

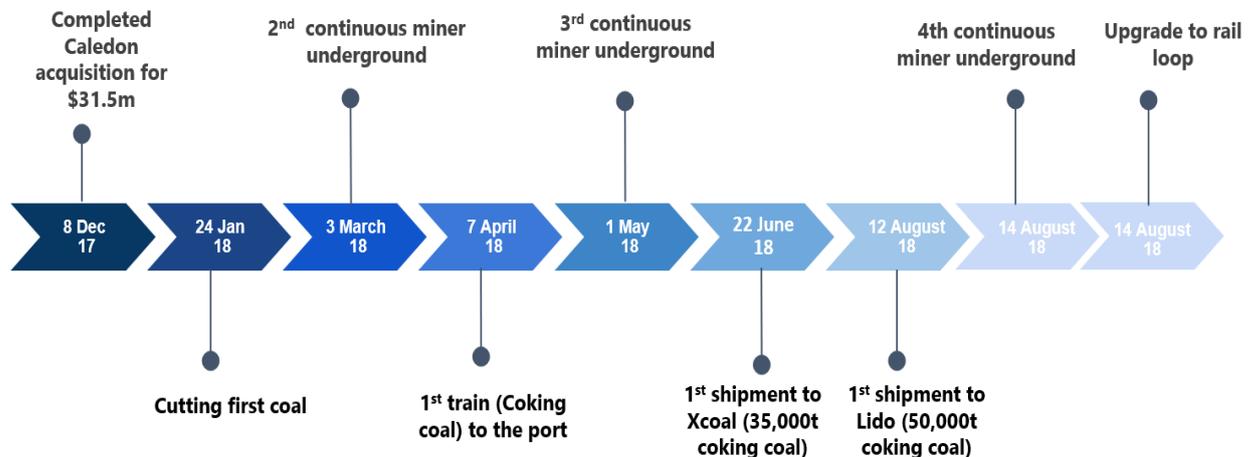


Bounty Mining Limited ACN: 107 411 067  
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31 AUGUST 2018

### Appendix 4E - Bounty Mining 2018 Highlights

- Bounty acquired the assets of CC Pty Limited (In Liquidation) and Blackwater Coal Pty Ltd (In Liquidation) on 8 December 2017.
- Bounty recommenced mining operations at Cook Colliery in January 2018.
- Bounty recommissioned the Cook Coal Handling and Preparation Plant and commenced processing in March 2018.
- The Company produced 134 thousand tonnes run of mine production in the year to end June 2018.
- Bounty raised \$18 million and was entered onto the official list of the ASX on 19 June 2018.
- Coal sales to Glencore International AG, Coronado Curragh Pty Ltd, Xcoal Energy & Resources GmbH and Lido Trading Ltd have provided both cash income and recognition of coal quality.
- All payments to CC Pty Limited (In Liquidation) have been completed, triggering release of charges over the assets.
- Subsequent to the year-end Bounty completed an upgrade of its Koorilgah Rail Loop, reducing the transport cost per tonne for port access from the mine.
- Production continues to increase driving decreasing unit costs.
- Bounty has executed a toll washing agreement with Carabella Resources.





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**Appendix 4E**

**Preliminary Final Report: Financial Year ended 30 June 2018**

**Previous corresponding period: Year ended 30 June 2017**

**Results for Announcement to the Market**

		% change	\$A'000
Revenues from ordinary activities	up	n/a To	13,767
Loss from ordinary activities after tax attributable to members	up	3,586%	(24,881)
Net loss for the period attributable to members	up	3,586%	(24,881)
<b>Dividends (distributions)</b>		Amount per security	Franked amount per security
<b>Final Dividend</b>		n/a	n/a
<b>Previous corresponding period</b>		n/a	n/a
Date for determining entitlements to the dividend		n/a	
		30/06/2018	30/06/2017
Net Tangible Assets per Security		0.07c	(0.01c)

The directors' commentary on pages 3 to 18 of this financial report explains the figures reported above. This financial report is the full-year information provided to the Australian Securities Exchange under listing rule 4.3A.

This report is based on accounts which are in the process of being audited.

