ANNUAL OPERATIONS AND FINANCIAL REPORT

30 JUNE 2017

for

BOUNTY MINING LIMITED AND ITS CONTROLLED ENTITIES

ABN: 19 107 411 067

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CORPORATE DIRECTORY

Directors

Gary Cochrane (Chairman)
Robert Stewart
Brian McMaster
Daniel Crennan
Kevin Jiao

Banker

ANZ Banking Group Ltd
Chifley Square, Sydney NSW 2000

Company Secretary

Eryl Baron

Solicitors

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Level 4, The Read Buildings, 16 Milligan Street,
Perth WA 6000

McCullough Robertson
Level 11, Central Plaza 2
66 Eagle Street
Brisbane
QLD 4000

Auditor

Nexia Sydney Audit Pty Limited
L16 1 Market Street
Sydney NSW 2000

Registered Office

Suite 301, L3, 66 Hunter Street
Sydney NSW 2000

Share Registry

Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnston Street,
Abbotsford VIC 3067

CHAIRMAN'S REPORT

The Financial Year 2017 was an improving year for Bounty. Coal prices have improved significantly and investor appetite for coking coal related projects has also improved.

Key highlights for Bounty during FY17 include:

- Completion of Phase 2 works for the Wongai Project;
- Increase in Farm-In of Wongai JV from 5% to 22.5% of the JV;
- Updated JORC report for Wongai from 78Mt to 98 mt JORC 2012;
- Renewal of the Wongai EPC for another 5 years from 13th December 2016;
- Successful completion of a rights issue and other capital raising; and
- Commenced activities leading to an IPO in FY18.

After completion of the Phase 2 works Bounty has now successfully moved from 5% to a 22.5% interest in the Wongai Joint Venture. Key works included a resource upgrade which has increased the resources from 78 Mt JORC 2012 to 98 Mt JORC 2012. Other works included detailed engineering works to a prefeasibility standard suitable to meet Phase 2 requirements.

The Wongai Coal Project is a Joint Venture between Bounty subsidiary, Bounty Mining Investments P/L, Aust-pac Capital P/L and the local traditional owners, the Kalpowar.

The Exploration Permit for the Wongai JV has been successfully renewed for a further 5 years and now expires on 13th December 2021. The renewal will allow Bounty to begin the next stage of works including completion of a Bankable Feasibility Study and Environmental Impact Statement. Bounty has applied for Coordinated Project Status for the Wongai Project and this is expected to be granted in FY18.

The Board of Bounty believes that from the work completed to date and based on:

- the premium coking coal quality of the coal;
- the continuing demand for high grade coal for steel making purposes;
- the low cost of production;
- the technical expertise of the Joint Venture partners; and
- the improving climate for investors in this product

the Company we will be successful in sourcing funding for these works.

A total of $1.17m was raised as equity during FY17. The was raised under a Rights Issue ($0.40m) and placements ($0.77m) and was used for working capital and Phase 2 works.

Subsequent to FY17 year end, Bounty has raised a further $0.8m at 15c per share for working capital and to fund corporate administration costs associated with a debt to equity conversion. VETL Pty Ltd, a company of which I am director and shareholder, has agreed to convert $2 million of existing debt to equity at 15c to reduce Bounty's liabilities and future interest payments. Independent valuations have commenced to meet shareholder information requirements and a future general meeting will be held in FY18 to approve the conversion. The shareholders will also vote on conversion of directors' fees owed for FY17 to shares at 15c per share.

Bounty is now working towards an application to list on the ASX and an Initial Public Offering to provide funding for the future bankable feasibility study and EIS works for the Wongai Project. Bounty has commenced work on a Prospectus and is anticipating raising at least $8 million during the IPO to fund the future works and working capital.

As Bounty continues to strengthen its balance sheet it has now started to investigate the opportunity of acquisitions for near to operational status projects. The severe downturn has seen a number of coal projects and operating mines being placed on the market for sale. Bounty has looked as several opportunities and is now in an advanced stage of finalising a proposal to acquire an operating coking coal mine.

The Board of Bounty will continue to keep investors updated of all developments as they occur.

Gary Cochrane
Chairman and Chief Executive Officer
Dated this 29th day of September 2017

DIRECTORS' REPORT

The Directors of Bounty Mining Limited ("Bounty" or the "Parent Entity") and its controlled entities (the "Bounty Group"), present their report together with the financial statements for the year ended 30 June 2017.

Operating and financial review

Bounty is developing the Wongai Coal Project in Queensland as a member of the Wongai Joint Venture ("WJV"). Bounty's Joint Venture partners are Aust-pac Capital Pty Ltd and the Kalpowar Traditional Owners of the land. The WJV is proposing to develop an underground coking coal mine in the Laura Basin of north Queensland. The Project proposes production of up to 2.0 million tonnes per annum (Mtpa) of saleable coal. Coal mining will be underground, using bord and pillar methods.

The Company completed a Concept Study in 2014 and earned the Phase One 5% interest in the Project.

During the year Bounty announced that it had received an updated Mineral Resource Report and Statement for the Wongai Hard Coking Coal Project from Geos Mining, which has been classified in accordance with the JORC Code 2012.
The completed Mineral Resource Report and Statement is based on:

- A previous assessment and modelling in the Birthday Plains area, which was announced in February 2014;
- Geological reassessment of pre-2013 drilling data in the Airstrip resource area, which has resulted in the extension and update of the Wongai geological model; and
- The drilling of a large diameter core hole in 2014 with associated coal quality tests.

This has resulted in a revised Mineral Resource estimate for the Wongai Project of 98Mt of low-medium volatile bituminous coking coal, of which 20Mt have been classified as Indicated Resources and 78Mt have been classified as Inferred Resources. This compares with the February 2014 total resource estimate of 77Mt. The report also confirms the existence of premium quality hard coking coal.

The updated JORC 2012 report was disclosed on 11 November 2016. This report contained a Competent Person's Statement. Bounty is not aware of any information or data that materially affects the information included in that report. All material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

During the 2017 financial year the Company completed the Phase 2 Works which included a Pre-Feasibility Study (November 2016). Bounty announced in December 2016 that through completion of the Phase 2 Works the Company has earned a further 22.5% in the Project.

The Company also recently renewed its permit for tenement EPC 2334 for a further five years to December 2021.

The Directors are in the process of raising funds to begin Phase Three of the Project which includes completion of:

- The Phase 3 Drilling
- A Bankable Feasibility Study; and
- An Environmental Impact Study.

As the Wongai Project is in the exploration stage no revenues are generated. During the financial year the Company has raised funds through placements and a Rights Issue to further develop the Wongai Project.

Bounty continues to invest in the Wongai Coal Project. Relevant direct costs are capitalised into the Exploration and evaluation assets on the balance sheet.

The loss after tax for the period was $0.7m compared with a loss of $1.2m for the year ended 30 June 2017.

Earnings per share were a loss of 0.008 cents (2016: loss of 0.15 cents).

Information about the Directors & Company Secretary

The names of the directors of Bounty during the financial year and up to the date of this report are as set out below.

