



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

29 October 2018

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Activities during the September 2018 Quarter

In August 2018 Bounty made the final \$5m deferred payment to CC Pty Ltd (in Liquidation) in relation to the Cook acquisition.

Bounty also extended the offtake agreement with Xcoal Energy & Resources. The additional offtake is for a further 550,000 tonnes which is deliverable from January to June 2019. In August 2018 received US\$3.75 million in presales offered by Xcoal for this extended offtake which is to be repaid from the extended offtake tonnes.

It should be noted that this prepaid sales receipt of AU\$5.0m from Xcoal is included in "receipts from customers for the quarter". The balance of \$25.4m is net proceeds from sale of coking and thermal coal.

September 2018 Quarter Operations

During the quarter Bounty planned to implement the sumping system at the mine, thus increasing productivity. However as previously announced this took longer than expected with extended Inspectorate reviews, with implementation finalised towards the end of October. Production was also hampered by late delivery of shuttle cars.

The delays resulted in a working capital shortfall requiring Bounty to issue 34.3m shares at 30c to raise \$10.3m to cover working capital and a new equipment strategy.

The equipment strategy involves acceleration of equipment rebuilds to replace high-cost rental and low-availability equipment. Some surplus equipment is being assessed for sale and Bounty is currently acquiring more reliable equipment, reducing the variety of machines, and building critical spare parts inventory. Bounty now has 5 shuttle cars underground and is awaiting the 6th.

Following the resumption of sumping and with the benefit of one additional shuttle car underground Bounty has already seen increased daily production and expects this to continue.

December 2018 Quarter Operations

The Company expects to make \$37m in production, processing and distribution payments during the December 2018 quarter, compared with \$28m in the September 2018 quarter, as it produces an expected 190k run of mine tonnes with 4 production units.

The quarter's outflows are expected to be funded by existing funds including the recent capital raising, as well as receipts from planned coal sales which will continue to increase as mine production increases.

The activities of the past quarter are not a guide to the expected results of the coming quarter.

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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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 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	30,483	30,483
1.2 Payments for		
(a) exploration & evaluation	(184)	(184)
(b) development	-	-
(c) production & distribution	(27,562)	(27,562)
(d) staff costs	(696)	(696)
(e) administration and corporate costs	(307)	(307)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	8
1.5 Interest and other costs of finance paid	(23)	(23)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (listing expenses)	(122)	(122)
1.9 Net cash provided by / (used in) operating activities	1,597	1,597

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2,343)	(2,343)
(b) tenements (see item 10) (inc in 2.1a)	-	-
(c) investments	-	-
(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 used in investing activities	(2,420)	(2,420)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
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	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(5,000)	(5,000)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
3.9 Other (Financial Assurance)	-	-
3.10 Net cash used in financing activities	(5,000)	(5,000)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	8,832	8,832
4.2 Net cash provided by operating activities (item 1.9 above)	1,597	1,597
4.3 Net cash used in investing activities (item 2.6 above)	(2,420)	(2,420)
4.4 Net cash used in financing activities (item 3.10 above)	(5,000)	(5,000)
4.5 Effect of movement in exchange rates on cash held	150	150
4.6 Cash and cash equivalents at end of period	3,160	3,160

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	3,160	8,832
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)	3,160	8,832

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	175
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

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	13
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	

Office rental payments to an entity associated with director Gary Cochrane.

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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%, senior lender with 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	150
9.2 Development	-
9.3 Production	37,000
9.4 Staff costs	700
9.5 Administration and corporate costs	300
9.6 Other - investment in plant & equipment	3,300
9.7 Total estimated cash outflows	41,450

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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	100
		MDL375 (Minyango Project), Blackwater, Bowen Basin, Queensland (Australia)	Mineral development licence	100	100
		ML80173 (Minyango Project), Blackwater, Bowen Basin, Queensland (Australia)	Mining lease	100	100
		ML1768, ML1769, ML1799, ML7357 (Cook Mine), near Blackwater, Bowen Basin, Queensland (Australia)	Sub-leases of mining leases	100	100
		ML1779 (Cook Mine), near Blackwater, Bowen Basin, Queensland (Australia)	Sub-lease of 33% of mining lease	100	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: Date: 29 October 2018.....
(Chairman)

Print name: Gary Cochrane.....