

# BOUNTY MINING LTD (ASX:B2Y)

## ENERGY MINES AND MONEY, BRISBANE 2018



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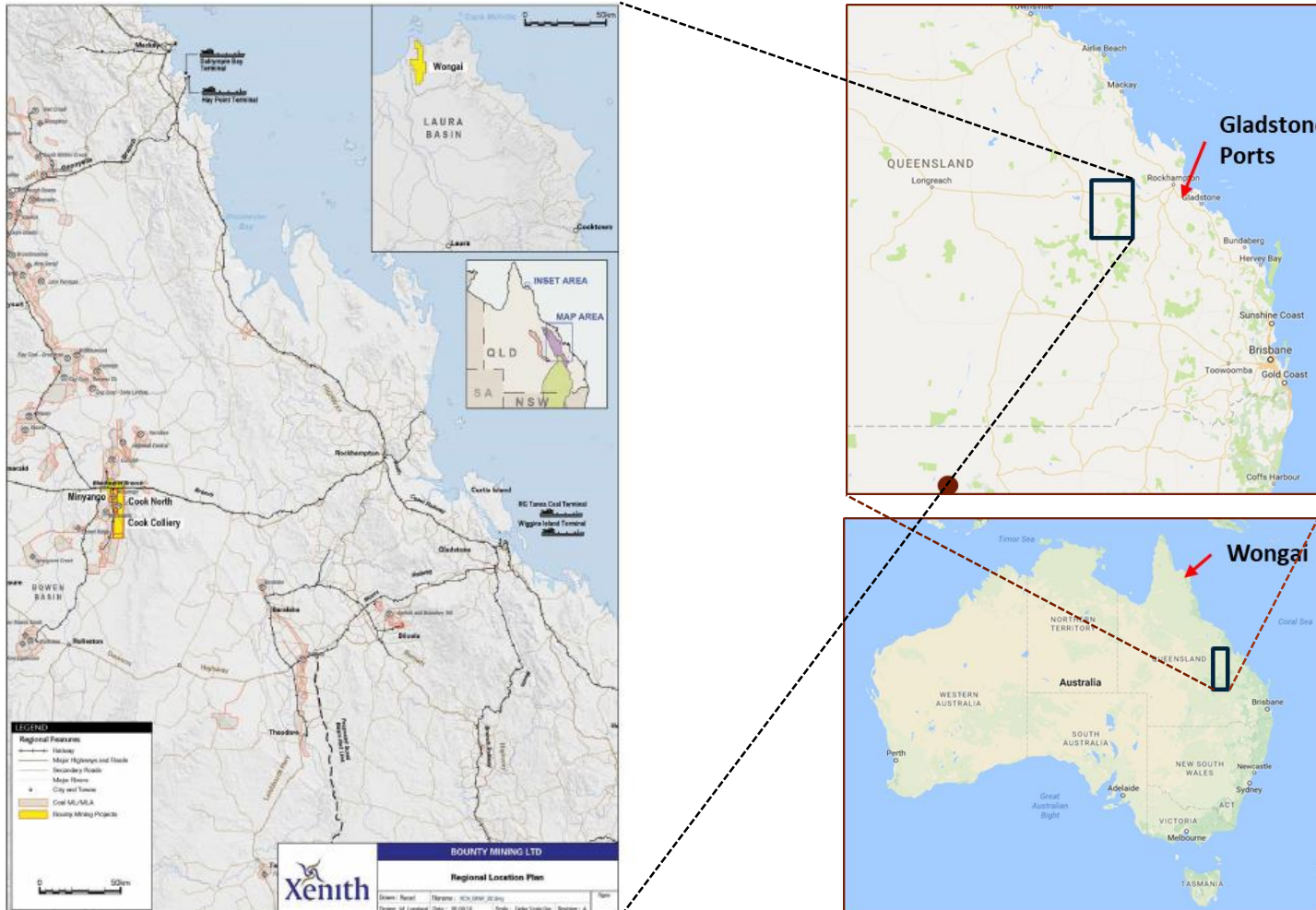
# EXECUTIVE SUMMARY