Name	Appointed to the Board	Resigned from the Board
Gary Cochrane (Chair)	27 November 2007	
Robert Stewart	17 September 2009	
Brian McMaster	29 March 2016	
Daniel Crennan	18 August 2016	
(Kevin) Jian Jiao	18 August 2016	
Julie Garland McLellan	04 April 2008	02 August 2016
Matthew Wood	29 March 2016	20 September 2017

The experience, independence and qualifications of the directors are as set out below:

Gary Cochrane GAICD Chairman and Chief Executive Officer

Bachelor of Engineering (Civil), Grad Dip Mining (Ballarat), MBA (Deakin)

Gary has more than 29 years experience in the mining, engineering and construction industry in Australia, China, Indonesia and Papua New Guinea. He has held senior management and technical roles at operating mines in Australia and Papua New Guinea.

Gary has spent the last 21 years as an international mining and management consultant to the coal and hard rock mining industries. Gary is a regular commentator on coal industry strategic supply and demand positions and coal investment opportunities and is a regular speaker at international coal conferences in Australia, China, and Indonesia.

Gary was a founding investor and former director of Millennium Coal which is now an operating coal mine in Queensland producing 3 million tonnes per annum. He is also on the board of a junior resource company with a specalisation in process technology. Gary has completed an Executive MBA in Global Energy.

Gary joined the board on 27 November 2007 and became Chairman on 28 February 2008.

Robert Stewart GAICD Non-Executive Director

Rob has a Bachelor of Engineering (Civil), Master of Engineering Science (Mining), FIEAust, and has spent 40 years working in the mining and construction industries. He came to Bounty following executive level experience with mine and infrastructure owners and with mining and construction contractors. Previous appointments have included: General Manager with Leighton Holdings Ltd subsidiary Thiess Pty Ltd responsible for the company's contract mining and construction business in NSW; Chief Executive and Managing Director of Whitehaven Coal Limited, an ASX listed coal mining company; and Executive Director of CRSM LLC, a Mongolian based company identifying, evaluating and managing investments in Mongolia's resource industry.

Rob is currently a director of JukesTodd, a strategic business advisor offering professional services to the resources, infrastructure and energy sectors.

Rob joined the board on 17 September 2009.

Brian McMaster Non-Executive Director

Mr. McMaster is a Chartered Accountant, and has over 21 years' experience in the area of corporate reconstruction and turnaround and performance improvement. Formerly Mr McMaster was a partner of the restructuring firm Korda Mentha and prior to that was a partner at Ernst & Young. His experience includes significant working periods in the United States, South America, Asia and India.

Mr McMaster is currently a director of Haranga Resources Limited (1 April 2014). Mr McMaster was a director of The Waterberg Coal Company (appointed 12 April 2012, resigned 17 March 2014), Firestone Energy Limited (appointed 14 June 2013, resigned 18 March 2014), Lindian Resources Limited (appointed 20 June 2011, resigned 16 September 2014), Castillo Copper Limited (appointed 31 August 2013, resigned 12 August 2015), Antares Mining Limited (appointed 2 December 2011, resigned 12 August 2015), IDOM Limited (appointed 14 September 2012, resigned 2 October 2015), The Carajas Copper Company Limited (appointed 27 August 2014, resigned 17 March 2016), Black Star Petroleum Limited (appointed 9 August 2012, resigned 11 May 2016) and Wolf Petroleum Limited (appointed 24 April 2012, resigned 17 August 2016). He has not held any other listed directorships in the past three years.

Brian joined the board on 29 March 2016.

Daniel Crennan BA LLB (Hons) MAICD Non-Executive Director

Daniel Crennan is a practising barrister based in Melbourne. He appears in Melbourne, Sydney and Perth primarily in commercial, corporate and intellectual property matters. He studied law in Australia and the Netherlands and has worked in Australia, London and the Hague. He has been a director of publically listed companies and private companies such as Hunnu Coal Ltd, Wolf Petroleum Ltd, Haranga Resources Ltd and Barristers Chambers Ltd. He also currently sits on a charitable board and is a member of the Victorian Bar Council.

Daniel joined the board on 18 August 2016.

Mr (Kevin) Jian Jiao BA / MBA Non-Executive Director

Mr Jiao graduated with a BA degree majored in Economics from China Nankai University in 1992. And in 1999 he obtained an MBA degree from Melbourne Business School in Australia. In 2010, he completed an executive course at the post-graduate level from China University of Geosciences.

From 1992 to 1997 Mr Jiao has worked in Beijing as the divisional manager at China Minmetals Group, the largest multinational conglomerate in the Chinese metals and minerals industry. From 1998 to 2003 Mr Jiao has worked as the deputy Managing Director at Minmetals Australia Pty Ltd, based in Melbourne Australia. From 2004 to present, Mr Jiao has been the Chairman and Executive Director of Vingo Resources Group, a commodity trading and investment firm with offices in China and Australia.

Mr Jiao has more than twenty years of experiences in the resources industry, having worked in the area of sales and marketing, project development, project finance mergers and acquisitions, cross border investments, commodity trading and general management.

Kevin joined the board of Bounty on 18 August 2016.

Julie Garland McLellan FAICD Non-executive director until 8 August 2016

Julie is a professional company director with a background in the resources and energy sectors. Julie has a degree in Civil Engineering, an MBA and a Graduate Diploma in Applied Finance as well as a Diploma and an Advanced Diploma in Company Directorship. She has served on the boards of listed and unlisted companies. Julie was a NSW Australian Institute of Company Directors councillor from 2004 until 2010 and writes, facilitates and presents governance training for the Institute and other clients. Julie joined the board of Bounty on 4th April 2008 and resigned from the Board on 2 August 2016.

Matthew Wood Non-Executive Director

Mr Wood is an outstanding mineral resource explorer and developer with over 21 years global industry experience in mining and commodities investment. He has managed successful deals in coal, energy, ferrous metals, base and precious metals and other commodities. His venture capital group Garrison Capital based out of Perth, Western Australia has founded and manages a number of listed and unlisted resource companies and has offices in Australia, Mongolia, Brazil, Chile, Spain and the USA. His unique skills in technical and economic evaluation of resource opportunities has been proven by an impressive record of nurturing resource deals from early stage, to successful market listings and exit strategies for his clients and his own company. Mr Wood has an Honours Degree in Geology from the University of New South Wales and a Graduate Certificate in Mineral Economics from the Western Australian School of Mines. He is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM).

Mr Wood is currently the Chairman of ASX listed Wolf Petroleum Limited, Haranga Resources, Lindian Resources, Black Star Petroleum and Voyager Resources. He is also a non-executive director of ASX listed Avanco Resources Limited, Caravel Resources Limited and Triumph Tin Limited. Mr Wood is also a founding director of pre IPO Brazilian Diamond Company, Five Star Diamonds Limited. He continues to provide corporate advice to a number of additional listed and unlisted companies.

Matthew joined the board on 29 March 2016 and resigned from the board on 20 September 2017.

