

BOUNTY MINING LIMITED

BOUNTY



**June
2019**

**QUARTERLY
PRODUCTION
REPORT**

31 JULY 2019

HIGHLIGHTS



- Cook Colliery set several new production records during the quarter;
 - Record production June quarter: 151,079 ROM tonnes
 - Record production month in May: 58,500 ROM tonnes
 - Record production week ending 5 May: 14,209 ROM tonnes
- Second half FY19 production was up 24% over first half FY19;
- During the quarter, Bounty loaded a total of 17 trains comprised of 116,000t coking coal and 24,000t thermal coal tonnes;
- Toll washing at CHPP commenced during the quarter with over 60,000t washed by end of June;
- Redesign and overhaul work on certain continuous miners and shuttle cars continued in the 4th quarter and this higher productivity equipment will be available for service in Q1 of FY20.

PRODUCTION & SALES

During the quarter Bounty made sales to Xcoal Energy and Resources GmbH (coking coal) and Flame SA (thermal coal) under its Prepaid Sales Agreements with those parties, as well as an additional sale of thermal coal to a third party.

The Platts HCC64 coal price traded in the range US\$174.40 to US\$187.85 per tonne for the quarter.

During the quarter, the Australian dollar exchange rate has traded in the range

US\$0.692 to US\$0.72 giving an average of US\$0.703. The average coking coal price received was A\$240.06 per tonne.

Bounty's thermal sales during the quarter were made at an average price of US\$89.06 including the energy adjustment giving an average Australian price of A\$127 per tonne.

Thousands of tonnes	Quarter Ended				Year to Date	
	Sept 18	Dec 18	March 19	June 19	June 19	Jun-18
ROM coal produced	102	139	146	151	538	134
ROM Coal Stockpiles	7	3	10	1	1	8
Saleable coal produced						
• Coking	73	109	107	117	406	93
• Thermal	15	19	19	25	78	16
Coal railed						
• Coking	79	104	105	116	404	76
• Thermal	21	30	8	24	83	11
Product Coal stockpiles						
• Coking	4	4	4	5	5	10
• Thermal	4	2	13	14	14	9

OPERATIONS



The June 2019 quarter production of 151,000t was a 3% improvement on the previous quarter.

In Q3, the number of mining units was reduced from four to three, with a strong focus on standards, maintenance and planning. This strategy has continued through the final quarter with a goal to further increase the availability of equipment. Process improvements and a rigid maintenance strategy have led to notable improvements in production rates and uptime for each unit

Specific improvements have included:

- Unit 1 (CM02Z-203B panel) consistently met availability forecasts. June production, however, experienced a decline in metres due to deteriorating strata conditions associated with a fault zone adjacent to the previously driven Longwall Install Road
- Unit 2 (CM12-203A, 205) achieved required productivity rates
- Unit 3 (CM13-Sump/floor) experienced higher productivity with the introduction of a second shuttle car. However, significant downtime was experienced in June due to strata conditions in 203A panel

A review of the mining panel design has resulted in improved productivity due to reduced shuttle car wheeling time (between the Continuous Miner and the conveyor). Productivity improvements from this change have been realised from late April/early May in 203B and 203A Panels. The introduction of a second shuttle car into 203A Sumping Panel has also lead to improved productivity.

A full review of strata control systems has been undertaken and the full introduction of the new system will flow into the first quarter of FY20. The modifications to support systems are expected to result in material savings and an increase in available operating time, whilst maintaining our safety standards.

Life of Mine planning and Reserve studies and Geotechnical assessments are currently underway and continue to support the transition of the mine to a Bord and Pillar place change operation. The mine is scheduled to commence place change mining during the second quarter of FY20, which is expected to result in significant productivity improvements.

Bounty enjoys excellent working relationships with the Port of Gladstone, Aurizon Network and Aurizon Operations and is intending to enter into longer term contract arrangements during the first half of FY20, which would provide further support for our anticipated increasing production rates.

Toll washing at our CHPP commenced on 30 May 2019 with approximately 60,400t washed through the end of June.



HEALTH, SAFETY & ENVIRONMENT

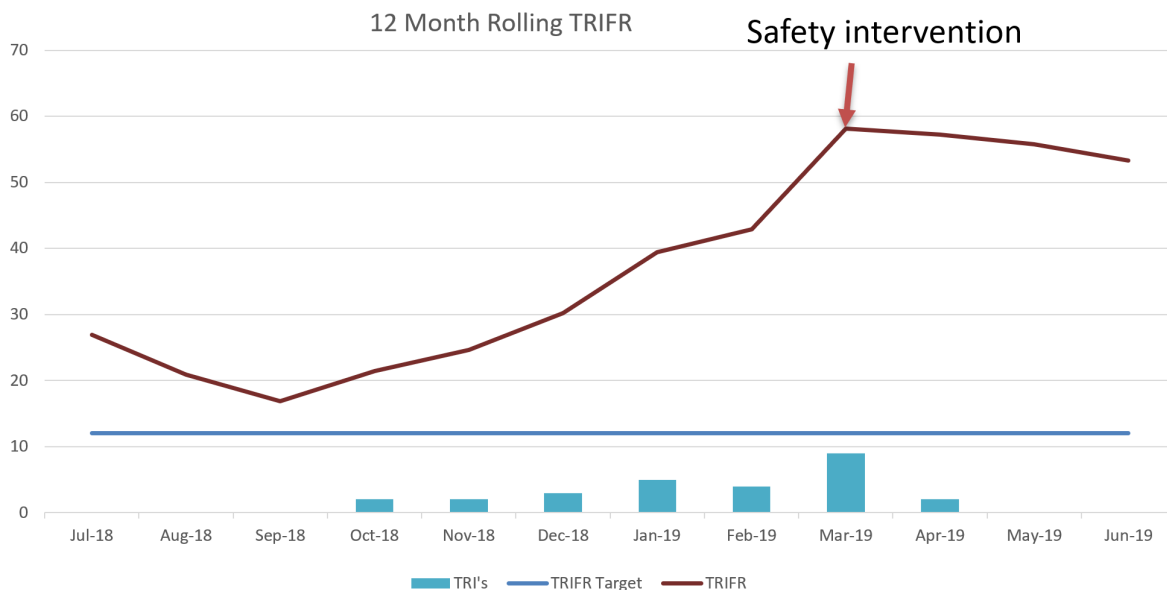
The TRIFR for Q4 of 55.4 represents a meaningful reduction from 63.8 for Q3 and is reflective of a proactive commitment to stressing the importance of our safety culture. Safety intervention meetings held at the start of Q4 have had a beneficial impact.

Q3 Statistics

TRIFR	HPIs	TRIs	LTIs	FAIs
63.8	9	13	3	6

Q4 Statistics

TRIFR	HPIs	TRIs	LTIs	FAIs
55.4	2	2	0	10



TRIFR – Total Recordable Injury Frequency Rate – all injuries that require medical treatment

Definitions

- TRIFR:** Total Recordable Injury Frequency Rate
- HPI:** High Potential Incident
- TRI:** Total Recordable Injuries
- LTI:** Lost Time Injuries
- FAI:** First Aid Injuries