- **Bounty is the 100% owner of the Cook Colliery in the Bowen Basin & the Cook North project.**
- **Development projects Minyango and Wongai are located in Central & Far North QLD respectively**
- **Ramping up production at Cook Mine to 2.2 mtpa (ROM) over 18 months with bord & pillar mining**
- **Raising a maximum of \$18m in IPO funding, with 51,428,571 New Shares to be issued at \$0.35 per New Share**
- **Funds to be used as follows:**
  - **Meet deferred consideration payments for Cook & Minyango asset acquisition**
  - **Provide capital for fleet upgrades at Cook**
  - **Continue prefeasibility studies at Cook North & Minyango**
  - **Commence BFS at Wongai**



# BOUNTY ASSET OVERVIEW: COOK COLLIERY

The Cook Colliery is located in Central QLD (near Blackwater) and has access to export markets via existing rail and port infrastructure & contractual arrangements



## Cook Mine & Cook North

Over 450mt of JORC 2012 coal resource with a historical product mix of 85:15 coking to thermal coal

Attractive coking coal product, with high fluidity, low ash, medium volatiles and low contaminants

Dedicated CHPP and train load-out facility for access to the Blackwater Rail Corridor

More than \$220m recently invested in expanding and upgrading infrastructure, increasing run-of-mine (ROM) capacity to 3.5mtpa and product yield to 90%

Initial Cook North exploration and studies have identified the potential for either an open cut or underground mine

## Minyango Project

190 million tonnes of coal resource in multiple seams reported to JORC 2012

Similar to Cook yields; primary coking coal and secondary thermal coal products

The site is approved for mine development with a Mining Lease and Environmental Authority granted

## Wongai Project

Potential underground premium hard coking coal located in the Laura Basin in Queensland's Cape York Peninsula, ~150km north-west of Cooktown and 430km north-north-west of Cairns

PFS identified a 2.5 mtpa ROM/1.8-2.0 mtpa coal mine opportunity – 20-year mine life from 2020 using bord & pillar mining



# RESOURCE DEFINITION

## Cook Colliery & Cook North Project

Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Total (Mt)
84	162	214	460

A JORC 2012 resource defined for the Cook Colliery and Cook North Project. These resource estimates were compiled in October 2016 by competent person Philip Bryant, the previous Cook Colliery mine geologist and have been validated by Adamelia Global Pty Ltd in the Cook/Minyango Technical Expert's Report.

## Minyango Project

Measured (mt)	Indicated (mt)	Inferred (mt)	Total (mt)
6.1	71.8	112	189.9

A JORC 2012 resource defined for the Minyango Project. These resource estimates were compiled in April 2018 by competent person Mr Troy Turner, who is a consultant with Xenith Consulting Pty Ltd and has been validated by Adamelia Global Pty Ltd in the Cook/Minyango Technical Expert's Report.