Eryl Baron Chief Financial Officer & Company Secretary

BA Politics & Econ (London), AGIA

Eryl Baron commenced her accounting career as a Chartered Accountant with BDO Binder Hamlyn in London. In 1990 Eryl moved to Sydney and worked in accounting and business in financial control positions. She has served as chief financial officer and company secretary of listed and unlisted companies. Eryl has a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia.

Details of Board meeting attendance during the Financial Year are as follows:

FY17	Board Meetings	
Director	Held	Attended
Gary Cochrane	8	8
Rob Stewart	8	8
Julie Garland McLellan	1	-
Brian McMaster	8	6
Matthew Wood	8	3
Daniel Crennan	7	7
Kevin Jiao	7	7

Company Structure

The Company is a public unlisted entity and a disclosing entity. The Directors intend to apply to list the Company's shares on the Australian Securities Exchange following the capital raising described above.

Movements in securities during the financial year are shown in the table below:

Fully Paid Securities	**Number**	**Share Price**	**Value**
Balance at 1 July 2016	969,251,756	n/a	$ 39,135,228
Issued to sophisticated investors	143,750,000	$ 0.004	$ 575,000
Issued through a Rights Issue	101,178,810	$ 0.004	$ 404,715
13 for 1 Consoidation	(1,120,781,573)	n/a	n/a
Issued to sophisticated investors	1,661,402	$ 0.130	$ 215,982
Cost of issuing securities			$ (61,890)
Balance at 30 June 2017	**95,060,395**		**$ 40,269,035**

- Subsequent to 30 June 2017 securities 5,787,165 securities have been issued at 13c to raise $752,331 to fund working capital and the commencement of Phase 3 of the Wongai Project.
- No dividends were paid or declared during or in relation to the financial year to 30 June 2017.
- There were no other classes of securities on issue during the financial years or subsequent to the 30 June 2017.

Events Subsequent to Reporting Date

Other than the issue of securities referred to above no material events have occurred subsequent to 30 June 2017.

Directors' Interests: Equity Holdings and Transactions

The movement in directors' interests in equity during the financial year to 30 June 2017 are as follows:

		Directors' holdings in Bounty securities							
Shares held by entities associated with the directors		Gary Cochrane	Rob Stewart	Brian McMaster	Matthew Wood	Daniel Crennan	Kevin Jiao	Total	Total on issue
Ordinary Shares	1/07/2016	247,455,658	3,469,117	70,818,882	70,818,881	-	7,500,000	400,062,538	
	Issue of shares	6,250,000	-	-	-	-	-	6,250,000	
	Issue of shares as capital raising fees	-	-	-	-	-	6,250,000	6,250,000	
	Participation in the Rights Issue	7,500,000	500,000	6,438,082	6,438,082	20,000,000	1,250,000	42,126,164	
	Pre-consolidation	261,205,658	3,969,117	77,256,964	77,256,963	20,000,000	15,000,000	454,688,702	1,214,180,566
	13 for 1 Consolidation	(241,112,914)	(3,663,799)	(71,314,120)	(71,314,119)	(18,461,538)	(13,846,153)	(419,712,643)	
	30/06/2017	20,092,744	305,318	5,942,844	5,942,844	1,538,462	1,153,847	32,285,588	95,060,395
As a % of the total securities on issue		21.1%	0.3%	6.3%	6.3%	1.6%	1.2%	34.0%	

There have been no changes to directors' equity holdings subsequent to year end.

In July 2017, the Directors agreed to lower the Company's debt and interest obligations by

- converting a portion of the loan owing to VETL Pty ltd ("VETL"), a company associated with Bounty's Chairman and CEO, Mr Gary Cochrane, to equity; and
- settling outstanding non-executive director fees by the issue of equity.

The Company is preparing for a General Meeting to obtain shareholder approval for these transactions. If all resolutions are passed at the General Meeting the directors' equity holdings will change as follows:

Shares held by entities associated with the directors			Gary Cochrane	Rob Stewart	Brian McMaster	Matthew Wood	Daniel Crennan	Kevin Jiao	Total Directors	Total on issue
Ordinary Shares	1/07/2017		20,092,744	308,450	5,942,844	5,942,844	1,627,400	1,146,543	35,060,825	95,060,395.00
As a % of the total securities on issue			21.1%	0.3%	6.3%	6.3%	1.7%	1.2%	36.9%	
Proposed Issue Price	Conversion of Debt $	0.15	$ 2,000,000 13,333,333	$ 65,000 433,333	$ 65,000 433,333	$ 65,000 433,333	$ 62,903 419,353	$ 62,903 419,353	15,472,038	110,532,433
Total after Issue			33,426,077 30.2%	741,783 0.7%	6,376,177 5.8%	6,376,177 5.8%	2,046,753 1.9%	1,565,896 1.4%	50,532,863 45.7%	110,532,433

Movements in directors' equity holdings during Financial Year 2016 are shown in the table below:

		Directors' holdings in Bounty securities					
Shares held by entities associated with the directors		Gary Cochrane	Rob Stewart	Julie Garland McLellan	Brian McMaster	Matthew Wood	Total
Ordinary Shares	1/07/2015	247,455,658	3,469,117	-	-	-	250,924,775
	Issue of shares	-	-	-	70,818,882	70,818,881	141,637,763
	30/06/2016	247,455,658	3,469,117	-	70,818,882	70,818,881	392,562,538
As a % of the total securities on issue		25.5%	0.4%	0.0%	7.3%	7.3%	40.5%

Directors' Interests: Changes to the loan facility with VETL Pty Limited

The Company's sole lender is VETL Pty Limited ("VETL"), a company associated with Chairman Gary Cochrane. Under the loan agreement no interest has been charged on the loan since 1 January 2015 and no loan repayments are required. In December 2016 Bounty and VETL agreed to further vary the terms of the agreement as follows:

- The moratorium on interest charges on the loan was further extended to 31 July 2017; and
- The repayment date of the loan was deferred to 31 December 2018, unless extinguished by other means before that date.
- In July 2017, the Directors agreed to lower the Company's debt and interest obligations by converting $2 million of the loan to equity. A general meeting will be called to obtain shareholder approval.

D & O Insurance: Indemnification of Officers or Auditor

Bounty has agreed to indemnify and keep indemnified the Directors and Company Secretary against all liabilities incurred as directors and officers of the Bounty Group and all legal expenses incurred as directors and officers of the Bounty Group.

The indemnity only applies to the extent and in the amount that the directors and officers are not indemnified under any other indemnity, including an indemnity contained in any insurance policy taken out by the Bounty Group, under the general law or otherwise. The indemnity does not extend to any liability:

- To Bounty or a related body corporate of Bounty; or
- Arising out of conduct of the directors and officers involving a lack of good faith.

No indemnities have been given or insurance premiums paid, during the year, for any person who is or has been an auditor of the Company.

The insurance premiums relate to:

- Any loss for which the directors and officers may not be legally indemnified by Bounty arising out of any claim, by reason of any wrongful act committed by them in their capacity as a director or officer, first made against them jointly or severally during the period of insurance; and
- Indemnifying Bounty against any payment which it has made and was legally permitted to make arising out of any claim, by reason of any wrongful act, committed by any director or officer in their capacity as a director or officer, first made against the director or officer during the period of insurance.

