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27 AUGUST 2015

Appendix 4E

Preliminary Final Report: Financial Year ended 30 June 2015

Previous corresponding period: Year ended 30 June 2014

		% change		$A
Revenues from ordinary activities	**down**	(100%)	To	1,744
Loss from ordinary activities after tax attributable to members	**up**	(134%)		(5,047,661)
Net loss for the period attributable to members	**up**	(134%)		(5,047,661)

Dividends (distributions)		Amount per security	Franked amount per security
Final Dividend		n/a	n/a
Previous corresponding period		n/a	n/a
Date for determining entitlements to the dividend		n/a	

	30/06/2015	30/06/2014
Net Tangible Assets per Security	(0.11c)	0.47c

The directors' commentary on pages 2 to 4 of this financial report explains the figures reported above.

This financial report is the full-year information provided to the Australian Securities Exchange under listing rule 4.3A.

This report is based on accounts which are in the process of being audited.

The names of directors who held office during or since the end of the year are:

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

Operations update

In December 2014 a large diameter core drilling program was completed at the Wongai project with a 2.86 metre coal intersection and 100% core recovery. This provided a large sample of coal which has allowed for full washability and coke oven testing. The tests were completed by two independent laboratories in March 2015. The results confirmed a high quality hard coking coal which the board is confident would receive acceptance in all of Australia's key exports markets including Japan, China, India, South Korea and Brazil.

In addition to this work Bounty has progressed with a number of prefeasibility activities including a review of overland haulage options from the mine to the coast and a further investigation of environmentally low impact barging and transhipping options which require no dredging, no sea dumping and have no dust.

In April 2015 the Company reached agreement with its Wongai project Joint-Venture partner Aust-pac Capital Pty Limited to vary certain terms of their Farm-in Agreement. Under the original Farm-in agreement, Bounty had the option to earn up to a 40% equity position in the project by expenditure on resource delineation, pre-feasibility and feasibility studies and finalisation of an Environmental Impact Statement ("the Phase 1, 2 and 3 Works"). Bounty also had the right to acquire a further 11% equity in the project through a capital investment to reach a 51% position. Following the variation to the agreement, Bounty now has the option to earn up to a 48% equity position by completing the Phase 1, 2 and 3 Works, and the right to acquire a further 3% equity through capital investment to reach the same 51% position.

The Wongai Project had Co-ordinated Project Status which expired on 31 July 2015 when the Environmental Impact Statement was not submitted by the due date. Bounty can reapply for Coordinated Project Status at a later date. The loss of coordinated project status removes the coordinated support from the Coordinator Generals office. Each individual Government Department will continue to provide the support and review required under the various applicable regulations, legislations and guidelines. Bounty Mining will still continue to meet with all relevant Government Departments.

The Wongai Project consists of two Exploration Licences: EPC 2334 and EPC 2687. All values and resources ascribed to the Wongai Project relate to EPC 2334. No value or resources has been ascribed to EPC2687, and no physical work has been undertaken at the site of EPC 2687. Due to the current difficulty market for fund raising, in July 2015 the Company applied to surrender EPC 2687 and is awaiting a response from the Department of Natural Resources and Mining.

Results for the Financial Year

In July 2015 Bounty's board identified an opportunity to sell some items of mining equipment which are not currently in use and which could be replaced by rental equipment if a mining contract is forthcoming. One piece of equipment, our Continuous Miner, was sold to a private purchaser for $0.3m which the board considers to be a fair value in the current market as it was the highest of three bids received. At December 2014, this piece of equipment was included in the Appendix D Half Year report at $1.3m, compared with the July 2014 independently commissioned fair value measurement of $1.4m.

As part of its normal financial year end process the board has reviewed all equipment values and the requirement for impairment provisions at 30 June 2015. They resolved that there is no purpose in engaging an external valuer this year: the fair market value of equipment was estimated by applying a discount to the book value of the mining equipment by applying the ratio of value obtained for the Continuous Miner compared with the book value.

This has resulted in an Impairment Provision of $3,147,738 against the mining equipment and $380,455 against related spares and inventories.

Financing

On 15 August 2014 Bounty issued unquoted Convertible Notes at a conversion price of 2.6c per security and a maturity date of 14 November 2015 to raise $0.10m. The funds were used to contribute to working capital, the commencement of the Phase 2 Works of the Wongai Project and the costs of issuing a prospectus.