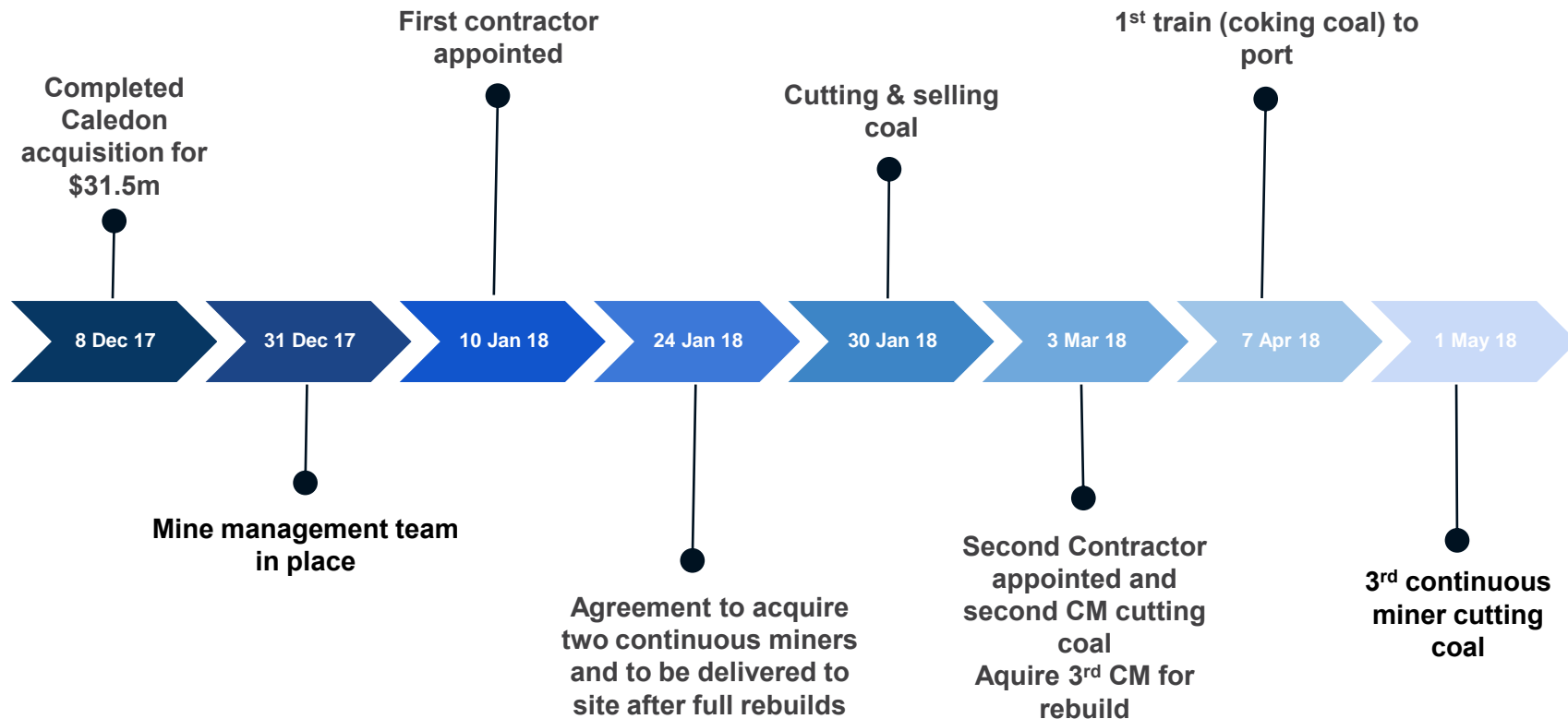
## Wongai Project

Indicated (Mt)	Inferred (Mt)	Total (Mt)
20.2	70.0	90.2

A JORC 2012 Report prepared by Competent Person Andrew Todd dated November 2016 defined 98.2 Mt of Mineral Resources within the EPC as categorised below. This report was reviewed by John T Boyd Company in the Wongai Technical Expert's Report which confirms the following Mineral Reserves for the Wongai Project:

# MILESTONES ACHIEVED

Since acquiring Cook in late 2017, the Bounty team has been actively ramping up production toward the proposed 2.2mtpa (ROM) extraction target



## Bounty has built a Board and management team with the depth of experience and capability to grow Bounty into a multi-operating mine organisation



### **GARY COCHRANE**

#### **Chairman & CEO, 9.9% Shareholder (at IPO)**

Original Director / Founder / Developer of Millennium Coal (sold to Excel Coal, now Peabody)

- Gary has more than 30 years' experience in the mining, engineering and construction industry. He has worked on projects in Australia, China, Indonesia and Papua New Guinea.
- >18 years' experience as an international mining and management consultant to the coal and hard rock mining industries.
- Gary was a founding investor and director of the Millennium coal mine during development from greenfield exploration through to production. He is also on the board of a junior resource company, EcoTech Mining Pty Ltd, with a specialisation in process technology.
- Gary completed an Executive MBA in Global Energy at the Haskayne Management School in Calgary, Canada in 2014.
- Gary joined the board on 27 November 2007 and became Chairman on 28 February 2008.