The insurance policy outlined above does not allocate a premium paid for each individual officer of Bounty.

Environmental Regulations

The Group's operations are subject to general environmental regulations under Commonwealth and State legislation. The Board is not aware of any breach of such requirements and the relevant officers of the Group are aware of the responsibility of the Group in relation to these requirements.

Proceedings on Behalf of the Company

As far as the Directors are aware no person has applied for leave of a Court to bring proceedings on behalf of the Company or to intervene in any proceeding to which the Company is party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Auditor's Independence Declaration

The lead auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 15 and forms part of the Directors' Report for the year ended 30 June 2017.

Non-audit Services

During the financial year, Bounty's auditor Nexia Sydney Audit Pty Ltd and its associated entities performed no non-audit services.

Signed in accordance with a resolution of the Board.

Gary Cochrane
Chairman
Dated in Sydney 29 September 2017

Nexia Australia

The Directors
Bounty Mining Limited
Suite 301, Level 3
66 Hunter Street
SYDNEY NSW 2000

To the Board of Directors of Bounty Mining Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead audit director for the audit of the financial statements of Bounty Mining Limited for the financial period ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Nexia Sydney Audit Pty Limited

Gregory Ralph **MCom, FCA**
Director

Dated: 29 September 2017

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FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $	2016 $
Revenues from ordinary activities			
Revenue	2	894	197,063
Expenses from ordinary activities			
Cost of services		-	(4,025)
Employee expenses	3	(438,644)	(201,919)
Legal and professional costs		(179,185)	(291,783)
Occupancy expenses		(25,079)	(222,635)
Finance costs		-	(7,170)
Loss on sale of asset		-	(625,144)
Other expenses from ordinary activities		(33,062)	(29,870)
Loss before related income tax expense		**(675,076)**	**(1,185,484)**
Income tax expense	5	-	-
Loss from continuing operations		**(675,076)**	**(1,185,484)**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss attributable to members of the parent entity		**(675,076)**	**(1,185,484)**

	Note	Cents	Cents
Basic and diluted loss per share	6	(0.008c)	(0.15c)

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements set out on pages 20 to 47.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 $	2016 $
Current Assets			
Cash and cash equivalents	7	213,666	95,139
Trade and other receivables	8	8,506	9,546
Other assets	9	13,208	7,500
Total Current Assets		**235,380**	**112,185**
Non-current Assets			
Exploration and evaluation asset	10	2,266,543	1,523,782
Total Non-current Assets		**2,266,543**	**1,523,782**
Total Assets		**2,501,923**	**1,635,967**
Liabilities & Equity			
Current Liabilities			
Trade and other payables	11	468,963	61,737
Total Current Liabilities		**468,963**	**61,737**
Non-current Liabilities			
Financial liabilities	12	2,930,302	2,930,302
Total Non-current Liabilities		**2,930,302**	**2,930,302**
Total Liabilities		**3,399,265**	**2,992,039**
Equity			
Issued capital	13	40,269,034	39,135,228
Accumulated losses	14	(44,339,334)	(43,664,258)
Reserves	15	3,172,958	3,172,958
Total Equity		**(897,342)**	**(1,356,072)**
Total Liabilities & Equity		**2,501,923**	**1,635,967**

The consolidated statement of financial position should be read in conjunction with the notes to the financial statements set out on pages 20 to 47.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Issued Capital	Options Reserve	Accumulated Losses	Total
	$	$	$	$
Balance at 1 July 2015	38,500,507	3,172,958	(42,478,774)	(805,309)
Issue of ordinary securities	400,000	-	-	400,000
Issue of ordinary securities to creditors	234,721	-	-	234,721
Loss attributable to members of parent entity	-	-	(1,185,484)	(1,185,484)
Balance at 30 June 2016	**39,135,228**	**3,172,958**	**(43,664,258)**	**(1,356,072)**
Issue of ordinary securities	1,195,698	-	-	1,195,698
Cost of issuing securities	(61,892)		-	(61,892)
Loss attributable to members of parent entity	-		(675,076)	(675,076)
Balance at 30 June 2017	**40,269,034**	**3,172,958**	**(44,339,334)**	**(897,342)**

The consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements set out on pages 20 to 47.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $	2016 $
Cash flows from operating activities			
Payments to suppliers and employees		(272,047)	(550,442)
Interest received		894	555
Finance costs		-	(7,170)
Net cash flows used in operating activities	20	**(271,153)**	**(557,057)**
Cash flows from investing activities			
Exploration and evaluation expenditure		(742,739)	(44,107)
Proceeds from sale of equipment		-	300,636
Net cash flows (used in) / provided by investing activities		**(742,739)**	**256,529**
Cash flows from financing activities			
Gross proceeds from issue of shares		1,170,697	400,000
Costs related to issue of shares		(37,278)	-
Repayment of borrowings		-	(5,500)
Net cash flows provided by financing activities		**1,132,419**	**394,500**
Net increase in cash held		118,527	93,972
Cash at beginning of financial year		95,139	1,167
Cash at end of financial year	7	**213,666**	**95,139**

The consolidated statement of cash flows should be read in conjunction with the notes to the financial statements set out on pages 20 to 47.

Notes to the Financial Statements

1 Statement of Significant Accounting Policies

This financial report covers the consolidated group of Bounty Mining Limited and controlled entities incorporated and domiciled in Australia ("Bounty" or "The Group").

Basis of preparation

This financial report is a general purpose financial report, prepared in accordance with the Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial reports containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Except for cashflow information, the financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars.

The financial report was authorised for issue on 28 September 2017 by the Board of Directors.

(a) Going concern

As at 30 June 2017, the Group's current liabilities exceeded current assets by $0.2m, and total liabilities exceeded total assets by $0.9m. The consolidated entity had financial liabilities of $2.9m at 30 June 2017, incurred a loss from continuing operations for the year of $0.7m and had a deficiency in net cash flows from operating activities of $0.3m.

Bounty has the continued support of its secured lender, VETL Pty Ltd ("VETL"), a company associated with Chairman Gary Cochrane. The balance is due for repayment on 31 December 2018 if not extinguished by other means prior to that date.

In July 2017, the Directors agreed to lower the Company's debt and interest obligations by

- converting a portion of the loan owing to VETL Pty ltd ("VETL"), a company associated with Bounty's Chairman and CEO, Mr Gary Cochrane, to equity; and
- settling outstanding non-executive director fees by the issue of equity.

The Company is preparing for a General Meeting to obtain shareholder approval for these transactions. This will extinguish $0.3m of accrued non-executive director fees and $2m of financial liabilities.

In addition, in August and September 2017 Bounty has issued 5.8m securities at 13c to raise $752,000 of capital, sufficient to provide the Company's working capital and short-term funding of the Wongai Project development. Bounty is planning a significant capital raising to raise up to $8m to fund Phase 3 of the Wongai project.

