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2014 Drilling Results : Completion of Coke Oven Test Work

On 10 March 2015 Bounty announced that it has 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. Chairman Gary Cochrane had noted in that announcement that further coke oven test work was underway to determine coke strength properties.

Bounty is now pleased to announce results from the coke oven test work[1]. The coke oven test work has been undertaken separately by ALS in Brisbane, using small scale coke oven technology, and DMT in Essen Germany, using pilot scale coke oven technology. The test work was undertaken on approximately 25kg half splits of a single full seam clean coal composite sample from drill site W006, which is located within the Birthday Plains resource area (Figure 1).

The W006 coke oven test results are summarised in Table 2. The assumptions and methodologies that underpin these results are included with this announcement as a Table One checklist of assessment and reporting criteria in accordance with the 2012 JORC code.

Raw and clean coal product quality results for the W006 full seam clean coal composite have been previously announced[2]. Bounty is not aware of any new information or data that would materially change those results, and all material assumptions and technical parameters underpinning the previously announced results continue to apply and have not materially changed.

The coke oven test results confirm the existence of a premium quality hard coking coal within at least the Birthday Plains resource area at the Wongai Project. Indicative Coke Strength after Reaction (CSR) results are high in relation to other Australian hard coking coals.

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[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.*

[2] *ASX announcement '2014 Drilling Results, Wongai Project released to the market on 10 March, 2015.*

For further information, please contact:

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Table 1: Drilling 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 Thickness (m) 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.

Table 2: W006 – Indicative Clean Coal Coke Oven Test Results

Quality Parameter	ALS (Brisbane)	DMT (Germany)
Methodology	Small Scale Carbonisation	Pilot Scale Carbonisation (10 kg retort)
Sample Mass (kg, approximate)	25	25
Coke Yield (%)	79.6	83.7
Coke Strength After Reaction (CSR)	68.7	77.2
Coke Reactivity Index (CRI)	14.1	7.9

