



Bounty Mining Limited

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ACN: 107 411 067

30 November 2018

ASX Announcement

Bounty Annual General Meeting, 30th November 2018

CHAIRMAN'S ADDRESS

To Our Shareholders

It was an outstanding year for Bounty Mining Limited and I would like to thank all staff, shareholders and new investors for their support in the Company's rapid growth and June listing on the Australian Securities Exchange.

The company now has an operating coking coal mine, sales agreements in place, growing sales revenue, and a pipeline of great coking coal projects that can be developed over the next 5 years.

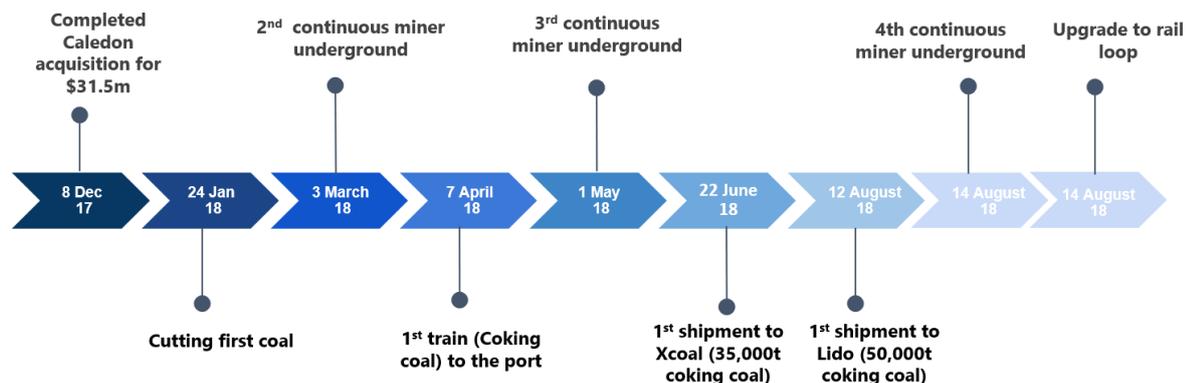
With continuing strength of the export coking coal sector, forecasters are predicting steady demand growth for good quality Australian coking coal. There are good prospects for future coal pricing and this will be assisted by the low Australian dollar.

The Last 12 Months

At the start of the financial year in July 2017, Bounty was only developing the longer term Wongai Project.

On 8th December 2017 Bounty was successful in acquiring the Cook Colliery, Cook North and Minyango Projects.

On 24th January, management commenced an immediate program of activity to return Cook Colliery to full operation. Mine site employee and contractor numbers now total 250 people.



Bounty successfully completed a listing on the ASX on 19th June 2018 raising \$18 million in an initial public offering. A further capital placement to existing shareholders of \$10.3 million was completed in October. Shares offered in this recent placement were allocated out of the company's potential 15% share capacity and 18.4 million shares remain in this capacity until the placement shares are cleansed during the next shareholders vote at an EGM or AGM.

Bounty has now fully paid out the deferred payment schedule to CC Pty Ltd (in liquidation) which has also resulted in the release of their financial security held over the company. Bounty has completed the first \$3 million payment to Cook Resources Pty Ltd (a Glencore subsidiary) leaving a \$7 million deferred payment remaining for June 2019. By April 2019 the Company is required to provide security to replace Cook Resources environmental assurance bond held by the Queensland government.

The Annual Report reflects this build up from a company with non-operating assets prior to January 2018, to a company with an operating mine by the end of June 2018.

Current Position

The increased tonnage produced in November, with improved equipment reliability, and strict cost discipline adopted over the last 2 months has now achieved a break-even C1 cash operating position for November at current production volumes supplemented by remnant coal, and current coal prices. This is an important milestone for the company and a great achievement from a mine start-up less than 12 months ago. The mining rate for December and January is expected to continue to build on this steady growth to a nominal 1 million tonne run-of-mine rate.

Overall the mine restart progressed well but there were some significant delays in August and September in ramping up the mine due primarily to late delivery of shuttle cars (electric trucks) and some delay in approval of secondary extraction methods from the Department of Mines.

However, all equipment is now on site and the secondary extraction process has performed above expectations delivering significant increase in monthly production. The company has also benefitted from improved coal processing yields and coking coal split which adds to revenues. The company has increased its sales of remnant high ash coal at minimal processing and handling cost which augments sales of thermal coal.

Resolutions at this meeting

From the proxies received two of the resolutions put to this meeting have failed.

Regarding resolution 1, we have not received any complaints from shareholders about our remuneration practices.

Short Term Focus

The focus over the next 3 months is based on upgrading or replacing some of the older equipment that was initially rented or restarted during the mine start-up phase. This includes replacement of some low reliability rental shuttle cars and a low performance rental continuous miner. Bounty has adopted a rigorous maintenance regime to ensure ongoing reliability of the fleet until it is replaced with better equipment. Finally, the ongoing addition of new spares and inventory, including two retired continuous miners to be used as spare parts, and upgrading cutter heads and coding on existing spare parts, will also improve overall plant performance.