Eryl Baron, Company Secretary, Bounty Mining Limited  
 31 August 2018

## Bounty Mining Limited and its Controlled Entities

### DIRECTORS' COMMENTARY

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The names of directors who held office during or since the end of the year are:

<b>Director</b>	<b>Appointed to the Board</b>	<b>Resigned from the Board</b>
Gary Cochrane (Chair)	25 November 2007	-
Rob Stewart	17 November 2009	-
Kevin Jiao	18 August 2016	-
Julie Garland McLellan *	10 November 2017	-
Matthew Wood	29 March 2016	20 September 2017
Brian McMaster	29 March 2016	3 October 2017
Daniel Crennan	18 August 2016	23 November 2017

\* Julie Garland McLellan was previously a director of Bounty between 2009 and 2016.

### OPERATIONS UPDATE

In December 2017 the Company completed the Cook / Minyango Purchase Agreements. Bounty Group has four projects:

- the Cook Colliery operational since January 2018 with its CHPP operational since April 18;
- the Cook North Project;
- the Minyango Project; and
- the Wongai Project. The Company has completed a concept study and pre-feasibility study for this Project.

### OPERATION OF COOK COLLIERY

Bounty acquired the Cook Colliery, Cook North and Minyango assets on 8 December 2017 and then commenced a restart of coal mining operations at Cook Colliery ("Cook"). At that time there was a core of 14 personnel who had been operating the mine on a care and maintenance program.

Coal mining operations commenced on 24 January 2018 with one continuous miner fleet. Since that time Bounty has ramped up production and now has 240 personnel (staff and contractors) at the mine site.

## Bounty Mining Limited and its Controlled Entities

### DIRECTORS' COMMENTARY (continued)

Additional mining fleets were introduced underground in March, May and August 2018 and the mine is operating at around a 40,000 run of mine tonne per month rate. The introduction of a sumping unit combined with three development units are expected to operate from September at around an 80,000 run of mine tonne per month or 1 million run of mine tonne per annum rate. This is expected to further increase from May 2019 with the introduction of a ventilation shaft and additional mining units.

Bounty has also recommissioned the coal handling and preparation plant and commenced processing run of mine coal from late March 2018. It has also completed initial sales of coking coal to its two main customers.

Production statistics for the 2018 financial year and July 2018 are as follows:

'000 tonnes	Year to 30 June 2018 (commencing 24 January 2018)	July 2018
ROM coal produced	134	38
Saleable coal produced		
• Coking	93	32
• Thermal	16	6
Coal sales		
• Coking	55	0
• Thermal	11	6
Product Coal stockpiles		
• Coking	30	62
• Thermal	9	9

The recommissioning of the colliery from care and maintenance to production and the recommissioning of the CHPP have required a substantial working capital investment. This includes both non-recurring costs and on-going fixed costs amortised over start-up level production rates. This is reflected in the Company's financial statements for the FY18 year.

As Bounty's production increases and approaches its 1m run of mine tonnes per annum 2019 production target the cost per tonne continues to reduce.

In August 2018 Bounty announced the completion of its upgrade of the Koorilgah Rail loop servicing its Cook Colliery in Queensland's Bowen Basin to full axle load capacity trains. Prior to Bounty restarting operations at Cook early in 2018, the rail loop had been downgraded to 20 tonne axle load capacity due to a lack of maintenance under the previous mine owner. Bounty spent \$2 million on the upgrade, which included the installation of new ballast, formation work, new sleepers and weight meter and train overload facilities. This limited Bounty to using partly loaded trains carrying 5,500 tonnes of coal at a time. Full capacity trains, of 8,500 tonnes, will deliver operating cost savings of at least \$5 per tonne of coal.

### **COAL SALES**

In late June 2018, the first shipment of export coal from Cook sailed from the Port of Gladstone destined for China. The 33,408-tonne cargo was sold to privately owned global coal marketing and logistics company Xcoal Energy & Resources under an existing offtake agreement.

Under a prepaid sales agreement XCoal Energy & Resources GmbH ("Xcoal"), which is the associate of a substantial shareholder in Bounty, had agreed to purchase an initial 275,000 tonnes of coal from Cook providing it meets certain specifications and the June shipment was the first cargo under this agreement. Subsequent to 30 June 2018 this agreement has been extended into with additional offtake of 550,000 tonnes to be delivered by 31 December 2019. Xcoal trades 22m tonnes of coal internationally.