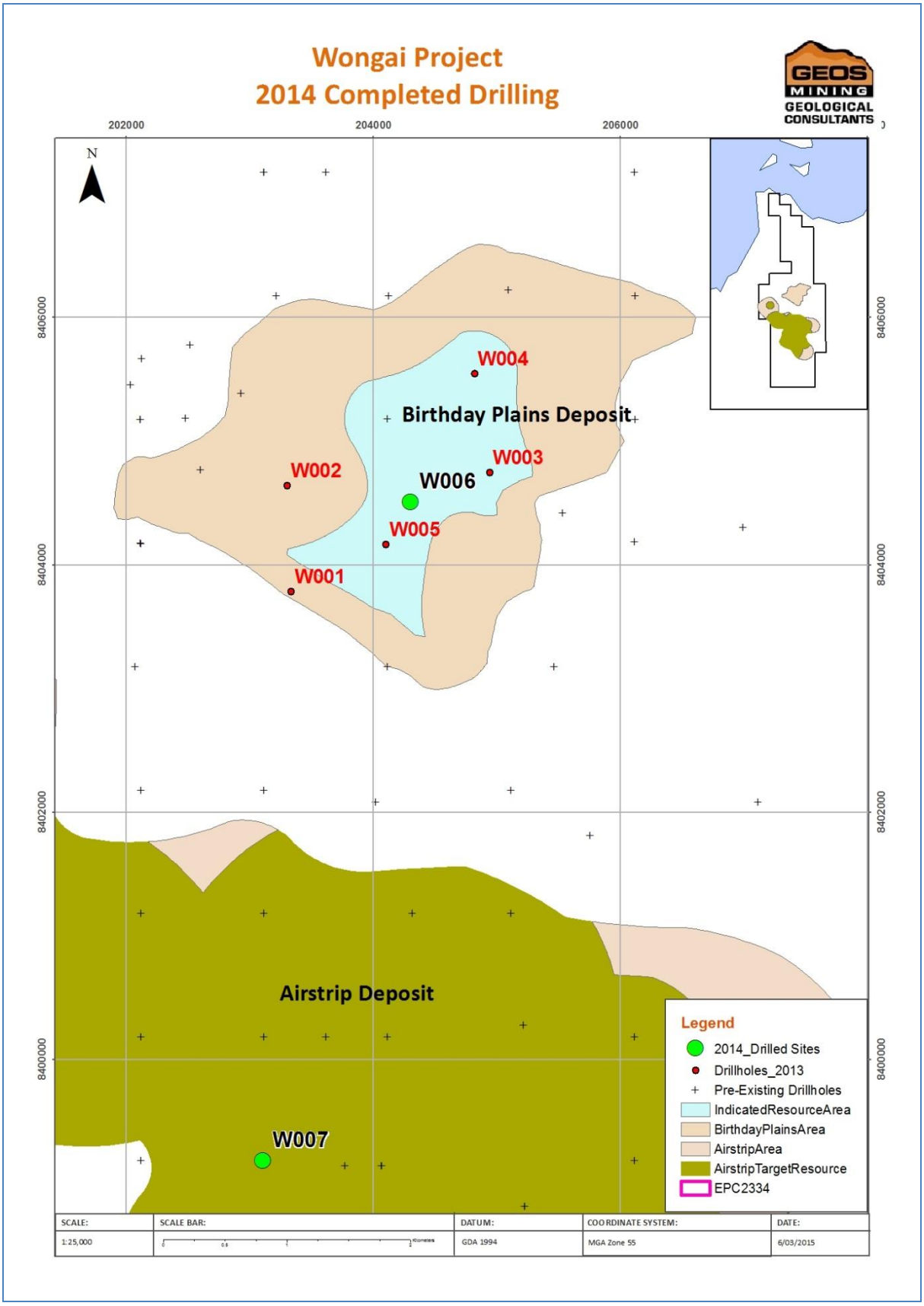

Figure 1: Drill Hole Locations

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

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

SECTION 1: SAMPLING TECHNIQUES & DATA

Sampling Techniques	• All 2014 holes were geophysically logged by Mitchell Energy Services, with a full suite of logs including caliper, gamma, density, resistivity, sonic, televiewer 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	• 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	• 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	• 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	• 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; • Washability analysis was undertaken on -50 +4mm, -4 +1.4mm, -1.4 +0.25mm and -0.25mm fractions; • A clean coal composite sample for W006 was compiled by ALS, using Australian Standard methods, from the F1.60 fractions of the -50 +4mm, -4 +1.4mm, -1.4 +0.25mm size fractions, and cut-point F3 of the -0.25mm fines fraction; • Sample sizes (200mm diameter core) are appropriate to the assessment of raw coal quality, size fraction washability, clean coal composite analysis and coke oven testing; • An approximately 50kg clean coal composite sample was split into two equal sub-samples for coke oven testing at independent laboratories
Quality of assay data & laboratory tests	• Sample preparation and analysis procedures used by ALS, Brisbane are considered appropriate to the current assessment of coal resource quality; • Small scale and pilot scale coke oven test work methods used at ALS, Brisbane and CMK, Germany have been fully reported and are considered appropriate to the estimation of coke properties for the W006 clean coal composite sample.
Verification of sampling & assaying	• 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	• 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	• As shown on plan provided
Orientation of data in relation to geological structure	• 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	• 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	• 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	• Coal seams occur within the Middle to Late Jurassic Dalyrmple 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	• A summary of the 2013 and 2014 drill hole information is presented in Table 1; • A summary of coal analysis data has been presented in previous announcements, 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	• Data presented in Table 2 is for a single full seam clean coal composite sample, and no sub-sample aggregation was necessary.
Relationship between mineralisation widths and intercept depths	• The sample lengths presented are based on geophysical log corrected down hole depths, which are considered to be perpendicular to an essentially flat lying coal seam.
Diagrams	• Drill hole locations in relation to pre-existing drill holes and the Birthday Plains resource area are shown in Figure 1.
Balanced reporting	• All coke properties results for the Bathurst seam have been reported.
Other substantive exploration data	• Detailed coke properties, washability, sizing and clean coal composite data is available on request for the 2014 drilling; • Other data has either been previously announced or is available on request.
Further Work	• 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.