### **ROB STEWART**

#### **Independent Non-Executive Director**

Rob has 40 years in mining, construction, international exploration and was previously CEO/MD of Whitehaven Coal, GM of Thiess Pty Ltd and Executive Director CRSM LLC (Mongolian resources).

### **KEVIN JIAO**

#### **Independent Non-Executive Director**

Kevin has over 26 years' experiences in international coal marketing and trading. Founder of Vingo International, a commodity trading and investment company. He has previously worked as a senior executive of China Minmetals Group and Minmetals Australia.

### **JULIE GARLAND MCCLELLAN**

#### **Independent Non-Executive Director**

Julie is a professional company director and has experience on a number of listed and not for profit boards; currently including Filex Holdings. Previous roles as GM (energy and natural resources) KPMG and strategic planner BHP

### **ERYL BARON**

#### **Chief Financial Officer & Company Secretary**

Qualified as CA with BDO Binder Hamlyn UK, Member of the Governance Institute of Australia. Experience in private and public companies in Australia.

### **ADAM FOULSTONE**

#### **General Manager & Site Senior Manager, Cook Colliery**

Experienced General Manager, Site Senior Executive & Mining Engineer. Formerly GM & SSM for development of the Grosvenor coal mine in the Bowen Basin



# CAPITAL STRUCTURE

	Full Subscription (\$18m)
Amount to be raised under the Offer	\$18 million
Total number of Shares currently on issue	298,573,804
Total number of New Shares to be issued under this Prospectus	51,428,571
Total number of Shares on issue following completion of the Offer	350,002,375
Offer Price per New Share	\$0.35
Market Capitalisation at the Offer Price	\$122,500,831.25
Total number of Options on issue following completion of the Offer**	26,301,614
Shares to be issued to directors and management following the completion of the Offer	671,429
Total number of shares on issue following completion of the Offer and the issue of shares to directors and management	350,673,804
Percentage of Shares held by existing Shareholders following completion of the Offer	85.3%
Percentage of Shares held by Shareholders who subscribe for New Shares following completion of the Offer	14.7%

\*\* These options include the 10 million options to be issued to the Lead Manager under the Lead Manager Mandate. See the prospectus for further details regarding the Options

# IPO TIMETABLE & USE OF FUNDS

Use of Funds (\$mill)	Full (\$18m)
Deferred payments (Cook acquisition)	3.0
Investment in equipment	5.3
Working capital	5.0
Prefeasibility study Cook North	1.0
Prefeasibility study Minyango	1.0
Wongai ongoing works	1.0
Costs of the raising	1.7
<b>TOTAL</b>	<b>18.0</b>

# WHY BOUNTY?

**BOUNTY**

Bounty has a number of features attractive to investors...

**Existing Operating Mine**

**Cook a premium hard coking coal operating mine where a previous owner invested \$1.3 billion between 2011 & 2017**

**Low Opex & Capex**

**Bord & pillar mining is proven at Cook, lower risk and is materially lower cost in operational ramp-up; Earlier administration process re-set rail / port access costs**

**Low Risk Production Ramp-Up**

**Initial ramp-up continuing, with significant flexibility in the cashflow model for sale of Longwall, other PP&E as well as existing stockpiles**

**Direct Coking Coal Price Exposure**

**Following IPO, one of the few ASX-listed coking coal companies. Hard coking coal price (sustainably) strongly over the past 12 months**

