

Bounty Mining Limited

Subject to Deed of Company Arrangement

ACN 107 411 067

18 December 2009

Company Announcements Office
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Issue of shares to Investors and Creditors

Bounty Mining Limited announces that it has today issued shares under a Placement ("Placement Shares"), and shares to the Bounty Mining Group Deed Creditors ("Creditors' Shares") under the Deeds of Company Arrangement ("DOCA") as approved by shareholders at the general meeting on 20 November 2009. The placement raised capital to fund the DOCA and working capital. Additional shares will be issued as creditor accounts are finalised through the administration process and the company progresses with its strategy to recapitalise and revitalise the operations.

On 20 November 2009, shareholders approved, among other things, the issue of up to 90,000,000 shares to unrelated sophisticated investors pursuant to a placement and up to 135,000,000 shares to creditors under the DOCA. The Notice of Meeting stated that the Placement Shares and Creditors' Shares would be issued within 1 month of the date of shareholder approval. The Company applied to ASX for a waiver from listing rule 14.7 to extend the time in which these shares can be issued. ASX has agreed to grant a waiver to permit the Placement Shares to be issued no later than 31 December 2009 and the balance of the Creditors' Shares to be issued no later than 19 February 2010, on condition that the Company issue the Placement Shares and the Creditors' Shares on the terms approved by shareholders on 20 November 2009 and that this information is released to the market.

For further information, please contact

Gary Cochrane, Chairman 0417654090

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Bounty Mining Limited

ABN

19 107 411 067

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | |
|--|---|
| <p>1 +Class of +securities issued or to be issued</p> | <p>Ordinary shares</p> <p>Unlisted options</p> |
| <p>2 Number of +securities issued or to be issued (if known) or maximum number which may be issued</p> | <p>Placement shares</p> <p>151,120,000 ordinary shares issued on 18 December 2009</p> <p>Up to 10,000,000 ordinary shares to be issued by 31 December 2009</p> <p>Shares to DOCA creditors:</p> <p>100,623,354 shares issued on 18 December 2009</p> <p>Up to 10,000,000 ordinary shares to be issued by 19 February 2010</p> <p>Up to 5million unlisted options to be issued by 19 February 2010</p> |

+ See chapter 19 for defined terms.

- | | |
|--|--|
| <p>3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p> | <p>Ordinary shares, will rank pari passu with all other ordinary shares (BNT)</p> <p>Unlisted options: exercise price 2.5c, expiry date 31 December 2011</p> |
| <p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>The shares will rank pari passu with all other ordinary shares (ASX code BNT).</p> |
| <p>5 Issue price or consideration</p> | <p>Placement Shares:
1.25c per share</p> <p>Shares to DOCA creditors:
Issue of 10 shares per dollar owed</p> |
| <p>6 Purpose of the issue
(If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>Placement Shares:
Issue for cash for the Pool Fund and Working Capital</p> <p>Shares to DOCA creditors:
Issue of shares to creditors under the Deed of Company Arrangement.</p> |
| <p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p> | <p>251,743,354 shares by 18 December 2009</p> <p>Up to 20,000,000 shares by 19 February 2010</p> <p>Up to 5,000,000 options by 19 February 2010</p> |

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	At 18 December 2009 474,711,702	Ordinary shares
	(by 29 February 2010, up to 494,711,702)	
	0	Unsecured Convertible Notes
	25,386,867	20c options, expiring 31 December 2011

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	2,941,176	17c options expiring 28 February 2010
	3,588,235	17c options expiring 30 June 2010
	375,000	12c SEOP options expiring November 2010
	375,000	22c SEOP options expiring November 2010
	Up to 5,000,000	2.5c options expiring 31 December 2011

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A.
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Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

+ See chapter 19 for defined terms.