



Bounty Mining Limited ACN: 107 411 067
Suite 301, Level 3, 66 Hunter Street, Sydney NSW 2000, Australia
www.bounty.com.au

31 July 2018

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Activities during the June 2018 Quarter

Bounty made its first sales of coking and thermal coal in the June 2018 quarter after acquiring the Cook Colliery in December 2017.

Payments of \$11m in the June 2018 quarter to acquire property, plant and equipment included \$8m in deferred payments for the acquisition of the Cook Colliery and \$3m in mining capex.

September 2018 Quarter

Bounty is continuing to develop the mine and coal processing infrastructure. The activities of the past quarter are not a guide to the expected results of the coming quarter. The Company expects to make \$29.6m in production payments during the September 2018 quarter, compared with \$24.2m in the June 2018 quarter, as it continues to ramp up to 4 production units.

In addition, Bounty will make the final \$5m deferred payment to CC Pty Ltd (in Liquidation) in relation to the Cook acquisition and invest a further \$3.6m in mining capex to acquire and rebuild additional mining units for the planned ramp up of operations. The quarter's outflows are expected to be funded by existing funds and receipts from planned coal sales which also will continue to increase as mine production increases.

Bounty is also pleased to announce that it has concluded negotiations with Xcoal Energy & Resources to extend the current offtake agreement. The additional offtake is for a further 550,000 tonnes which is deliverable from January to December 2019. Bounty has accepted US\$3.75 million in presales offered by Xcoal for this extended offtake which is to be repaid from the extended offtake tonnes.

General

The company has not received any information that would alter the results of the previously announced JORC reports.

Bounty has kept the market informed of developments as they have occurred and will continue to meet its obligations under Listing Rule 3.1

Further information:

Gary Cochrane

Chairman

Bounty Mining Limited

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Appendix 5B

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Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Bounty Mining Limited

ABN

19 107 411 067

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	11,445	11,445
1.2 Payments for		
(a) exploration & evaluation	(227)	(621)
(b) development	-	-
(c) production	(24,193)	(32,391)
(d) staff costs	(984)	(2,135)
(e) administration and corporate costs	(230)	(1,280)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	23
1.5 Interest and other costs of finance paid	(35)	(224)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (listing expenses)	(453)	(523)
1.9 Net cash used in operating activities	(14,671)	(25,706)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(10,972)	(22,552)
(b) tenements (see item 10) (inc in 2.1a)	-	-
(c) investments	(104)	(224)
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(11,076)	(22,776)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	24,005	49,501
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(1,348)	(2,416)
3.5 Proceeds from borrowings (Forward Sales agreements)	10,208	10,208
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
3.8	Dividends paid	-	-
3.9	Other (Financial Assurance)	-	(500)
3.10	Net cash from financing activities	32,865	56,793

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,407	214
4.2	Net cash used in operating activities (item 1.9 above)	(14,671)	(25,706)
4.3	Net cash used in investing activities (item 2.6 above)	(11,076)	(22,776)
4.4	Net cash from financing activities (item 3.10 above)	32,865	56,793
4.5	Effect of movement in exchange rates on cash held	307	307
4.6	Cash and cash equivalents at end of period	8,832	8,832

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	8,832	1,407
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,832	1,407

6. Payments to directors of the entity and their associates

Current quarter \$A'000
433
-

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Director salaries and fees	433
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7. Payments to related entities of the entity and their associates

Current quarter \$A'000
35
-

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Interest payments on the VETL loan facility (associated with director Gary Cochrane)	35
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8. Financing facilities available	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Add notes as necessary for an understanding of the position</i>		
8.1 Loan facilities (VETL loan)	930	930
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

VETL Pty Ltd ("VETL") loan facility, interest rate 9.72%, secondary security over the assets of the group, payable by 31 December 2018. VETL is a company associated with director Gary Cochrane.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,054
9.2 Development	-
9.3 Production	29,563
9.4 Staff costs	603
9.5 Administration and corporate costs	300
9.6 Other - investment in plant & equipment	3,586
Other – final payment to CC Pty Ltd in relation to Cook Colliery acquisition	5,000
9.7 Total estimated cash outflows	40,106

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10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased	EPC699, EPC997 (Minyango Project), Blackwater, Bowen Basin, Queensland (Australia)	Exploration permits	-	100
		MDL375 (Minyango Project), Blackwater, Bowen Basin, Queensland (Australia)	Mineral development licence	-	100
		ML80173 (Minyango Project), Blackwater, Bowen Basin, Queensland (Australia)	Mining lease	-	100
	*The cost of acquisition of tenements is included in cost of acquiring the Cook Colliery and is included in 2.1a.	ML1768, ML1769, ML1799, ML7357 (Cook Mine), near Blackwater, Bowen Basin, Queensland (Australia)	Sub-leases of mining leases	-	100
		ML1779 (Cook Mine), near Blackwater, Bowen Basin, Queensland (Australia)	Sub-lease of 33% of mining lease	-	100

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
(Chairman)

Date: 31 July 2018

Print name: Gary Cochrane