**Large & Near-Production Project Portfolio**

**Minyango (190mt) already has a Mining Lease & Environmental Access designation, while Wongai (90mt) is well-advanced**

**Strong & Experienced Team**

**Led by Gary Cochrane who founded Millennium Coal and a team with proven coal project exploration, development & mining expertise**

# COOK MINE & PROCESSING PLANT

## Coal Handling & Processing Plant (CHPP)

The major mine and Cook CHPP infrastructure includes:

- existing underground mine with fans, rising conveyors, access drift, electricity supply, workshop, warehouse, run of mine stockpile infrastructure, administration building and bathrooms to accommodate a mining rate in excess of 2.2Mt per annum;
- paved 14 km internal haulage road from Cook Colliery to the Cook CHPP;
- original coal handling plant built in 1970s with a major upgrade program completed in 2015. The upgrade included the installation of a new run of mine feed system, new coal fines recovery circuit and two new screen bowl centrifuges to achieve a nameplate capacity of 500 tonnes per hour;
- coal storage and handling for two products (coking and thermal coal);
- rail loop, train loading and associated rail infrastructure immediately adjacent to the Cook CHPP; and
- two active tailings storage facilities.

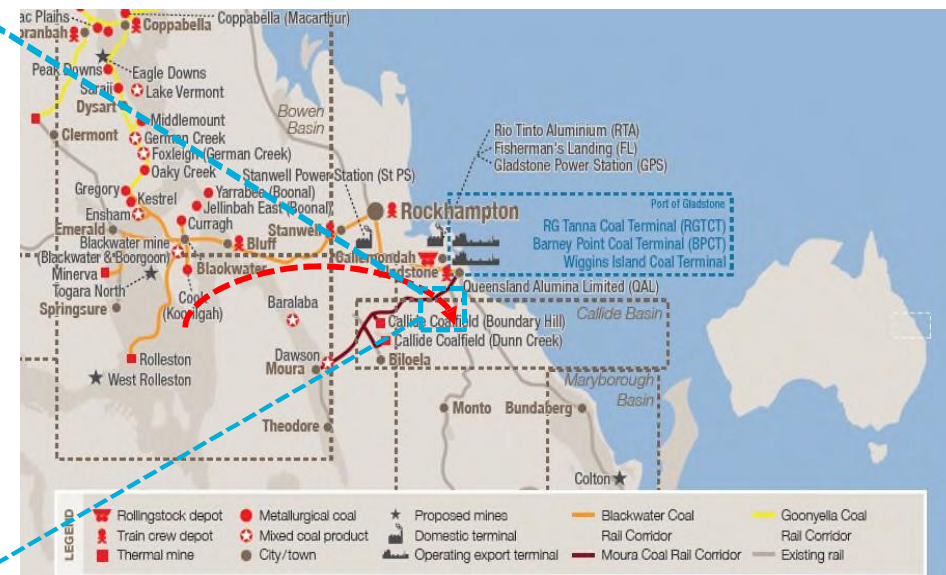
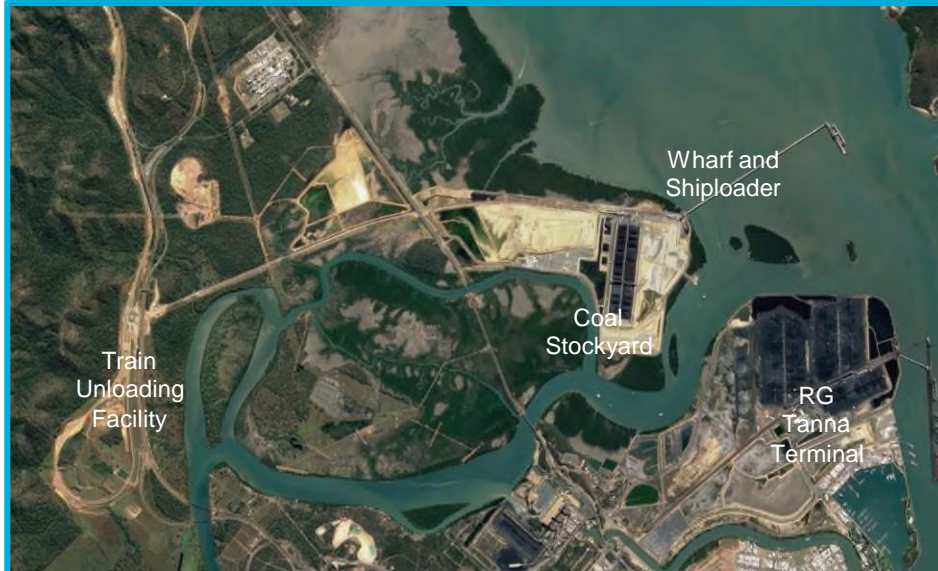