A second prepaid sales agreement has been executed with Lido Trading Ltd ("Lido"), a subsidiary of a private Chinese steel mill which Lido produces and sells internationally 10m tonnes of crude steel annually. Lido is also a substantial Bounty shareholder. The agreement is to purchase approximately 195,000 tonnes of Cook coal. The first 53,736 tonnes shipment was sent in August 2018.

In addition, 21,845 tonnes of coking coal were sold to Coronado Curragh Pty Ltd during the June 2018 quarter.

Cook coking coal sells at a discount to the Platts HCC64 second tier spot index. This discount has averaged 8.4% since April 2018. Export coal prices have remained strong. Average index price from commencement of sales in early April 2018 have been US\$171.86 per FOB tonne, giving an average Cook price after the discount of US\$157.43. Bounty is looking to reduce the discount to Platts over time as the Cook coal brand becomes better recognised.

Bounty completed the sale of two trains of thermal coal to customer Glencore International AG during the June 2018 quarter at prices of US\$90 per FOB tonne, with additional sales of 13,714 tonnes in July and August 2018 at US\$96 per FOB tonne.

**COOK ACQUISITION**

The Cook / Minyango Agreements consist of the following:

**1 Cook Caledon Purchase Agreement ((with CC Pty Ltd (in liquidation))**

Bounty has now paid the consideration in full, with the final deferred payment of \$5,000,000 on 24 August 2018.

This final payment has triggered the release of Bounty from all obligations under the Fixed and Floating Charge.

**2 Cook Glencore Purchase Agreement (with Cook Resource Mining Pty Ltd)**

The consideration under the Glencore agreement is payable in two tranches:

- (a) First Payment (paid 28 June 2018) - \$3,000,000; and
- (b) Second Payment (due 30 June 2019) - \$7,000,000.

Cook Resource Mining Pty Ltd provided and lodged with the Department of Natural Resources and Energy the financial assurance amount for the Cook Tenements, being \$9,191,944. Under the agreement Bounty must provide to Cook Resource an unconditional bank guarantee equivalent to the existing financial assurance in November 2018 to support the transition of ownership. Bounty is reviewing options in relation to this guarantee.

The funds for the acquisition and for working capital were provided by capital raised during the year.

See also Note **1n** below.

**EQUITY**

During the financial year the Company issued 255.6m ordinary securities:

- 238.8m securities were issued to raise \$49.5m, including \$18m at the IPO in June 2018;
- 14.6m securities were issued to current and past directors to repay \$2.2m in loans and outstanding fees with shareholder approval;
- 1.6m securities were issued as capital raising fees; and
- 0.6m securities were issued to directors and management on successful completion of the IPO.

<b>Ordinary securities</b>	<b>Number</b>	<b>share price</b>	<b>Value</b>
Balance at 1 July 2017	95,060,395	n/a	\$ 40,269,035
Issue of securities	255,613,409	various	\$ 52,130,627
Cost of issuing securities			\$ (4,555,739)
<b>Balance at 30 June 2018</b>	<b>350,673,804</b>		<b>87,843,923</b>

**Bounty Mining Limited and its Controlled Entities**  
**DIRECTORS' COMMENTARY (continued)**

Following the 19 June 2018 IPO 125.9m securities were escrowed. On 27 August 2018 1.1m securities were released from escrow.

	Non-escrowed	Escrowed	Total
30/06/2018	224,813,344	125,860,460	350,673,804
27/08/2018	1,112,572	(1,112,572)	-
<b>Total ordinary securities</b>	<b>225,925,916</b>	<b>124,747,888</b>	<b>350,673,804</b>

During the financial year the Company issued 26,301,614 options over ordinary securities. All ordinary security shares issued on exercise of these options are escrowed until 19 June 2020.

Further details on the issue of securities and options are shown under notes **1q** and **1r**.

**FINANCING**

Until December 2017 the Company's sole lender has been VETL Pty Limited ("VETL"), a company associated with Chairman, Gary Cochrane. By agreement, no interest was charged on the loan between October 2013 and 31 July 2017. Interest resumed on the loan at 9.72% from August 2017.

At a General Meeting on 24 January 2018 shareholders approved settling \$2m of the VETL debt by the issue of Bounty securities at 15c per share. An expert report obtained in relation to the transaction concluded that the transaction was fair and reasonable to the non-associated shareholders. This resulted in the issue of 13,333,333 securities to an VETL.

