	3,172,958	(43,665,394)	<b>(1,991,929)</b>

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 2015

	Consolidated Group	
	31/12/2015	31/12/2014
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(312,228)	(569,933)
Interest received	577	703
Interest and other costs of finance paid	(1,009)	(1,914)
<b>Net cash flows used in operating activities</b>	<b>(312,660)</b>	<b>(571,144)</b>
<b>Cash flows from investing activities</b>		
Investments in Wongai	(21,007)	(328,551)
Proceeds from sale of equipment	338,000	1,000
<b>Net cash flows provided by / (used in) investing activities</b>	<b>316,993</b>	<b>(327,551)</b>
<b>Cash flows from financing activities</b>		
Gross proceeds from issue of shares	-	870,000
Costs related to issue of shares	-	(144,258)
Proceeds from borrowings	-	100,009
Repayment of borrowings	(5,500)	-
<b>Net cash flows (used in) / provided by financing activities</b>	<b>(5,500)</b>	<b>825,751</b>
Net decrease in cash held	(1,167)	(72,944)
Cash at beginning of financial year	1,167	87,804
<b>Cash at end of financial period</b>	<b>-</b>	<b>14,860</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 2015

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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 2015 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 2015, the Group's current liabilities exceeded current assets by \$3.5m, and total liabilities exceeded total assets by \$2.0m. Bounty incurred a loss from continuing operations for the half year of \$1.2m including a loss of \$0.6m on the sale of equipment and inventories.

Bounty entered into Voluntary Administration on 11 November 2015 and on 8 March 2016 a Deed of Company Arrangement ("DOCA") and Pooled Fund Deed ("PFD") were executed. The effectuation of the DOCA is dependent on the following actions:

1. Garrison Capital Pty Ltd ("Garrison"), a party to the DOCA and PFD, is required to pay \$215,000 to the Pooled Fund and to pay \$85,000 to Bounty for working capital. The working capital has not yet been paid in full.
  
2. Upon receipt of these monies Bounty must then issue shares to the following parties:
  - (a) 67,063,144 ordinary shares to Nominated Unsecured Creditors in lieu of receiving a distribution from the Pool Fund; and
  - (b) 141,637,763 ordinary shares to entities associated with directors of Garrison Capital Pty Ltd in respect of its payment of \$215,000 into the Pooled Fund and \$85,000 to the Company for working capital.

These shares will be issued by the Company once the working capital funds have been paid in full.

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

### **Notes to the Financial Statements** for the half year ended 31 December 2015

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3. The payment of a distribution from the Pool Fund by the Administrators to participating unsecured creditors, which is expected to occur on 4 May 2016.

In accordance with the terms of the DOCA, upon the distribution of the Pool Fund all the pre-administration unsecured liabilities at 31 December 2015 will be extinguished. At that juncture, the Bounty group will have limited working capital, an interest in exploration and evaluation assets of \$1,491,961 and \$2,930,302 related party debt, resulting in an estimated deficiency of \$1,377,236.

These matters give rise to a material uncertainty that may cast significant doubt upon the consolidated entity's ability to continue as a going concern. The ongoing operation of the consolidated entity is dependent upon it:

- (a) obtaining continued financial support from its current financiers and directors; and
- (b) raising further equity or long term funding to resume its exploration activity.

Bounty has the ongoing support of its secured lender, VETL Pty Ltd ("VETL"), a company associated with Chairman and Chief Executive Officer, Gary Cochrane. On 10 March 2016, VETL agreed to extend the maturity date of its loan to 31 December 2017 and to extend a moratorium on charging interest on the loan to 31 July 2017.

Management have prepared a cash flow projection for the period to 30 June 2017 that supports the ability of the consolidated entity to continue as a going concern.

Garrison has proposed further funding for working capital and Bounty will engage Garrison to raise further long-term funding for the Wongai project. The forecast includes funding from Garrison to meet budgeted Wongai exploration and corporate overhead costs.