# COOK COLLIERY: RAIL & PORT ACCESS

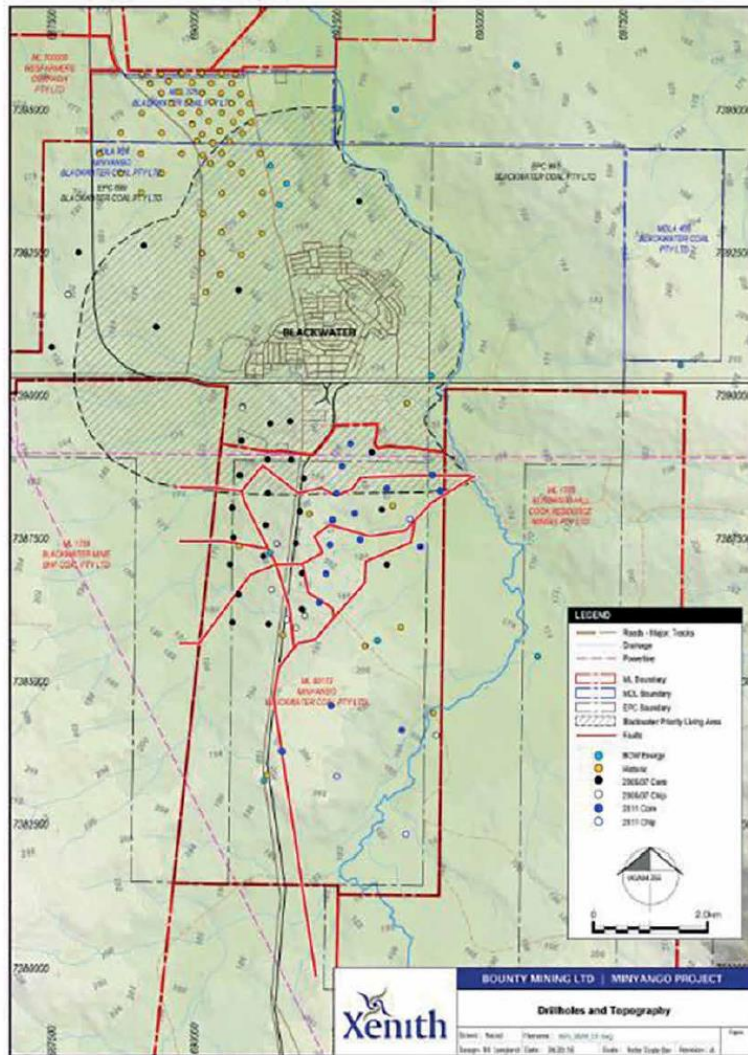
## Rail & Port

The train loading facility is linked via the Blackwater rail corridor to the coal export terminals (WICET and RG Tanna) at the Port of Gladstone. The train loading facility is approximately 290km from the Port of Gladstone (approximately 5 hours railing time)



