



Bounty Mining Limited

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19 March 2019

ASX Announcement

Amended working capital facility

Bounty Mining Limited (**Bounty**) is pleased to announce it has reached agreement with Amaroo Blackdown Investments Pte Limited and Amaroo Blackdown Investments LLC (collectively the Amaroo entities or **Amaroo**) to extend its existing working capital facility from a total available draw down of A\$20,000,000 to a total available draw down of A\$35,000,000, subject to a number of conditions.

The details of the existing working capital facility terms were contained in Bounty's announcement on 27 December 2018 and its Notice of Meeting announced on 18 February 2019 with respect to the general meeting to be held on 22 March 2019.

The key terms of the amended working capital facility remain as set out in Bounty's previous announcements. However, the amendments that have been agreed provide for, among other things:

- a total of \$A35,000,000 in available funds (of which A\$15,000,000 has been drawn down at the date of this announcement) with A\$5 million available in each month until June 2019, subject to satisfaction of certain conditions, including a condition that shareholder approval is obtained in relation to the proposed security over all the assets of Bounty and its subsidiaries to secure repayment of the additional \$15,000,000 loan to be provided; and
- a requirement that Bounty seek, no later than 17 May 2019, a further shareholder approval under the ASX listing rules in relation to the proposed security over all of the assets of Bounty and its subsidiaries in connection with the additional A\$15,000,000 made available in April, May and June (in addition to the approval to be sought at the meeting to be held on 22 March 2019) under the ASX listing rules.

The final \$A5,000,000 of the original \$A20,000,000 facility (available for draw down in March 2019) will continue to be available only if shareholders approve the security proposed to be granted by Bounty and its subsidiaries at the meeting on 22 March 2019).

Updated exclusivity agreement

In addition to securing the amendment to the working capital facility, Bounty and Amaroo have also agreed to an additional exclusivity period to allow Amaroo to continue undertaking due diligence. The additional exclusivity period granted to Amaroo will run for the period from 18 March 2019 to 18 April 2019 (each inclusive) and the terms of the exclusivity described in Bounty's announcement on 27 December 2018 will

apply to the new period. However, during this new period, Bounty, if required, is able to seek funding from third parties in relation to:

- (a) the payment of \$7 million to Cook Resource Mining Pty Ltd required under the asset sale agreement in relation to the Cook acquisition;
- (b) funding of \$10.8 million for an environmental bond;
- (c) working capital expenditure reasonably required in connection with Bounty's business;
- (d) the repayment of monies owing to Amaroo or its associated entity Xcoal Energy & Resources GmbH (or its related bodies corporate).

Shareholder meetings and independent director recommendation

As set out above, Bounty is required to proceed with the current shareholder meeting scheduled for 22 March 2019. Shareholders will be asked to approve, at that meeting, security over all of the assets of Bounty and its subsidiaries in relation to the obligations of Bounty under the working capital facility in relation to a maximum facility limit of A\$20,000,000. For the reasons set out in Bounty's notice of meeting and explanatory memorandum dated 13 February 2019, the independent Bounty directors continue to unanimously recommend that Bounty shareholders vote in favour of the two resolutions to be proposed at the shareholder meeting on 22 March 2019.

Bounty intends to call a further general meeting of shareholders (which is required to be held on or before 17 May 2019) to seek a further approval in relation to security under the amended loan facility agreement. Bounty will dispatch the appropriate documentation for this additional meeting to shareholders in due course.

Further information:

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