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18 August 2014

Company Announcements Office
Australian Stock Exchange Limited
4th Floor, 20 Bridge Street,
SYDNEY NSW 2000

Revised ASA Valuation

The attached document is the revised ASA valuation dated 11 July 2014 incorporated by reference into the Prospectus lodged today in accordance with section 712 of the Corporations Act. (See page 89 of the Prospectus.)

For further information, please contact:

Eryl Baron
Company Secretary, Bounty Mining Limited
02 8965 0200

VALUATION REPORT

**GOING CONCERN, FAIR MARKET & ORDERLY
LIQUIDATION VALUES**

Bounty Mining Limited
Level 10, 60 Pitt St
Sydney NSW 2000

Mackay Equipment

JULY 2014

All States Auctions
39 Gilmore St, Adelong NSW 2729
Ph 0408 413 445

ALL STATES AUCTIONS

ABN 13 714 035 929

11 July 2014

Bounty Mining Limited

Level 10, 60 Pitt St

Sydney 2000

Attention Eryl Baron

Dear Eryl

As per your instructions we have reviewed the valuation conducted last year on the company's plant and equipment listed in the attached schedule and include our estimated values on the following bases; **Going Concern, Fair Market and Orderly Liquidation**. A brief description of each is as follows:

GOING CONCERN VALUE for existing use is that value which represents the remaining service potential of the asset/s to the ownership entity. It has due regard for economic obsolescence, technical and functional depreciation and physical consumption factors.

FAIR MARKET VALUE may be defined as that value which in the valuer's opinion will be determined between a buyer and a seller, both willing but neither anxious to trade. Where both a fully informed and knowledgeable of relevant details concerning the subject asset/s. It assumes a reasonable time for marketing but time shall not be of the essence.

ORDERLY LIQUIDATION VALUE may be defined as the probable price, expressed in monetary terms, which could be expected from the sale of the asset/s under forced orderly sale conditions although it does assume a reasonable time (90 days) for marketing.

Tony Comins, of your Mackay office, informs us that there has been no alterations made to any of the equipment and no further spares have been used since our last inspection.

However a number of the machines are now out of Code and others are nearing the end of their Code period which of course has a distinct bearing on their value.

Since the early 1980s we have been involved either directly or as consultants on almost every underground coal mining auction in NSW & Qld and conducted many of the private sales of underground equipment on behalf of the Mining Companies and Contractors and Financial Institutions. Since the mining boom began there have been no major auctions of coal mining equipment and very few private sales from which we can be guided in making our estimates although we do try to stay abreast of what is happening in the local and International markets. The US market has not always been a good guide as to the market here in Australia although the relatively high Australian Dollar has made purchasing equipment from the USA more attractive in recent years, bearing in mind the shipping cost and electrical conversion costs from 60Hz to 50Hz.

There has been little change detected in the coal industry since our last report and therefore the market for coal mining equipment remains dormant.

At the present moment the following machines are out of code; **JOY** Shuttlecars SC-2 & SC-3 and **FLETCHER** Bolter RB-04. Scoop 4 will have to be recoded when the electrics from Scoop 3 are fitted.

Continuous Miner CM02 has 3 months to run on its current code certificate whilst the Continuous Haulage System, Roof Bolter RB03 and Scoop 2 have approximately 12 months left on their certificates.

The **LONG AIR DOX** Una Hauler, originally designed as a battery powered shuttlecar, is now being utilized as a stone dust spreader. As a shuttlecar the UNA Haulers did not achieve wide acceptance in the coal industry but this machine may have found a niche in its current use.

The **STAMLER** Continuous Haulage System represents a special challenge as it is the only machine of its type operating in this country. A smaller, lightweight system, operates at Cook Colliery but no comparison can be made between the two units. In the short time that this unit was operating it proved to be a very economical piece of plant enabling faster production rates than can be achieved using conventional shuttlecars, however if a market for this machine cannot be found in Australia it may not be worth the expense of shipping back to the US given the freight and electrical overhaul costs. The OLV figure represents little more than scrap value.

Nearly all of the Bounty Mining Limited equipment is Low - Medium Seam mining plant which it puts it in a specialized position in Australia where most mines have concentrated on mining, easy to recover, high seam coal. That is not to say that there are not many Low-Medium seams in Australia but until this equipment arrived in the country there was no

economical way of extracting those seams. The fact that these Low-Medium seams exists means that there is a market for this equipment should it ever be released for sale.

In determining our valuation estimates in this report we have relied on our specialized knowledge in the coal industry built over many years of conducting Auctions, Valuations and Machinery Brokerage. Certification status of each of the electrical machines has been a major factor of consideration in reaching these estimates. We have also taken into account the capabilities of each machine to operate in its own particular field and the acceptance of each machine by the industry in general. Current coal prices have also influenced our final determinations.

Taking all of the abovementioned factors into consideration we consider the **Going Concern, Fair Market and Orderly Liquidation Values** to be in the vicinity of; **Nine Million, Four Hundred & Eighty Thousand Dollars (\$9,480,000.00)**, **Six Million, Three Hundred & Thirty Nine Thousand Dollars (\$6,339,000.00)** and **Two Million, Five Hundred & Fifty Five Thousand Dollars (\$2,555,000.00)** respectively.

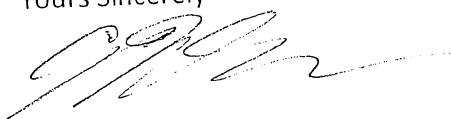
It is our standard practice that we insist that this paper be used solely for the party to whom it is addressed. However, in this instance we understand that the report will be used for the purposes of asset evaluation in the company's financial statements for the Financial Year 2013-14 in compliance with AASB 13 requirements. We agree that it may also be relied on by the company's auditor in their audit of those financial statements. We also consent to this report being annexed to the planned Bounty Mining Limited prospectus which will be provided to future investors of Bounty Mining Limited.

We must advise that neither the whole, nor any part of this report, nor any reference thereto, may be used in any circular, letter, or statement without our approval of the form and context in which it will appear.

This valuation has been prepared on the basis that a full disclosure of all relevant information, and facts that may affect the valuation, has been made to us and we cannot accept any responsibility whatsoever unless such disclosure has been made.

Valuation figures remain valid for a period of 90 days.

Yours Sincerely



G J Brain

All States Auctions