Accordingly, the financial statements are prepared on a going concern basis which reflects the Directors' expectation that Bounty will be able to realise its assets and settle its obligations in the normal course of business.

If additional funding cannot be obtained there is a material uncertainty whether Bounty will be able to continue as a going concern. However, it should be noted that if additional funding is not obtained, Bounty would take further steps to reduce its operating expenditures and would not incur liabilities that it was not in a position to pay from available cash resources.

If Bounty 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.

The Directors believe it appropriate that the financial statements be prepared on a going concern basis.

(b) Principles of consolidation

The consolidated financial statements incorporate all the assets, liabilities and results of the parent (Bounty Mining Limited) and all of its subsidiaries, where subsidiaries are entities controlled by the parent. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of subsidiaries is provided in Note19.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, are fully eliminated on consolidation. Accounting policies of subsidiaries are consistent with those policies applied by the parent entity. All subsidiaries have a June financial year-end.

(c) Revenue recognition

Revenue from rendering of services
Revenue from contracts is recognised when the service is rendered to the customer.

Interest income
Interest income is recognised as it accrues, taking into account the effective yield on the financial assets.

All revenue is stated net of the amount of goods and services tax ("GST").

(d) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are shown inclusive of GST. The amounts of GST recoverable from, or payable to, the ATO are included as a current asset or liability in the statement of financial position.

Cash flows are included in the statements of cash flows on a gross basis. The GST components of cashflows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cashflows included in receipts from customers or payments to suppliers.

(e) Borrowing costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges. Borrowing costs are expensed as incurred.

(f) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.
Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where :
(a) a legally enforceable right of set-off exists; and
(b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation
Bounty Mining Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from March 2005. The tax consolidated group has entered a tax

funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. Contributions to fund the current tax liabilities are satisfied via a credit or debit to the member's intercompany account with the head entity.

(g) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the net profit attributable to members of the parent entity for the reporting period, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue. Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive ordinary shares adjusted for any bonus issue.

(h) Fair Value

The Group subsequently measures some of its assets at fair value on a non-recurring basis. Fair value is the price the Group would receive to sell an asset in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs). For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

(i) Plant and equipment

Each class of plant and equipment is carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed and refurbished within the economic entity includes the cost of materials, direct labour and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation and amortisation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The expected useful lives for each class of assets are as follows:

Plant and equipment	4 - 6 years
Office furniture	3.33 – 8.88 years
Motor vehicles	3.33 years
Computer equipment	2.66 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Depreciation and amortisation rates and methods are reviewed annually for appropriateness.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

(j) Evaluation and Exploration asset

Exploration and evaluation expenditure is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

A provision is raised against exploration and evaluation assets where the directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses. The increase in the provision is charged against the results for the year. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

(k) Leased assets

Operating leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(l) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

(m) Impairment of Assets

At each reporting date, the group reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, in normal operational circumstances the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and its value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(n) Issued capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

(o) Trade and other receivables

Trade and other receivables include amounts due from customers for services performed in the ordinary course of business. Trade and other receivables are stated at cost less impairment losses. Refer to Note 1(v).

(p) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. Trade and other payables are stated at cost. Trade payables are non-interest bearing and are normally settled on 15 – 30 day terms.

(q) Financial Instruments

Initial recognition and measurement of financial assets and financial liabilities occurs when the Group becomes a party to the contractual provisions to the instrument.

Financial liabilities

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of comprehensive income over the period of the borrowings on an effective interest basis.

Bank loans are recognised at their principal amount, subject to set-off arrangements. Interest expense is accrued at the contracted rate and included in Note 12 *Financial Liabilities.*

(r) Expenses

Operating lease payments

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives are recognised in the statement of comprehensive income as an integral part of the total lease expense and spread over the lease term.

(s) Provisions

A provision is recognised when a legal or constructive obligation exists as a result of a past event, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amount required to settle the obligation at the end of the reporting period.

(t) Employee entitlements

Wages, salaries, annual leave and sick leave

The provisions for employee entitlements to wages, salaries, annual leave, sick leave and long service leave represent present obligations resulting from employees' services provided up to the balance date. Employee benefits are expected to be settled within one year, and have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Superannuation plans

The Company contributes to defined contribution superannuation plans. Contributions are charged against income as they are made. The Company and its controlled entities have no legal or constructive obligation to fund any deficit.

(u) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(v) Critical accounting estimates

The Directors evaluate estimates incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Key estimates

Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using fair value less cost to sell calculations which incorporate various key assumptions.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as electrical coding information, and lease terms (for leased assets). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Deferred Tax Assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised. Based on the uncertainty of the timing of future profits management have not recognised any deferred tax assets.

Key Judgements

Exploration and Evaluation Asset

In respect of the Wongai Project, certain expenditure is recognised as an Exploration and Evaluation asset under AASB 6 "Exploration for and Evaluation of Mineral Resources". The Group has assessed that the exploration activities are not yet sufficiently advanced to make an assessment about the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to the area of interest are continuing.

Going Concern: Refer to details in Note 1(a).

Change in Accounting Policy

There have been no changes in accounting policy during the financial year.

		2017 $	2016 $
2	**Revenue**		
	Revenue from ordinary activities		
	Other revenues		
	Interest income	894	555
	Gain on derecognition of administrator pooled fund	-	196,508
	Total Revenue	**894**	**197,063**
3	**Employee expenses**		
	Wages and salaries	-	38,813
	Other associated personnel expenses	-	3,177
	Contributions to defined contribution superannuation funds	13	3,687
	Non-Executive Director fees	270,806	-
	Contractors expenses	167,825	156,242
	Total Employee expenses	**438,644**	**201,919**
4	**Auditor's remuneration**		
	Audit or review of financial reports	24,000	26,000
	Total Audit and other services	**24,000**	**26,000**
5	**Income tax**		
	The components of tax expenses comprise:		
	Current tax	-	-
	Deferred tax	-	-
	Total Income tax	-	-

5 Income tax (continued)

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

	2017 $	2016 $
Prima facie tax on loss from ordinary activities before income tax at 27.5% (2016: 30%)	(185,646)	(355,645)
Add: tax effect of:		
- Non-allowable items	37,057	199,544
- Tax assets not brought to account	222,280	2,228,769
Deduct: tax effect of:		
- Movement in provisions	-	(18,203)
- Exploration expenditure	(39,325)	(4,500)
- Realised impairment of assets	-	(1,882,391)
- Other allowable items	(34,366)	(167,574)
Income tax charge attributable to entity	-	-

Tax consolidation

Bounty Mining Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 31 March 2005 and reset the tax values of the assets of its subsidiaries on entering the tax consolidation regime.

Deferred tax assets not brought to account

The Directors estimate that at 30 June 2017 the amount of deferred tax assets not brought to account are:

- Revenue losses $11,056,341 (2016: $12,036,039)
- Capital losses $313,394 (2016: $341,884)
- Temporary differences not recognised $nil (2016: $nil)

These amounts have no expiry date.

5 Income tax (continued)

Deferred tax liabilities of $432,652 (2016: $249,548) arising from exploration expenditure have been applied against deferred tax assets arising from revenue losses.