In August 2014 Bounty also reached agreement with its main lender VETL Pty Ltd ("VETL") (a company associated with Chairman and CEO Gary Cochrane) to defer the loan repayment date to 31 December 2016.

In March 2015 Bounty reached an arrangement with VETL whereby no interest will be charged or accrued on the loan for six months commencing 1 January 2015. This effectively capped the loan at its December 2014 level of $2.9m. This arrangement remains in place at the date of this report. The independent directors have requested an extension of this arrangement until the end of October 2015.

During the financial year VETL made a further loan of $17,200 to the Company to cover short-term working capital. This loan is separate from the main loan, being interest free and having no charge attached. The loan was partially repaid in August 2015.

Equity

In August 2014 the Company lodged a Prospectus with ASIC for an offer of up to 150m shares at an issue price of $0.03 per share to raise up to $4.5m. The minimum subscription amount under the prospectus was not reached in a difficult market for the coal industry and the prospectus was closed.

During the financial year, the Company issued 53.7m new securities at between 2c and 2.6c per security to sophisticated investors to raise $1.0m (net of capital raising costs).

Funds raised through security issues were used to fund Phase 2 of the Wongai Coal Project and working capital.

Subsequent Events

Except for the matters noted above no other matters or circumstances have arisen since the end of the financial year which have significantly affected or could significantly affect the operations of the consolidated group, the results of the operation or the state of affairs of the consolidated group in future financial years.

Signed in accordance with a resolution of the Directors.

Gary Cochrane, Chairman, 27 August 2015

Bounty Mining Limited and its Controlled Entities

Consolidated statement of comprehensive income for the year ended 30 June 2015

	Consolidated Group	
	2015	2014
	$	$
Revenue from rendering of services	-	1,471,026
Other revenues	1,744	10,357
Total revenue	1,744	1,481,383
Cost of services	(20,294)	(138,058)
Employee expenses	(428,121)	(1,430,076)
Depreciation and amortisation expenses	(395,165)	(442,515)
Impairment of assets	(3,528,193)	-
Legal and professional costs	(172,586)	(500,305)
Occupancy expenses	(272,247)	(298,992)
Finance costs	(158,126)	(697,949)
Other expenses from ordinary activities	(74,673)	(130,902)
Loss before related income tax expense	**(5,047,661)**	**(2,157,414)**
Income tax expense	-	-
Loss from continuing operations for the year	**(5,047,661)**	**(2,157,414)**
Other comprehensive income for the year, net of tax	**-**	**-**
Total comprehensive expense for the year	**(5,047,661)**	**(2,157,414)**
Net loss attributable to members of the parent entity	**(5,047,661)**	**(2,157,414)**
Total comprehensive expense attributable to members of the parent entity	**(5,047,661)**	**(2,157,414)**
	Cents	**Cents**
Basic earnings per share	(0.71c)	(0.43c)

Bounty Mining Limited and its Controlled Entities

Consolidated statement of financial position as at 30 June 2015

	Consolidated Group	
	2015	2014
	$	$
Current assets		
Cash and cash equivalents	1,167	87,804
Trade and other receivables	1,346	2,398
Inventories	88,753	469,208
Other assets	162,673	145,471
Total current assets	**253,939**	**704,881**
Non-current assets		
Property, plant & equipment	887,621	4,431,172
Exploration and evaluation asset	1,479,675	995,185
Total non-current assets	**2,367,296**	**5,426,357**
Total assets	**2,621,235**	**6,131,238**
Current liabilities		
Trade and other payables	341,720	89,001
Financial liabilities	12,578	13,583
Loan - unsecured	17,200	-
Convertible Notes	113,584	-
Short-term provisions	11,160	26,376
Total current liabilities	**496,242**	**128,960**
Non-current liabilities		
Financial liabilities	2,930,302	2,790,733
Total non-current liabilities	**2,930,302**	**2,790,733**
Total liabilities	**3,426,544**	**2,919,693**
Net (liabilities) / assets	**(805,309)**	**3,211,545**
Equity		
Issued capital	38,500,507	37,469,700
Accumulated losses	(42,478,774)	(37,431,113)
Reserves	3,172,958	3,172,958
Total (deficiency) / equity	**(805,309)**	**3,211,545**

