



**Bounty Mining Limited**

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ASX Announcement

### **Impact of October Rock Fall and Announcement of Place Change Start-up**

Bounty Mining Limited (Bounty or Company) (ASX: B2Y) has completed evaluation of the impact of the previously announced rock falls that stopped production at Cook Colliery in October.

While there were no personal injuries and only minor damage to equipment, there was a 23,000 t ROM loss of production in October as a direct result of the falls. In addition it is estimated that there will be an indirect loss of production of 150,000 tonnes ROM in FY20 and that approximately 135,000 tonnes of reserves will be lost as a result of necessary changes to mining operations. This will impact future production levels until place change operations are ramped up. These changes to mining operations resulted from a review by an independent geotechnical expert of the circumstances that led to the rock falls, and reflect the objective of Bounty to always put safety first and avoid any future circumstances that could initiate similar events.

There will be an adverse impact on the company's financial position as a consequence.

In order to at least partially offset these losses, Bounty has taken the following steps:

1. Cease operation of one mining panel because of loss of reserves prepared for secondary extraction – consequently 21 workers have been laid off;
2. Review the scope of work and expedite the program for implementation of the place change method of mining which is projected to substantially increase productivity;
3. Seek immediate supplementary funds to cover the operating losses resulting directly and indirectly from the adverse strata conditions revealed by the rock falls and to complete the work for place change panel 2. These funds are in addition to those available through the QCoal facilities.
4. Evaluate alternatives to the capital intensive work needed for implementation of place change panel 3, while ensuring implementation as early as possible. It is likely that further additional funding will be necessary to complete the work necessary for place change panel 3.

On a more positive note, Bounty is pleased to announce that it has, on 11 November, commenced mining of place change panel 1 and is currently scheduled to commence mining of place change panel 2 in

January 2020. It is expected that productivity of place change panel 1 will ramp up as experience is gained in this methodology with target productivity expected in three months time.

Bounty CEO, Jim Griffin, said “Commencement of place change mining in panel 1 is an important milestone for our Company as we execute our mine plan to achieve a major step change in productivity. This step change in productivity is critical to the financial future of the company. The entire team at Cook is focused on successful transition to Place Change mining.”

For further information contact

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