The benefit of deferred tax assets and tax losses will only be obtained if:

I. The consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;

II. The consolidated entity continues to comply with the conditions for deductibility imposed by the tax legislation; and

III. No changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

	2017 $	2016 $
6 Earnings per share ("EPS")		
Loss for the year used to calculate basic and diluted EPS	(675,076)	(1,185,484)
Weighted average number of ordinary shares used for the calculation of basic and diluted EPS	89,640,284	769,078,039
Basic and diluted EPS	(0.008c)	(0.15c)
7 Cash and cash equivalents		
Cash at bank and on hand	213,666	95,139
	213,666	**95,139**
8 Trade and other receivables - current		
Goods and services tax receivables	8,506	9,546
	8,506	**9,546**

	2017 $	2016 $
9 Other assets - current		
Prepayments	13,028	7,500
	13,028	**7,500**

	2017 $	2016 $
10 Exploration and evaluation asset		
Exploration and evaluation asset as at 1 July 2016	1,523,782	1,479,675
Expenditure capitalised during the financial year	742,761	44,107
Exploration and evaluation asset as at 30 June 2017	**2,266,543**	**1,523,782**

i. Recoverability of the carrying amount of exploration asset is dependent on the successful development of the Wongai Coal Project.

ii. The Wongai Coal Project is carried on through a joint operation. Bounty considers that it has joint control of the Wongai Coal Project, because decisions about the key activities that significantly affect the returns from the Project require the unanimous consent of the joint operators sharing control. As the parties have rights to the assets and obligations for the liabilities relating to the Project, it is a joint operation.

The main elements of the joint operation are set out below:

i. The joint operation is titled the Wongai Coal Joint Venture ("WCJV"). The operation commenced on 15 February 2014 and consists of several agreements.
ii. The participants are Aust-pac Capital P/L ("Austpac") (in its own capacity and in its capacity as trustee of the Wongai Unit Trust) and Bounty Mining Investments P/L ("BMI"). The purpose of the WCJV is to determine the extent of economically recoverable reserves of coking coal in the Wongai tenements through exploration, and then to proceed to mining once those reserves are proven.
iii. Both participants are incorporated in Australia and the project is based in Queensland.
iv. The management committee will include equal representation from both participants.
v. BMI is sole funder of the operation until the Phase 3 works are completed.

10 Exploration and evaluation asset (continued)

vi. Bounty has completed the Prefeasibility Study stage and has earned 22.5% equity in the Wongai Project to date. The Farm-In Agreement allows Bounty to move to 48% equity on completion of the Bankable Feasibility Stage and then to acquire a further 3% to move to 51% ownership of the Project at a 25% discount to an external valuation.

vii. The participants are deemed to have participating interest of 52% for Austpac and 48% for BMI until the Phase 3 works are completed or BMI withdraws from the Farm-In agreement. Notwithstanding the deemed participating interests, decisions about key activities require unanimous consent of the participants as explained above.

11 Trade and other payables - current

		2017 $	2016 $
Trade creditors	(a)	137,841	45,737
Other creditors and accruals	(b)	331,122	16,000
		468,963	**61,737**

(a) Standard terms of trade accounts payable are settlement within 15 - 30 days.

(b) This includes accrued non-executive director fees totalling $270,806 which the directors will seek shareholders' approval to settle by issuing shares in Bounty.

12 Financial liabilities – non-current

		2017	2016
Related party secured loan	(a)	2,930,302	2,930,302
		2,930,302	**2,930,302**

(a) In September 2009, VETL Pty Ltd ("VETL"), a company associated with Chairman Gary Cochrane, was assigned a loan from Westpac Banking Corporation, on the same commercial terms. Since that time Bounty has drawn down and repaid amounts under the loan. The loan is secured by a fixed and floating charge over the assets and undertakings of the Consolidated Bounty Group. A guarantee and indemnity has been given by Bounty Mining Limited and Bounty Operations Pty Ltd. By agreement between the parties the maturity date of the loan has been extended to 31 December 2018. The Interest rate has historically been 9.72% p.a. By agreement between the parties no interest has been charged on the loan since 1 January 2015. This arrangement has been extended by agreement until 31 July 2017.

12 Financial liabilities – non-current (continued)

Subsequent to the balance sheet date the Company has resolved to call a General Meeting to obtain shareholder approval to settle $2million of the debt by the issue of shares in the Company.

13 Issued capital

(a) Movements in ordinary share capital of the company during the year were as follows:

	Number of Shares	Share price	Total amount
Shares on issue at 1 July 2016	969,251,776		$ 39,135,228
Shares issued through a Placement	143,750,000	$0.004	$575,000
Shares issued through a Rights Issue	101,178,810	$0.004	$404,715
1 for 13 Share Consolidation	(1,120,781,573)	n/a	n/a
Shares issued through a Placement	1,661,402	$0.13	$215,982
Cost of capital raising			($61,892)
Shares on issue at 30 June 2017	95,060,395		$ 40,269,034

Movements in share capital during financial year FY16 were as follows:

	Number of Shares	Share price	Total amount
Shares on issue at 1 July 2015	735,550,849		$ 38,500,507
Shares issued to investors	166,637,763	various	$400,000
Shares issued to nominated unsecured creditors under DOCA	67,063,164	$0.0035	$234,721
Shares on issue at 30 June 2016	969,251,776		$ 39,135,228

Terms and Conditions of Ordinary Shares:

Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(b) Capital Management

Management aims to control the capital of the Group in order to maintain a satisfactory debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

	2017	2016
	$	$

14 Accumulated Losses

	2017 $	2016 $
Accumulated losses at the beginning of the financial year	(43,664,258)	(42,478,774)
Net loss for the year attributable to members of Bounty Mining Limited	(675,076)	(1,185,484)
Accumulated losses at the end of the financial year	**(44,339,334)**	**(43,664,258)**

15 Options Reserve

	2017 $	2016 $
Opening Balance	3,172,958	3,172,958
Expense during the year	-	-
Closing Balance	**3,172,958**	**3,172,958**

The option reserve records items recognised as expenses on valuation of share options. The options reserve is used to record the share options issued to directors and executives of the Company. There are no listed or unlisted options on issue at 30 June 2017.

16 Commitments

The Company's sole lease commitment is a two years lease on premises expiring on 31 December 2018. There is a 2 month notice period.

Permit EPC2334 is subject to certain conditions including an expenditure commitment as follows:

Period	Expenditure Commitment
14 December 2016 to 13 December 2019	$375,000
14 December 2019 to 13 December 2021	$250,000
Total	$625,000

17 Contingent liabilities

The directors are not aware of any other contingent liabilities at the date of this report.

18 Financial risk management

The group's financial instruments consist mainly of trade accounts receivable and payable and borrowings.