Whilst the Directors are confident that the current capital raising program will provide sufficient funds for operations for at least 12 months from the date of this report and the Company remains in active discussion with Garrison regarding financing, no funding commitments have been received at the time of release of this document other than the provision of \$85,000 in working capital. Therefore, exploration activities will be restricted to the level of funding actually obtained if this is less than the amount forecast.

Based on the above and the reasonable expectation that the necessary future funding will be obtained, over the forecast period, the Directors are satisfied that Bounty will be able to continue as a going concern and it is appropriate to prepare these financial statements on that basis.

Should the Directors not achieve the matters set out above, it is likely part or the whole of the consolidated entity will be unable to continue as a going concern and 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.

## Bounty Mining Limited and its Controlled Entities

### Notes to the Financial Statements for the half year ended 31 December 2015

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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 Exploration and evaluation asset

Recoverability of the carrying amount (\$1,491,461) of the exploration asset is dependent on the successful development of the Wongai Coal Project.

#### 4 Property plant and equipment and inventories

During the period of Voluntary Administration, the Company's mining fleet and inventories were sold at auction for \$.04m. A loss on disposal was incurred of \$0.6m.

#### 5 Equity securities issued

No securities were issued during the period.

A total of 208,700,907 ordinary shares will be issued under the terms of the Deed of Company Arrangement ("DOCA"). Refer to Note 7 for further detail.

The number of ordinary shares on issue after issuing the DOCA shares will be 944,251,756.

#### 6 Related Party Transactions

The Group's main related party is VETL Pty Ltd ("VETL"), a company associated with Chairman Gary Cochrane.

	Consolidated Group	
	31 December 2015	30 June 2015
	\$	\$
Secured loan - current	2,930,302	-
Secured loan – non current		2,930,302
Unsecured loan - current	11,700	17,200
End of the year	<b>2,942,002</b>	<b>2,947,500</b>

The secured loan was assigned to VETL from the Company's external financiers in September 2009 under the same terms and conditions. The loan is therefore considered to be at an arm's length

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

### **Notes to the Financial Statements** for the half year ended 31 December 2015

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basis. Interest is charged at 9.72% p.a. The loan is secured by a fixed and floating charge over the assets and undertakings of the Consolidated Bounty Group.

The loan is due for payment on 31 December 2016. By agreement with the lender, no interest has been charged on the loan after 31 December 2014. Under the terms of the loan current at 31 December 2015:

- There is a moratorium on charging interest on the loan; and
- The loan is due for payment on 31 December 2016, unless extinguished by other means before that date.

In March 2016 Bounty and VETL agreed to vary the terms of the agreement as follows:

- The moratorium on interest charges on the loan is extended to 31 July 2017; and
- The loan is due for payment on 31 December 2017, unless extinguished by other means before that date.

During FY2015 VETL advanced an additional \$17,200 in short-term unsecured interest free debt to cover working capital. Bounty repaid \$5,500 of this loan during the period.

During the half year, Chairman Gary Cochrane charged \$40,000 (2014: \$60,000) as a consultancy fee in relation to his role as Chief Executive Officer.

## **7 Subsequent Events**

### **ASX De-listing**

On 4 January 2016 the Company's securities were removed from the official list under a policy introduced by ASX whereby companies whose securities remain in suspension for more than three years at 1 January 2016 are automatically removed.

### **Voluntary Administration**

The Bounty group of companies entered into Voluntary Administration on 11 November 2015. At a meeting of creditors of all companies held on 16 February 2016, creditors resolved that the companies enter a Deed of Company Agreement ("DOCA") and a Pool Fund Deed. On 8 March 2016 the DOCA and Pool Fund Deed were executed and control of the management and operations of the companies reverted to the directors.

#### *(i) Issue of securities*

To satisfy the DOCA, Bounty Mining Limited will issue:

- 67,063,144 ordinary shares at 0.35cps to Nominated Unsecured Creditors in lieu of receiving a distribution from the Pool Fund.

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

### **Notes to the Financial Statements** for the half year ended 31 December 2015

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- 141,637,763 ordinary shares at 0.212c per share to entities associated with directors of Garrison Capital Pty Ltd ("Garrison") in respect of its payment of \$215,000 into the Pool Fund and \$85,000 for working capital.

