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2 April 2015
Company Announcements Office
Australian Stock Exchange Limited
4th Floor, 20 Bridge Street,
SYDNEY NSW 2000

## Bounty Mining Limited: Chairman's Address to a General Meeting

As required by ASX Listing Rule 3.13.3, I attach the Chairman of the Board's address to shareholders which will be delivered at the General Meeting today.

The attached document will be available on Bounty's website once released to market.

**For further information, please contact:**

Eryl Baron
Company Secretary, Bounty Mining Limited
02 8965 0200

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**Address to a General Meeting of Bounty Mining Limited**

**By Mr Gary Cochrane, Chairman**

11am, 2 April 2015

Bounty Mining, Level 10, 60 Pitt Street, NSW 2000

Bounty continues to make good progress on the Wongai hard coking coal project despite a difficult commodity market and poor investor sentiment for commodity stocks. This continues to be the key focus for Bounty's activities with continued low demand for contract mining services.

The Company has continued to receive strong support from key shareholders who have provided the funds to continue exploration activities while Bounty pursues a more substantial equity placement that would enable the Company to resume trading on the ASX.

In December 2014 a large diameter core 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 were announced on 20 March 2015 and 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.

On 31 March 2015 Bounty announced that it had reached an arrangement with its main lender VETL Pty Ltd (a company associated with Chairman and CEO Gary Cochrane) whereby no interest will be charged or accrued on the loan for six months commencing 1 January 2015. This will effectively cap the loan at its December 2014 level of $2.9m. From 1 July 2015 VETL and the Board will review the need to continue this arrangement based upon the performance of the Company's capital-raising and the progress of the Wongai Project.

Core staff are working reduced hours to lower costs and the board still does not receive non-executive fees.

Bounty is encouraged by several recent positive changes to the commodity market for coking coal:

- One of these is the emergence of India as a major importer of Australian coking coal. A 30 March 2015 Macquarie Bank commodity forecasts expect India to grow their coking coal imports

from 49 Mtpa in the 2014 calendar year to 61 Mtpa by 2017. At that time they would not only exceed coking coal import demand from China but also Japan - typically Australia's largest coking coal importer.

- The second and largest impact on the Australian commodity sector is the falling Australian dollar and its positive effect on Australian dollar based pricing. Hard coking coal bench mark prices in Australia have risen from A$125 per FOBt in April 2014 to more than A$142 per FOBt at present, despite recent falls in USA dollar terms to US$109.5 per FOB t for the June 2015 quarter. Although commodity prices are still low the falling Australian dollar is providing support for the Australian coal sector.

There are still a number of challenges in the coal sector with low investor sentiment. However, the board believes that ongoing work to progress the Wongai Project to prefeasibility stage with:

- overall increase in demand of 10mtpa for coking coal to 2020 from Indian and Asian growth offsetting losses from Chinese demand; and
- the falling Australian dollar

will place the company in a stronger position to move forward and raise additional funding to progress the project to full bankable feasibility over the next 18 months.

**For further information, please contact:**

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Chairman, Bounty Mining Limited
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