Bounty Mining Limited and its Controlled Entities

Consolidated statement of changes in equity for the year ended 30 June 2015

	Issued Capital	Options Reserve	Accumulated Losses	Total
	$	$	$	$
Consolidated Group				
Balance at 1 July 2013	31,633,560	3,172,958	(35,273,699)	(467,181)
Capital issued for debt conversion	5,000,000	-	-	5,000,000
Capital issued to raise funds	920,000	-	-	920,000
Cost of issuing capital	(83,860)	-	-	(83,860)
Loss attributable to members of parent entity	-	-	(2,157,414)	(2,157,414)
Balance at 30 June 2014	37,469,700	3,172,958	(37,431,113)	3,211,545
Balance at 1 July 2014	37,469,700	3,172,958	(37,431,113)	3,211,545
Capital issued to raise funds	1,170,000	-	-	1,170,000
Cost of issuing capital	(139,193)	-	-	(139,193)
Loss attributable to members of parent entity	-	-	(5,047,661)	(5,047,661)
Balance at 30 June 2015	38,500,507	3,172,958	(42,478,774)	(805,309)

Bounty Mining Limited and its Controlled Entities

Consolidated statement of cash flows for the year ended 30 June 2015

	Consolidated Group	
	2015	**2014**
	$	$
Cash flows from operating activities		
Receipts from customers	-	3,251,034
Payments to suppliers and employees	(773,131)	(6,263,382)
	(773,131)	(3,012,348)
Interest received	1,393	12,633
Finance costs	(4,984)	(182,961)
Net cash flows (used in) provided by operating activities	**(776,722)**	**(3,182,676)**
Cash flows from investing activities		
Payments for plant and equipment	-	(111,413)
Investment in Wongai	(446,513)	(995,186)
Proceeds from sale of equipment	1,000	3,061
Net cash flows used in investing activities	**(445,513)**	**(1,103,538)**
Cash flows from financing activities		
Gross proceeds from issue of shares	1,170,000	920,000
Costs related to issue of shares	(151,611)	(70,620)
Repayment of borrowings	117,209	(100,000)
Net cash flows provided by financing activities	**1,135,598**	**749,380**
Net decrease in cash held	(86,637)	(3,536,834)
Cash at beginning of financial year	87,804	3,624,638
Cash at end of financial year	**1,167**	**87,804**

1 Statement of Significant Accounting Policies

The preliminary report does not include all the information normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The preliminary report should be read in conjunction with the half-year financial report of Bounty Mining Limited as at 31 December 2014 and any public announcements made by Bounty Mining Limited during the year ended 30 June 2015 in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This preliminary financial report covers the consolidated entity of Bounty Mining Limited and controlled entities.

This preliminary financial report has been prepared in accordance with the requirements of the Australian Securities Exchange listing rules.

Going concern

As at 30 June 2015, the Group's current liabilities exceeded current assets by $0.2m, and total liabilities exceeded total assets by $0.8m. Bounty has net financial liabilities of $3.1m (FY14: $2.8m), incurred a loss for the year of $5.0m (FY14: loss of $2.2m) (including a non-cash impairment provision of $3.5m). Bounty had a deficiency in net cash flows from operating activities of $0.8m (FY14: deficiency of $3.2m).

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

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.

1 Statement of Significant Accounting Policies (continued)

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.

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 Equity securities issued

Bounty issued ordinary shares for cash during the financial year at between 2c and 2.6c per share as follows;

Shares on issue at 30 June 2014	681,896,998
Shares issued for cash during the year	53,653,851
Shares on issue at 30 June 2015	735,550,849

These issues raised $1.0m (net of capital raising costs).

3 Events Subsequent to Reporting Date

The Wongai Project had Co-ordinated Project Status which expired on 31 July 2015 when the Environmental Impact Statement was not submitted by the due date. Bounty can reapply for Coordinated Project Status at a later date. The loss of coordinated project status removes the coordinated support from the Coordinator Generals office. Each individual Government Department will continue to provide the support and review required under the various applicable regulations, legislations and guidelines. Bounty Mining will still continue to meet with all relevant Government Departments.

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<u>**For further information, please contact:**</u>

Gary Cochrane, Chairman, Bounty Mining Limited
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