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 July</b>	<b>2,930</b>	<b>2,930</b>
Interest charged	224	-
Interest paid	(224)	-
Issue of securities in partial repayment	(2,000)	
<b>Balance at 30 June</b>	<b>930</b>	<b>2,930</b>

The balance of the VETL loan is due for repayment by 31 December 2018.

**Bounty Mining Limited and its Controlled Entities**  
**Consolidated statement of profit and loss and other comprehensive income**  
**for the year ended 30 June 2018**

	Note	2018 \$'000	2017 \$'000
Revenue	1a	13,767	-
Cost of sales	1b	(26,203)	-
<b>Gross loss</b>		<b>(12,436)</b>	<b>-</b>
Other income		-	-
Pre-production mining expenses	1b	(4,892)	-
Other expenses	1c	(6,724)	(676)
<b>Loss before income tax and net finance expenses</b>		<b>(24,052)</b>	<b>(676)</b>
Finance income		25	1
Finance expenses	1d	(854)	-
<b>Loss before income tax</b>		<b>(24,881)</b>	<b>(675)</b>
Income tax benefit / (cost)		-	-
<b>Net loss for the year</b>		<b>(24,881)</b>	<b>(675)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(24,881)</b>	<b>(675)</b>
<b>Loss for the year is attributable to: Owners of Bounty Mining Limited</b>		<b>(24,881)</b>	<b>(675)</b>
<b>Total comprehensive loss for the year is attributable to: Owners of Bounty Mining Limited</b>		<b>(24,881)</b>	<b>(675)</b>
		<b>Cents</b>	<b>Cents</b>
Basic and diluted loss per share (cents per share)		(0.130)	(0.008)

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 12 to 18.

**Bounty Mining Limited and its Controlled Entities**  
**Consolidated statement of financial position as at 30 June 2018**

	Note	2018 \$'000	2017 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	1e	8,810	214
Restricted cash		22	-
Trade and other receivables	1f	7,871	9
Inventory	1g	9,600	-
Other assets	1h	3,415	12
<b>Total Current Assets</b>		<b>29,718</b>	<b>235</b>
<b>Non-current Assets</b>			
Property, plant and equipment	1i	40,222	-
Exploration and evaluation asset	1j	4,080	2,267
Other non-current assets	1k	510	-
<b>Total Non-current Assets</b>		<b>44,812</b>	<b>2,267</b>
<b>Total Assets</b>		<b>74,530</b>	<b>2,502</b>
<b>Liabilities &amp; Equity</b>			
<b>Current Liabilities</b>			
Trade and other payables	1l	13,622	469
Progress and prepaid sales	1m	13,903	-
Liabilities in relation to the Cook acquisition	1n	12,000	-
Related party liability	1o	930	-
Employee entitlement provision	1p	901	-
<b>Total Current Liabilities</b>		<b>41,356</b>	<b>469</b>
<b>Non-current liabilities</b>			
Related party liability	1o	-	2,930
Provision for rehabilitation	1n	9,192	-
Employee entitlement provision	1p	59	-
<b>Total Non-current liabilities</b>		<b>9,251</b>	<b>2,930</b>
<b>Total Liabilities</b>		<b>50,607</b>	<b>3,399</b>
<b>Net Assets</b>		<b>23,923</b>	<b>(897)</b>
<b>Equity</b>			
Issued Capital	1q	87,844	40,269
Accumulated losses		(69,220)	(44,339)
Option Reserves	1r	5,299	3,173
<b>Total Equity</b>		<b>23,923</b>	<b>(897)</b>

The consolidated statement of financial position should be read in conjunction with the notes to the financial statements set out on pages 12 to 18.

**Bounty Mining Limited and its Controlled Entities****Consolidated statement of changes in equity for the year ended 30 June 2018**

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	<b>Issued Capital</b>	<b>Options Reserve</b>	<b>Accumulated Losses</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 July 2016</b>	39,135	3,173	(43,664)	(1,356)
Loss attributable to members of parent entity	-	-	(675)	(675)
Issue of ordinary securities	1,196	-	-	1,196
Cost of issuing ordinary securities	(62)	-	-	(62)
<b>Balance at 30 June 2017</b>	<b>40,269</b>	<b>3,173</b>	<b>(44,339)</b>	<b>(897)</b>
<b>Balance at 1 July 2017</b>	40,269	3,173	(44,339)	(897)
Loss attributable to members of parent entity	-	-	(24,881)	(24,881)
Issue of ordinary securities	52,131	-	-	52,131
Cost of issuing ordinary securities	(4,556)	2,126	-	(2,430)
<b>Balance at 30 June 2018</b>	<b>87,844</b>	<b>5,299</b>	<b>(69,220)</b>	<b>23,923</b>

The consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements set out on pages 12 to 18.

