



Bounty Mining Limited

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ACN: 107 411 067

3 June 2019

ASX Announcement

Chair's Address to the General Meeting

Welcome to this third meeting of shareholders for 2019.

Thank you for your continued support. Before the important business of the meeting, I am going to give you a brief summary of Bounty's progress since the previous shareholder meeting on 22 March 2019.

By the beginning of April we had drawn the full amount of the first loan facility (\$20M) made available by Bounty's largest shareholder Amaroo. We have met all covenants under this facility.

While most of the funds drawn have been used to cover operating cash shortfalls as we build towards a sustainable business, we have also used funds to acquire critical spare parts and conveyor belting, and for a payment to Glencore towards the completing the acquisition. We have continued to work toward sustained positive cash flows through managing plant reliability, increasing production and reducing costs. Run of mine (ROM) production is currently the restriction on our revenue stream and we have been making changes in mine layout to enable increased productivity. In the past three months our ROM production has been 56,108 tonne for March, 43,286 tonne for April when we made most of the relocations underground, and 58,532 tonne in May starting to show the impact of the changes.

Contract negotiations for rail and port access have been finalised and we expect to conclude these contracts within the next few weeks. These contracts will give us security of access to logistics, but have been structured to minimise adverse exposure to take or pay provisions –until now we have been shipping under ad-hoc agreements.

Since February, our CEO Jim Griffin and GM at Cook John Hart and staff have been building an efficient and productive culture, reducing costs and planning the future for the mine. By end of June they will have completed and presented to the Board a business strategy, mine plan and financial forecast that will form the blueprint for the next two years. The board have already seen preliminary drafts. The final strategy will include conversion of operations to place change methodology within the next 12 months. This is the technique that has been used successfully at Ensham's underground operation and is aimed at delivering a significant uplift in production.

In the meantime, Jim and I have been in discussion with Amaroo and a number of other potential sources of funding to ensure that we can meet our obligations for debt repayment and to fund a number of one-off

commitments related to the completion of acquisition of Cook, performance guarantees associated with our rail and port agreements, and the equipment needed for the introduction of place change mining.

In conclusion, I would remind you that the debt facility provided by Amaroo, including the additional \$15 million for which security is being sought today, has been and will be crucial to the company as we continue to make progress towards achieving the value that we all know Bounty's assets have the potential to deliver.

Bounty's independent directors unanimously support and recommend the approval of the increase in the size of the debt facility from \$20M to \$35M.

Further information:

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