The totals for each category of financial instruments, measured in accordance with AASB139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Group 2017 $	2016 $
Financial assets			
Cash and cash equivalents	7	213,666	95,139
Trade and other receivables	8	8,506	9,546
		222,172	104,685
Financial liabilities			
Financial liabilities at amortised cost			
Trade and other payables	11	468,963	61,737
Borrowings	12	2,930,302	2,930,302
		3,399,265	2,992,039
Net Financial liabilities		**(3,177,093)**	**(2,887,354)**

Specific financial risk exposures and management

(a) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rate will affect future cash flows or the fair value of fixed rate financial instruments. The group is also exposed to earnings volatility on floating rates.

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 30 June 2017 100% of group debt is provided by a fixed rate loan. Group policy is to keep between 65% and 100% of debt on fixed interest rates.

(b) Credit risk

The entity's maximum exposure for credit risks at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the statement of financial position.

18 Financial risk management (continued)

(c) Price risk

The group's exposure to price risk is limited as its contracts with customers are at a fixed price.

(d) Liquidity risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group seeks to manage this risk through the following mechanisms:

- Preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- Maintaining the support of a related party lender;
- Preparing for a capital raising to repay the main debt;
- Maintaining a reputable credit profile;
- Managing credit risk related to financial assets; and
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The following table details the Bounty Group contractual maturity for non-derivative financial liabilities and is based on undiscounted cash flows of financial liabilities on the earliest date on which repayment can be required.

	Note	weighted average interest rate	floating interest rate	Fixed interest maturing 1 year or less	Fixed interest maturing 1 year to to 5 years	Non-interest bearing	Total
			$	$	$	$	$
30-Jun-17							
Financial Assets							
Cash and cash equivalents	7	0.19%	208,282	-	-	5,384	213,666
Receivables	8	n/a	-	-	-	8,506	8,506
Total financial assets			208,282	-	-	13,890	222,172
Financial Liabilities							
Trade and other payables	11	n/a	-	-	-	468,963	468,963
Loan from related party	12	0.00%			2,930,302	-	2,930,302
Total financial liabilities			-	-	2,930,302	468,963	3,399,265
Net Financial Liabilities							(3,177,093)

18 Financial risk management (continued)

	Note	weighted average interest rate	floating interest rate	Fixed interest maturing in: 1 year or less	1 year to to 5 years	Non-interest bearing	Total
			$	$	$	$	$
30-Jun-16							
Financial Assets							
Cash and cash equivalents	7	0.34%	95,139	-	-	-	95,139
Trade and other receivables	8	n/a	-	-	-	9,546	9,546
Total financial assets			95,139	-	-	9,546	104,685
Financial Liabilities							
Trade and other creditors	11	n/a	-	-	-	61,737	61,737
Loan from related party	12	0.00%	-	-		2,930,302	2,930,302
Total financial liabilities			-	-	-	2,992,039	2,992,039
Net Financial Liabilities							(2,887,354)

Net Fair Value

The net fair value of financial assets and liabilities at balance date approximates their carrying amount.

Interest rate sensitivity analysis

At 30 June 2017, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2017	2016
	$	$
Change in profit and equity:		
Increase in interest rate by 2%	9	-
Decrease interest rate by 2%	(9)	-

19 Controlled Entities

Particulars in relation to controlled entities	2017	2016
Parent entity		
Bounty Mining Limited		
Controlled entities		
Bounty Mining Limited controls the following entities:		
Bounty Minyango Leasing Pty Limited	100%	100%
Bounty Operations Pty Limited	100%	100%
Bounty Cook Pty Limited	100%	100%
Bounty Mining Investments Pty Limited	100%	100%

20 Cash Flow Information

Reconciliation of cash flows from operations with loss after income tax.

	2017 $	2016 $
Loss after income tax	**(675,076)**	**(1,185,484)**
Add non-cash items:		
Gain on derecognition of administrators' pooled fund	-	(196,508)
Loss on disposal of fixed assets	-	625,144
Net cash used in operating activities before change in assets and liabilities	**(675,076)**	**(756,848)**
Change in assets and liabilities:		
Decrease / (Increase) in receivables	1,040	(15,700)
Decrease in inventories	-	50,594
(Increase) / Decrease in other assets	(5,708)	162,673
Increase in exploration and evaluation asset	-	(44,107)
Increase / (decrease) in payables	408,591	57,491
Decrease in employee entitlements	-	(11,160)
Net cash flow used in operating activities	**(271,153)**	**(557,057)**

21 Related party transactions

The Group's main related party is VETL Pty Ltd ("VETL"), a company associated with Chairman Gary Cochrane. For details of disclosures relating to the VETL loan, refer to Note 12: Financial liabilities - non-current.

	2017	2016
	$	$
Related party loan	2,930,302	2,930,302

The 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 basis. Interest was historically charged at 9.72% p.a. The loan is due for payment on 31 December 2018. By agreement with the lender, no interest has been charged on the loan from 1 January 2015. This arrangement remains in place until 31 July 2017 at which time the arrangement will be reviewed.

During the financial year, Chairman Gary Cochrane earned $175,000 (2016: $60,000) (exc. GST) as a consultancy fee in relation to his role as Chief Executive Officer and Manager of the Wongai Coal Project.

During the financial year the Company rented office space from a company associated with Chairman Gary Cochrane.

During the financial year Director Kevin Jiao earned $25,000 in consideration for his aid in raising capital in August 2016. The fees were paid through the issue of Bounty securities.

22 Parent entity disclosures

Financial position as at 30 June	2017 $	2016 $
Assets		
Current assets	235,380	112,185
Total assets	**235,380**	**112,185**
Liabilities		
Current liabilities	468,963	61,737
Total liabilities	**468,963**	**61,737**
Net (liabilities) / assets	**(233,583)**	**50,448**
Equity		
Issued capital	40,269,034	39,135,228
Accumulated losses	(43,675,575)	(42,257,738)
Reserves	3,172,958	3,172,958
Total equity	**(233,583)**	**50,448**

Financial performance

	2017	2016
Loss for the year	(1,417,837)	(259,091)
Other comprehensive income	-	-
Total comprehensive loss	**(1,417,837)**	**(259,091)**

The loss for the year includes a provision for impairment of $0.7m against loans made by the parent company to a subsidiary where, based on the assets of those subsidiaries, there is a reduced capacity to repay the loans.

Also refer to Note 1 (a) Going Concern.

23 Economic Dependency

Bounty conducts capital raisings to fund working capital and investment in the Wongai Coal project.

24 Subsequent Events

In July 2017, the Directors agreed to lower the Company's debt and interest obligations by

- converting a portion of the loan owing to VETL Pty ltd ("VETL"), a company associated with Bounty's Chairman and CEO, Mr Gary Cochrane, to equity; and
- settling outstanding non-executive director fees by the issue of equity.