**Bounty Mining Limited and its Controlled Entities****Consolidated statement of cash flows for the year ended 30 June 2018**

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	Note	2018 \$'000	2017 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers	1s	21,653	-
Payments to suppliers and employees		(36,951)	(272)
Interest received		23	1
Interest and other finance costs paid		(224)	
<b>Net cash flows used in operating activities</b>		<b>(15,499)</b>	<b>(271)</b>
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation assets		(224)	(743)
Payment for property, plant and equipment		(22,552)	-
<b>Net cash flows used in investing activities</b>		<b>(22,776)</b>	<b>(743)</b>
<b>Cash flows from financing activities</b>			
Gross proceeds from issue of shares	1q	49,501	1,171
Costs related to issue of shares		(2,415)	(38)
Finance assurance		(500)	
<b>Net cash flows provided by financing activities</b>		<b>46,586</b>	<b>1,133</b>
Net increase in cash held		8,311	119
Effect of movement in exchange rates on cash held		307	
Cash at beginning of financial year		214	95
<b>Cash at end of financial year</b>		<b>8,832</b>	<b>214</b>

The consolidated statement of cash flows should be read in conjunction with the notes to the financial statements set out on pages 12 to 18.

## **1 Statement of Significant Accounting Policies**

These accounts have been prepared on a Going Concern basis.

The group incurred a loss after tax attributable to members of \$24.9m (2017: loss \$0.7m) and incurred negative cash flows from operations of \$15.5m for the year ended 30 June 2018 (2017: negative \$0.2m). At balance date current liabilities exceeded current assets by \$11.6m.

These matters give rise to a material uncertainty that cast significant doubt upon the group's ability to continue as a going concern. The ability of the group to continue as a going concern is dependent on generation of positive cashflows from operations.

Operating cashflows during the commissioning and ramp up of the mining operations do not reflect expected future cashflows. Management has prepared a cash flow projection for the period to 31 December 2019 that supports the ability of the consolidated entity to continue as a going concern. This is conditional on concluding alternative arrangements in relation to a bank guarantee due in November 2018. However, forecast events frequently do not occur as expected as many external and internal factors impact on future events.

In the event that the group is unable to achieve the matters detailed above, it may not be able to continue as a going concern and therefore the group may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial statements.

No adjustments have been made to the recoverability and classification of recorded asset values and the amount and classification of liabilities that might be necessary should the consolidated entity and company not continue as going concerns.

The preliminary report does not include all the information normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The preliminary report should be read in conjunction with the half-year financial report of Bounty Mining Limited as at 31 December 2017 and any public announcements made by Bounty Mining Limited during the year ended 30 June 2018 in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This preliminary financial report covers the consolidated entity of Bounty Mining Limited and controlled entities.

The company has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

## **1 Statement of Significant Accounting Policies (continued)**

In accordance with ASIC Corporations Instrument 2016/91 the report is presented in Australian dollars rounded to the nearest thousand dollars (\$'000)

This preliminary financial report has been prepared in accordance with the requirements of the Australian Securities Exchange listing rules.

### **1a Revenue**

#### **Recognition of Revenue**

Coal sales are recognised when ownership of the coal is legally transferred to the buyer under the relevant agreement.

Under Bounty's prepaid sales agreements with XCoal and Lido the company receives progress payments when the coal is loaded onto the train at Bounty's CHPP to be placed on the stock-pile at Gladstone. These progress payments are accounted for as liabilities on the balance sheet ("Progress sales – see note 1m) until the stock-pile coal has been loaded onto the ship.

Ownership of the coal is transferred when the coal is loaded onto the ship and the ship leaves the Port of Gladstone and at this point Bounty recognises the sales revenue.

At 30 June 2018, progress payments of \$3.2m representing 17,072 tonnes of coal on the stockpile had been received and these cash receipts are included as current liabilities on the balance sheet.