The Future

I look forward to reducing unit mining costs over the next 3 months as the mining rate builds and this will provide a platform for future longer-term projects including Cook North, Minyango and Wongai.

So all in all a great opportunity for Bounty to continue to grow as a company and move to a profitable operation as the mining continues to consolidate, equipment performance improves, and production steadily grows.

Further information:

Gary Cochrane

Chairman Bounty Mining Limited

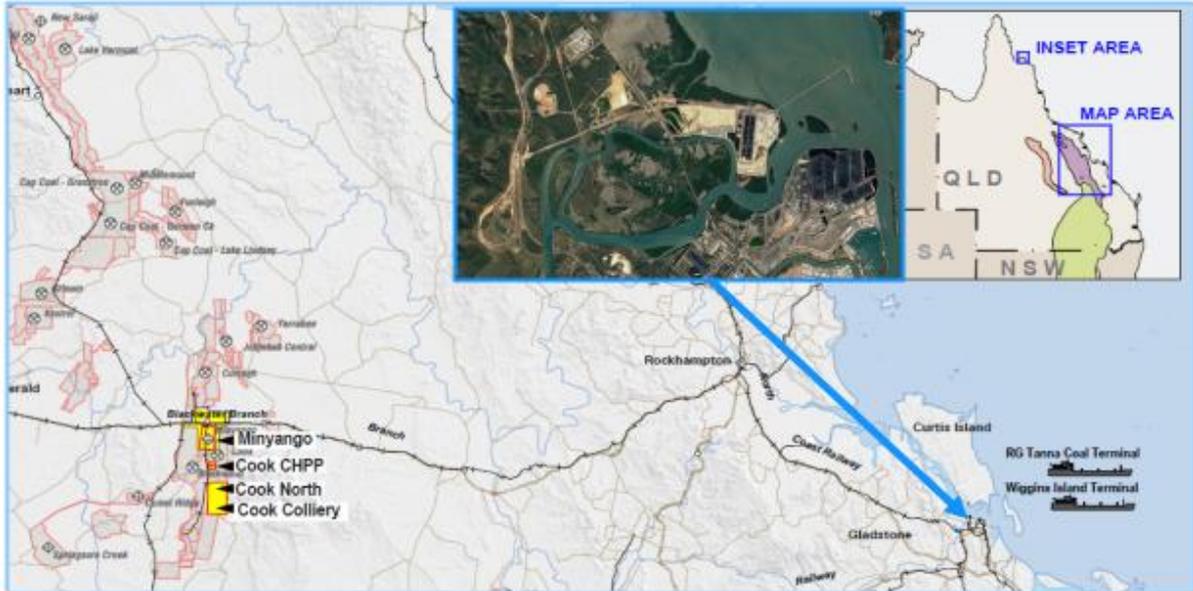
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MAJOR PROJECT LOCATION



- All infrastructure in place; power, water, road, rail, port
- Exports are via the efficient and low-cost RG Tanna Coal Terminal

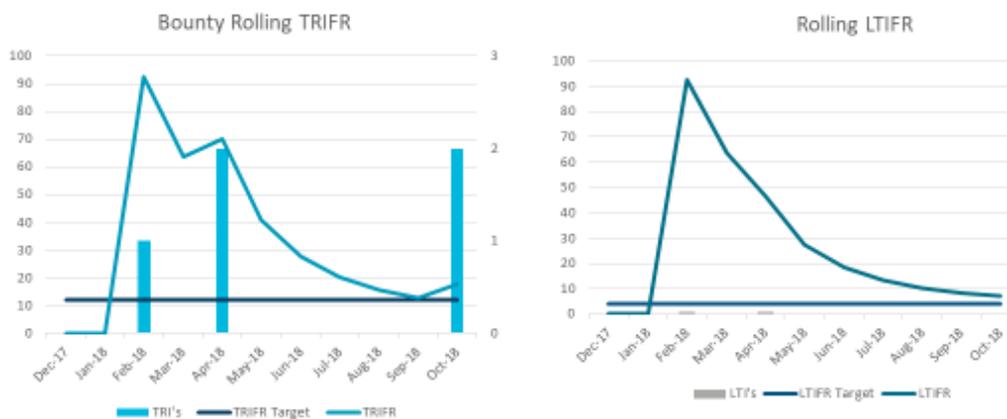


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BOUNTY SAFETY PERFORMANCE



- Total Recordable Injury Frequency Rate (TRIFR) trending down over the 11 months but a slight increase for October;
- Two lost time injuries (LTI's) for the year;
- Continue to strive to reduce the TRIFR



