



Bounty Mining Limited

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ASX:B2Y www.bounty.com.au

ACN: 107 411 067

30 July 2019

ASX Announcement

Agreement with Glencore – Further Update

As contemplated in the ASX announcement on 24 July 2019, Bounty Mining Limited ACN 104 411 067 (**Bounty**), Cook Resource Mining Pty Ltd ACN 064 092 191 (**Glencore**) and Bounty Cook Pty Ltd ACN 111 762 924 (**Bounty Cook**) (together, **the parties**) have finalised the negotiations and entered into a further extension letter in respect of Bounty and Bounty Cook's payment obligations under the asset sale agreement executed between the parties on 20 November 2017 (**Asset Sale Agreement**).

Under the original Asset Sale Agreement, Bounty Cook, in Phase 1 of completion, received the transfer of various assets including:

- the benefit of a sublease to mining tenements; and
- the benefit of a sublease for a haul road lease and water licence.

Phase 2 of completion will see Bounty Cook obtain the legal and beneficial ownership to the underlying assets from Glencore, and requires payment of the outstanding \$3,083,333 and provision of a bank guarantee for \$10.8 million to support environmental obligations at the Cook Colliery.

Completion and final payment under the Asset Sale Agreement was intended for no later than 30 June 2019 and was initially extended to 19 July 2019 as announced on 1 July 2019 and then again to 5.00pm today as announced on 24 July 2019.

Following negotiations, the parties have now further agreed to delay final payment by Bounty Cook and completion to 30 September 2019. The remaining completion payments required to be made by Bounty under the Asset Sale Agreement will be paid in five fortnightly instalments commencing on 5 August 2019, with the final instalment being paid on 30 September 2019. The five instalments are to be made as follows:

Payment Date	Payment Amount
5 August 2019	\$616,667
19 August 2019	\$616,667
2 September 2019	\$616,667
16 September 2019	\$616,667
30 September 2019	\$616,665

The replacement bank guarantee for \$10.8 million will also be due on 30 September 2019.

As further agreed between the parties, Bounty will pay, no later than 30 September 2019, \$13 million into an escrow account to be available for potential royalty payments to the Queensland Office of State Revenue (**OSR**) in relation to coal mined at Bounty's Cook Colliery since Bounty took over operations. The royalty payments, if any, will only be made in the event that a decision is made by the OSR as to the exact royalty amount due and payable.

Further information:

Rob Stewart

Chairman, Bounty Mining Limited

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