



Bounty Mining Limited

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Bounty Executes Toll Washing Agreement with Carabella Resources

- **Carabella to send 100kt of coal per month to the Cook CHPP for two years**
- **The Agreement is Unconditional and coal processing is due to begin in Q3 FY19**
- **Toll washing provides additional revenue for Bounty from surplus plant capacity**

Carabella Resources Pty Ltd (Carabella) is the 100% owner of the Bluff Coal Project.

On 27th April 2018 Bounty Mining Limited (Bounty, B2Y) signed an agreement to provide coal washing and rail loadout services to the Bluff Coal Joint Venture. This was detailed in Bounty's 2018 Prospectus. The agreement lapsed as conditions precedent were not achieved by the Bluff Coal Joint Venture.

However, Bounty has now executed a new agreement (on substantially the same terms as the previous agreement) directly with Carabella, which is now proceeding to develop the project without joint venture partners. The new agreement with Bounty is unconditional. Coal processing will commence in Q3 FY19.

Carabella is a wholly owned subsidiary of Wealth Mining Pty Ltd, which in turn is a privately-owned investor in coal projects in Australia. Carabella has now secured funding and met its conditions precedent to proceed with project development.

Bounty subsidiary Bounty Cook Pty Ltd ("Bounty Cook") will be paid a fee on a per-tonne-washed-coal basis for its services; including washing, stockpiling, loading and logistics. The Agreement includes a minimum labour fee per month. Bounty Cook is responsible for all consumables and other costs in relation to its services. The terms of the agreement provide for Carabella to send up to 100,000 tonnes of coal per month for washing at Cook CHPP.

Any upgrade of the product coal handling system required to handle Bluff Coal Project at the Cook CHPP will be completed at Carabella's cost. Carabella is also required to secure their own rail capacity and will undertake their own coal marketing.

Bounty Chairman and Chief Executive Officer Gary Cochrane said: *"The toll washing agreement with the Bluff Coal Project will provide a valuable additional source of revenue for Bounty, making use of surplus capacity at the Cook CHPP. The minor cost of upgrade required to handle Bluff's PCI (pulverised coal injection) product will be the sole responsibility of Carabella and won't impact Bounty's finances."*

The Bluff Coal Project (ML80194) is located south-east of the town of Bluff (approximately 25km east of Blackwater). It is located approximately 35km from Bounty's Cook Coal Handling and Preparation Plant (CHPP). The coal from the Bluff Coal Project will be processed at the Cook CHPP using spare capacity to produce a high quality, low ash, low-volatile PCI product for use in steel-making. The term of the agreement is two years. In the longer term, Carabella will progress plans for development of a standalone CHPP at the Bluff site.

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 coal to the port of Gladstone. There is adequate capacity at the CHPP to process not only the coal from Cook Colliery but the additional coal from Bluff mine.