The ordinary shares will be issued immediately after the working capital is received in full by Bounty.

Following the issue of ordinary shares to entities associated with directors of Garrison, those entities will hold 15% of the issued capital of Bounty.

#### *(ii) Extinguishment of Unsecured Liabilities*

Following the receipt of funds by the Pool Fund Administrators and by Bounty and the issue of shares as described above the company will have discharged its obligations under the DOCA. In accordance with the DOCA, upon the payment of a distribution from the Pool Fund to participating unsecured creditors, which is expected to occur on 4 May 2016, all pre-administration unsecured liabilities will then be extinguished. The resulting financial position of the group is as indicated in the pro-forma balance sheet set out in (v) below.

#### *(iii) Extension of Secured Loan Maturity Date and Interest Moratorium*

On 10 March 2016, VETL Pty Ltd agreed to extend the maturity date of its secured loan to 31 December 2017 if the loan is not extinguished before that date and also agreed to extend the moratorium on interest charges until 31 July 2017.

#### *(iv) Change of directors*

Once the working capital funds are received in full by Bounty two nominees of Garrison Capital Pty Ltd, Mr Brian McMaster and Mr Matthew Wood, will be appointed to the Boards of Bounty Mining Limited and its subsidiaries Bounty Equipment Leasing Pty Ltd, Bounty Operations Pty Ltd and Bounty Mining Investments Pty Ltd

Director Julie Garland McLellan will retire from each of the company Boards after an appropriate hand-over period.

## Bounty Mining Limited and its Controlled Entities

Notes to the Financial Statements for the half year ended 31 December 2015

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*(v) Pro-Forma Balance Sheet*

The following pro-forma balance sheet reflects the financial effect of the transactions and events resulting from the Deed of Company Arrangement on the financial position of the Bounty group:

	<b>Pro-forma</b>
	<b>\$</b>
<b>Current Assets</b>	
Cash and cash equivalents	61,605
<b>Total Current Assets</b>	<b>61,605</b>
<b>Non-Current Assets</b>	
Exploration and evaluation asset	1,491,461
<b>Total Non-Current Assets</b>	<b>1,491,461</b>
<b>Total Assets</b>	<b>1,553,066</b>
<b>Current Liabilities</b>	
Related party loan	2,930,302
<b>Total Current Liabilities</b>	<b>2,930,302</b>
<b>Total Liabilities</b>	<b>2,930,302</b>
<b>Net liabilities</b>	<b>(1,377,236)</b>
<b>Shareholders' Equity</b>	
Issued capital	39,035,118
Accumulated losses	(43,585,312)
Reserves	3,172,958
<b>Total deficiency</b>	<b>(1,377,236)</b>

*(vi) Pro-forma transactions*

The pro-forma balance sheet indicates the financial consequences of the following transactions:

- (a) The allotment of 141,637,763 fully paid ordinary shares at \$0.212cps for receipt of \$215,000 into the creditors pool fund and receipt of \$85,000 by the company for working capital;
- (b) The allotment of 67,063,144 fully paid ordinary shares at \$0.035c to Nominated Unsecured Creditors in lieu of receiving a distribution from the Pool Fund;
- (c) the extinguishment of pre-administration unsecured creditors in accordance with the DOCA.
- (d) the payment of \$23,395 post-administrator appointment professional costs and tenement expenses.

*(vii)* 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.

**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 14:
  - 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 2015 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 14th March 2016



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Gary Cochrane  
*Chairman*



## Russell Bedford NSW *Chartered Accountants*

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### **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 2015, 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 2015 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 2015 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 as at 31 December 2015 the consolidated entity had net current liabilities of \$3.5m (30 June 2015: \$0.2m), had a net deficiency in equity of \$2.0m (30 June 2015: \$0.8m) and incurred a loss from continuing operations for the half year of \$1.2m (2014: \$0.9m). 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.

**RUSSELL BEDFORD NSW**  
**Chartered Accountants**



**GREGORY RALPH, M.Com., F.C.A.**  
**Partner**

Sydney, 14 March 2016