Under ad-hoc thermal coal sales agreements with Glencore International and coking coal sales agreements with Coronado Curragh, ownership of the coal is transferred when the coal placed on the stockpile at the Port of Gladstone and revenue is recognised at this point.

### **1b Cost of sales and Pre-production mining expenses**

- Cost of Sales represents costs relating to the production, processing, transport and sale of coal sold during the period, and does not include the cost of production of coal remaining on the stock-pile at 30 June 2018.
- Pre-production mining expenses represents the cost of re-commissioning the colliery, CHPP and the rail-loop.

### **1c Other expenses**

Other expenses include depreciation, non-production employee expenses and corporate overheads.

## **1 Statement of Significant Accounting Policies (continued)**

### **1d Finance expenses**

Finance expenses represent interest charges and movements in foreign currency.

### **1e Cash and cash equivalents**

This represents cash at bank.

### **1f Trade and other receivables**

This represents Trade debtors and GST refundable. All receivables at 30 June 2018 have been received at the time of this document.

### **1g Inventory**

Inventory includes Spare Parts and Consumables inventory (\$3.3m) as well as Coal Inventory (Stockpiles) (\$6.3m).

The Coal Inventory is valued using costs for the current period, as the coal turnover is monthly (i.e. coal produced in current period is usually sold during the next period). This base calculation is then adjusted for 'normal capacity' to account for the fact that the Cook Colliery is currently in a 'ramp up' stage moving towards expected 'normal capacity' production rates during the 2018/19 financial year. Final coal inventory valuation is at lower of this 'normalised' cost or NRV.

### **1h Other current assets**

This includes prepayments and deposits.

### **1i Property, plant and equipment**

This includes the mining assets acquired under the Cook acquisition agreements (excluding the Minyango-related asset which is included in the exploration and evaluation asset) and mining equipment purchased since the acquisition.

### **1j Exploration and evaluation asset**

This represents investment in the Wongai, Minyango and Cook North Projects.

### **1k Other non-current assets**

This represents a 5-year cash backed Security Deposit guarantee in favour of Queensland Mines Rescue Service Limited.

## **1 Statement of Significant Accounting Policies (continued)**

### **1l Trade and other payables**

This includes trade payables and accrued expenses. \$1.7m of the balance relates to insurance premium funding amounts payable over the period to March 2019. Other trade payables are settled within 14-30 days.

### **1m Progress and prepaid sales**

This includes Progress sales of \$3.2m and prepaid sales of \$10.7m.

#### **Progress sales \$3.2m**

Under Bounty's sales agreements with XCoal and Lido the company receives progress payments when the coal is loaded onto the train at Bounty's CHPP to be placed on the stock-pile at Gladstone. These progress payments are accounted for as liabilities on the balance sheet until the stock-pile coal has been loaded onto the ship and despatched to the customer.

Subsequent to 30 June 2018 the coal represented by the \$3.2m progress sales has been despatched to the customer and the customer has been invoiced.

#### **Prepaid Sales \$10.7m**

Bounty has prepaid sales agreements with XCoal and Lido, under which US\$8.0m was received during the financial year in relation to future supply of coal. Repayment of these liabilities will be repaid through a \$ per FOB tonne deduction from future coal supplies. The balance remains a liability until all coal under the agreements has been delivered. This is expected to clear in 2019.

### **1n Liabilities in relation to the Cook acquisition and Provision for rehabilitation**

The balance of liabilities in relation to the Cook acquisition at 30 June 2018 includes:

- \$5m due to CC Pty Ltd (in liquidation<sup>2</sup>) in relation to the Cook Caledon Purchase Agreement (paid 24 August 2018); and
- \$7m due to Cook Resources Pty Ltd in relation to the Cook Glencore Purchase Agreement (due 30 June 2019).

As part of the acquisition, Bounty will take over the obligation to rehabilitate the mine site, the cost of which was estimated at \$9.2m by the Department of Heritage and Environment and Protection (DEHP) in August 2017. This rehabilitation cost has been recognised as a component cost of mine and a corresponding provision in the statement of financial position.

## Bounty Mining Limited and its Controlled Entities

### Notes to the Financial Statements for the year ended 30 June 2018

#### 1 Statement of Significant Accounting Policies (continued)

##### 1o Related party liability

This balance relates to the VETL loan which is due for repayment by 31 December 2018.