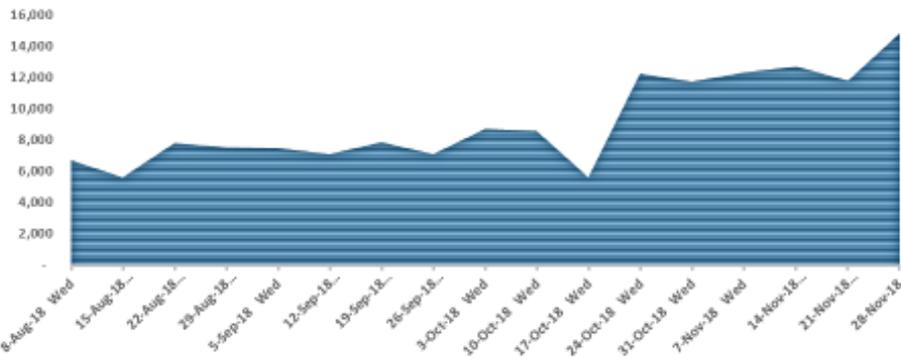
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BOUNTY CURRENT PERFORMANCE



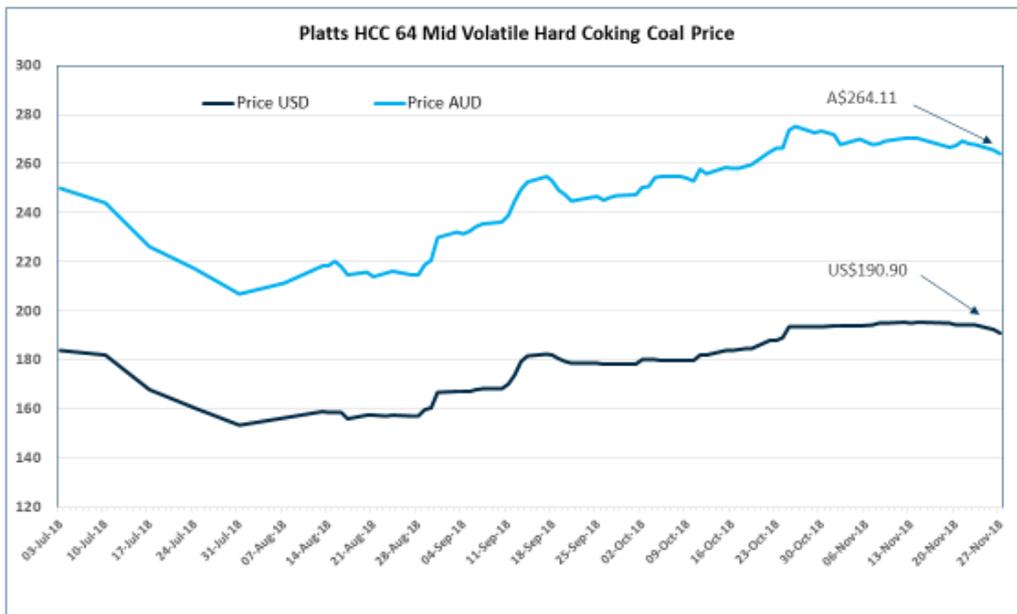
- Now in C1 cash cost break even position from November including feed of remnant high ash fines into thermal coal blend;
- ROM production still rising to a target of 75,000 tonnes per month;
- Coking coal yield increased by 11% since 30th October;
- Sumping performing above expectations and recovering floor and rib coal with high levels of safety and productivity.

WEEKLY UG ROM PRODUCTION (TONNES)



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PLATTS HC64 HARD COKING COAL PRICE



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METALLURGICAL COAL MARKET



Resources and Energy Quarterly June 2018

1st
 Australia is the largest exporter of metallurgical coal

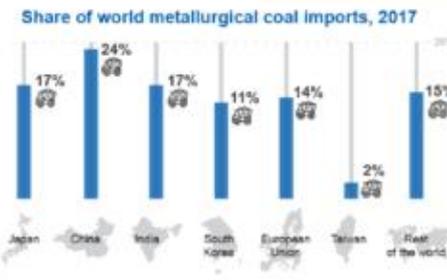
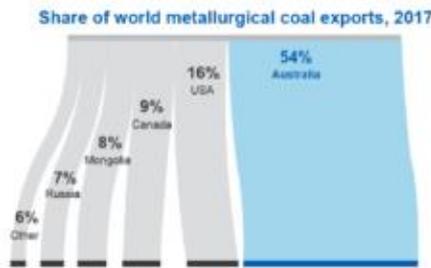
About **800kg** of metallurgical coal, is needed per every tonne of steel produced

Metallurgical coal is a non-substitutable raw material in the production of steel from iron ore.

Australia accounts for around **17%** of world production

There is more than **200 tonnes** of metallurgical coal in every wind turbine

177 million tonnes exported in 2016-17 valued at \$35 billion



Australian Government
 Department of Industry, Innovation and Science
 Office of the Chief Economist