



Bounty Mining Limited

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Bounty Makes Final Deferred Payment in Relation to Cook Acquisition

- **Final \$5m Deferred Payment made to CC Pty Ltd (in liquidation)**
- **Fixed & Floating charge held by Bank of China to be released**

Bounty Mining (B2Y) has made the final Deferred Payment of \$5m to CC Pty Ltd (in liquidation) for the acquisition of the Cook Colliery, and the Cook North and Minyango coal projects. This completes the Deferred Payments under the Cook Caledon Purchase Agreement and is a very important milestone for Bounty since acquiring the assets in December 2017. It is also significant because this triggers the release of the Fixed and Floating Charge over the mining assets that was held by Bank of China.

Since acquiring the assets seven months ago, Bounty has moved quickly to re-start production and has delivered two shipments of coking coal to customers. Bounty is now expanding production at the Cook Colliery. We expect to produce approximately 400kt Run-of-Mine (RoM) in the First Half of FY2019 and aim to achieve a 1Mtpa production run-rate by the end of September 2018. As production increases unit costs will reduce.

The coking coal market remains stable, with latest futures data predicting Platts TSI Premium Hard Coking Coal swaps prices to trade at around US\$185/t. Cook's pricing for its second tier mid-vol Hard Coking Coal at current exchange rates remains around A\$200/t.

Obligations remain to Cook Resource Mining Pty Ltd under the Cook Glencore Purchase Agreement, including a bank guarantee due in November 2018 and a final payment in June 2019. Management is reviewing a number of options in relation to the bank guarantee including deferral and an insurance alternative.

In combination, the higher production, lower costs, and stable prices, should see the Bounty become operationally cashflow positive in the Second Quarter of FY2019.

Further information:

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About Bounty Mining

Bounty Mining took ownership of the Cook Colliery, Cook North, and Minyango assets at the end of 2017. The Cook Colliery has now been re-opened by Bounty as a contractor operation aiming to produce 2.2Mtpa RoM by FY2020. The assets include all of the site infrastructure for mining, washing, and transporting product to the port of Gladstone.