##### 1p Employee entitlement provision

The current liability includes the Annual Leave entitlement for all employees and Personal Leave entitlement for a small group of specific employees.

The non-current liability includes a provision for Long-Service leave for non-mine site employees.

##### 1q Equity

Bounty issued ordinary securities during the financial year as follows:

Ordinary Fully Paid Securities	Number	Share Price	Value	Cash	Non-Cash
Balance at 1 July 2017	95,060,395	n/a	\$ 40,269,035		
Issued to investors August to December 2018	136,122,472	\$ 0.13	17,695,921	\$ 17,695,921	
Issued to investors March 2018	31,200,000	\$ 0.25	7,800,000	\$ 7,800,000	
Issued to investors April 2018	20,016,334	\$ 0.30	6,004,900	\$ 6,004,900	
Issued to directors in satisfaction of outstanding fees and loans	14,605,372	\$ 0.15	2,190,806		\$ 2,190,806
Issued to investors at IPO	51,428,571	\$ 0.35	18,000,000	\$ 18,000,000	
Issued as capital raising fees	1,569,231	\$ 0.13	204,000		\$ 204,000
Issued to directors and management on successful completion of the IPO	671,429	\$ 0.35	235,000		\$ 235,000
Cost of issuing securities			\$ (4,555,740)		
<b>Balance at 30 June 2018</b>	<b>350,673,804</b>		<b>\$ 87,843,922</b>	<b>\$ 49,500,821</b>	<b>\$ 2,629,806</b>

During the previous financial year, the Company issued ordinary securities as follows:

Ordinary 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 Consolidation	(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)
<b>Balance at 30 June 2017</b>	<b>95,060,395</b>		<b>\$ 40,269,035</b>

**Bounty Mining Limited and its Controlled Entities**  
**Notes to the Financial Statements for the year ended 30 June 2018**

**1 Statement of Significant Accounting Policies (continued)**

**1r Options**

Bounty issued options over ordinary securities as follows:

<b>Other terms</b>	<b>Class A</b>	<b>Class B</b>
Number of options	16,301,514	10,000,000
Exercise price	\$0.4375	\$0.4375
Vesting date	1,000,000: 25 August 2018 15,301,614: 7 December 2018	19 June 2018
Expiry date	19 June 2020	19 June 2021
Value per option using the Black Scholes Method	\$0.02	\$0.18
Total value	\$326,032	\$1,800,000

**Terms of the options**

- Shares issued on exercise of options will rank pari passu with all other Bounty shares;
- Shares issued on exercise of options are escrowed until 19 June 2020;
- The options will not be quoted on the ASX and are not transferable.

The movement on the Option Reserve was as follows:

<b>Options over ordinary securities</b>	<b>Number</b>	<b>Value p/o</b>		<b>Value</b>
Balance at 1 July 2017	-		\$	3,172,958
Issue of Class A options	16,301,614	\$	0.02	\$ 326,032
Issue of Class B options	10,000,000	\$	0.18	\$ 1,800,000
<b>Balance at 30 June 2018</b>	<b>26,301,614</b>		<b>\$</b>	<b>5,298,990</b>

**1s Receipts from customers**

Receipts from customers is made up as follows:

<b>Description</b>	<b>\$'000</b>
Receipts from sales	\$5,377
Receipts from progress sales	\$6,078
Receipts from prepaid sales agreements	\$10,208
<b>Total receipts</b>	<b>\$21,653</b>

## **2 Segment Note**

Bounty's main operation is the management of the Cook Colliery.

Bounty's investments in exploration and evaluation in relation to its other three projects: Wongai, Minyango and Cook North are shown below:

Exploration and evaluation expenditure	2018				2017
	Wongai \$'000	Minyango \$'000	Cook North \$'000	Total \$'000	Wongai \$'000
Capitalised expenditure	120	1,596	97	1,813	743
Expense	25	359	-	384	

## **3 Events Subsequent to Reporting Date**

Events subsequent to reporting date have been described elsewhere in the document:

- Upgrade of rail capacity;
- Final \$5m payment to CC Pty Ltd (in liquidation) in relation to the Cook Caledon acquisition;
- Extension of the XCoal prepaid sales agreement;
- 1.1m shares coming out of escrow; and
- Execution of a replacement toll washing agreement.

**For further information, please contact:**

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