A General Meeting will be held to obtain shareholder approval for these transactions. If all resolutions are passed at the General Meeting the directors' equity holdings will change as follows:

Shares held by entities associated with the directors			Gary Cochrane	Rob Stewart	Brian McMaster	Matthew Wood	Daniel Crennan	Kevin Jiao	Total Directors	Total on issue
Ordinary Shares	1/07/2017		20,092,744	308,450	5,942,844	5,942,844	1,627,400	1,146,543	35,060,825	95,060,395.00
As a % of the total securities on issue			21.1%	0.3%	6.3%	6.3%	1.7%	1.2%	36.9%	
Proposed Issue	Conversion of Debt		$ 2,000,000	$ 65,000	$ 65,000	$ 65,000	$ 62,903	$ 62,903		
Price	$	0.15	13,333,333	433,333	433,333	433,333	419,353	419,353	15,472,038	110,532,433
Total after issue			33,426,077	741,783	6,376,177	6,376,177	2,046,753	1,565,896	50,532,863	110,532,433
			30.2%	0.7%	5.8%	5.8%	1.9%	1.4%	45.7%	

Share Issues

Between July and September 2017 5,785,185 securities were issued at 13 c to raise $752,331.

Other than as described above there have been no other subsequent events which require disclosure.

25 New and amended Accounting Policies adopted by the Group

The Group adopted the following Australian Accounting Standards and Interpretation from the mandatory application date of 1 January 2014:

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities

AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets

AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities

AASB Interpretation 21 Levies

The adoption of these new accounting standards and interpretation has not had a significant impact on the Group's financial statements.

The Group adopted the following Australian Accounting Standards from the mandatory application date of 1 July 2014:

25 New and amended Accounting Policies adopted by the Group (continued)

AASB 2014-1: Amendments to Australian Accounting Standards (Parts A, B and C)

Part A of this Standard is applicable to annual reporting periods beginning on or after 1 July 2014 and makes the following significant amendments:

- revises/adds the definitions of the terms "market condition", "performance condition" and "service condition" in AASB 2: *Share-based Payment*;
- clarifies that contingent considerations arising in a business combination should be accounted for as items of equity or liability and not as provisions in accordance with AASB 137: *Provisions, Contingent Liabilities and Contingent Assets*;
- requires additional disclosures when an entity aggregates its operating segments into one reportable segment in accordance with AASB 8: *Operating Segments*; and
- includes an entity that provides key management personnel services (a "management entity") to a reporting entity (or a parent of the reporting entity) within the definition of a "related party" in AASB 124: *Related Party Disclosures*.

This part also makes other editorial corrections to various Australian Accounting Standards; however, it is not expected to have a significant impact on the Group's financial statements.

Part B of this Standard is applicable to annual reporting periods beginning on or after 1 July 2014 and permits an entity to recognise the amount of contributions from employees or third parties in a defined benefit plan as a reduction in service cost for the period in which the related service is rendered, if the

25 New and amended Accounting Policies adopted by the Group (continued)

amount of contributions is independent of the number of years of service. This part is not expected to have a significant impact on the Group's financial statements.

Part C of this Standard is applicable to annual reporting periods beginning on or after 1 July 2014 and deletes the reference to AASB 1031: *Materiality* in particular Australian Accounting Standards. This part is not expected to have a significant impact on the Group's financial statements.

26 New Accounting Standards for Application in Future Periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Company are discussed below. These new and amended Standards are not expected to have a significant impact on the Company's financial statements.

AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]

This Standard amends AASB 112 Income Taxes to clarify the circumstances in which the recognition of deferred tax assets may arise in respect of unrealised losses on debt instruments measured at fair value.

26 New Accounting Standards for Application in Future Periods (continued)

AASB 2016-2 Amendments to Australian Accounting Standards –Disclosure Initiative: Amendments to AASB 107

This Standard amends AASB 107 Statement of Cash Flows to include additional disclosures and reconciliation relating to changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to AASB 10 and AASB 128)

Amends AASB 10 and AASB 128 to remove the inconsistency in dealing with the sale or contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The mandatory application date of AASB 2014-10 has been amended and deferred to annual reporting periods beginning on or after 1 January 2018 by AASB 2015-10.

AASB 9 Financial Instruments

AASB 9 includes requirements for the classification and measurement of financial assets and incorporates amendments to the accounting for financial liabilities and hedge accounting rules to remove the quantitative hedge effectiveness tests and have been replaced with a business model test.

AASB 9 improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of AASB 139 as follows:

a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.

b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

i) The change attributable to changes in credit risk are presented in other comprehensive income (OCI)

ii) The remaining change is presented in profit or loss.

26 New Accounting Standards for Application in Future Periods (continued)

AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances. Consequential amendments were made to other standards as a result of AASB 9 by AASB 2014-7 and AASB 2014-8. The mandatory application date of AASB 9 has been deferred to annual reporting periods beginning on or after 1 January 2018 by AASB 2014-1.

Adoption of AASB 9 is not expected to have a material impact on the Company's financial statements.

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and four Interpretations issued by the AASB and amends the principles for recognising revenue from contracts with customers. It applies to all contracts with customers except leases, financial instruments and insurance contracts. The Standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods or services to customers at an amount that reflects the consideration to

which the entity expects to be entitled in exchange for those goods or services. To achieve that principle, an entity shall apply all of the following steps:

a) identify the contract with a customer;
b) identify the separate performance obligations in the contract;
c) determine the transaction price;
d) allocate the transaction price to the separate performance obligations in the contract; and
e) recognise revenue when (or as) the entity satisfies a performance obligation.

Consequential amendments to other Standards are made by AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15. The mandatory application date of AASB 15 has been deferred to annual reporting periods beginning on or after 1 January 2018 by AASB 2015-8.

Adoption of AASB 9 is not expected to have a material impact on the Company's financial statements.

AASB 16 Leases

AASB 16 replaces AASB 117 Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases.

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

A lessee measures right-of-use asset similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee

26 New Accounting Standards for Application in Future Periods (continued)

recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying AASB 107 Statement of Cash Flows.

AASB 16 substantially carries forward the lessor accounting requirements in AASB 117 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

This Standard applies to annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted provided the entity also applies AASB 15 Revenue from Contracts with Customers at or before the same date.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Bounty Mining Limited, the directors of the Company declare:

1 that the financial statements and notes set out in pages 16 to 47 are in accordance with the Corporations Act 2001, and:

(a) comply with Accounting Standards and the Corporations Regulations 2001; and
(b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the Company and Consolidated Entity; and
(c) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

2 that the Chief Executive Officer and Chief Financial Officer have each declared that:

(a) the financial records of the Consolidated Entity for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001; and
(b) the financial statements and notes for the financial year comply with the Accounting Standards; and
(c) the financial statements and notes for the financial year give a true and fair view;

3 In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated 29 September 2017.

Signed in accordance with a resolution of the Directors:

Gary Cochrane
Chairman

Nexia Australia

Independent Auditor's Report to the Members of Bounty Mining Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Bounty Mining Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001,* including:

i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the entity in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1(a) in the financial report, which indicates that the Group incurred a net loss of $675,076 during the year ended 30 June 2017 and the Group had a net deficiency of assets of $897,342 as at that date. As set out in Note 1(a), these events or conditions, along with the other matters set forth in Note 1(a), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information in Bounty Mining Limited's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Nexia Sydney Audit Pty Limited

Gregory Ralph MCom, FCA
Director

Dated: 29 September 2017
Sydney