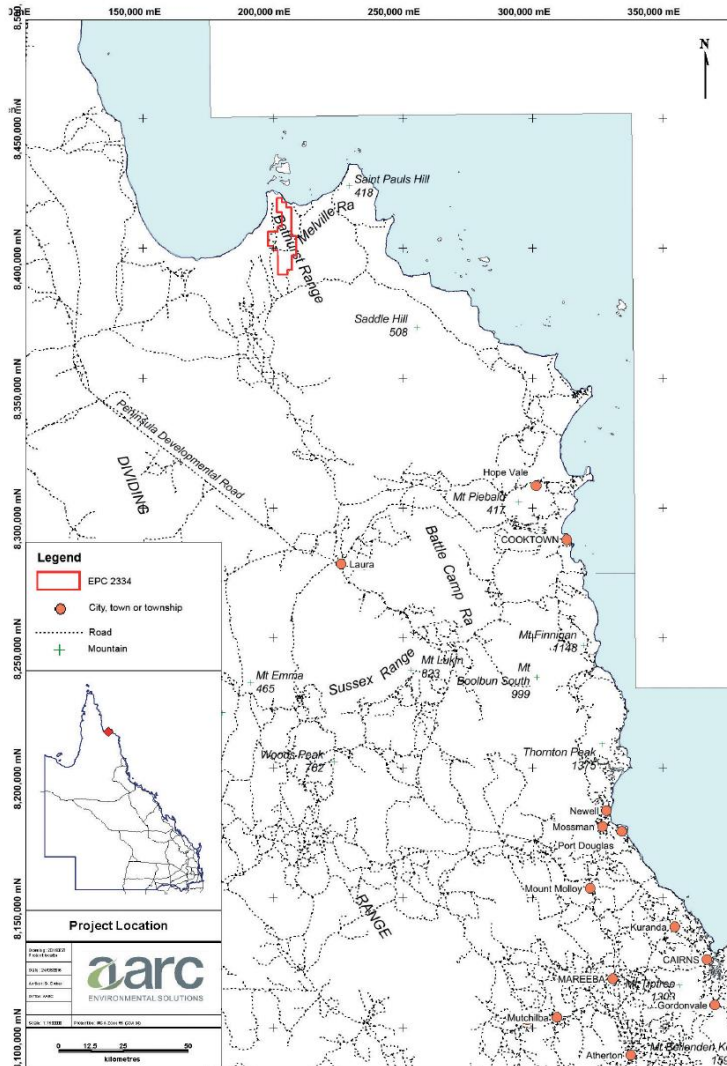
# MINYANGO PROJECT

BOUNTY



- The Minyango Project is an underground coking and thermal coal project which is located immediately to the south of the township of Blackwater in Central Queensland and 10km to the north of the existing Cook CHPP.
- A mining lease was granted in 2015. The Minyango Project has the potential to produce similar coking and thermal coal products to Cook Colliery. It is proposed to be a bord and pillar mine.
- There are 4 seams within the Rangals coal measures in this area including the Aries, Castor, Pollux and Orion seams.
- The Aries, Castor, Pollux and Orion seams are potentially minable with an initial depth to top of coal of 180 metres – 200 metres. There is potential to develop a bord and pillar underground mining operation in several of these seams. Bounty intends to commence a prefeasibility study in 2018 to better define the mining and economic potential of the project.
- The Aries seam thickness ranges from 2.25m to 5.5m and averages 2.86m.
- The thickness of the combined Pollux seam ranges from 0.97 to 5.29m and averages 3.05m.

# WONGAI PROJECT



- The Wongai Project is an early-stage coking coal joint venture project located in Cape York, approximately 430 km north of Cairns within EPC 2334
- The Wongai Project is a thin seam hard coking coal project potentially suited for underground bord and pillar mining.
- It is only 14 km from the coast which provides an opportunity to develop a low cost transport option.
- Members of the Bounty Group have entered into the Wongi Joint Venture Agreement, Wongai Farm-In Agreement and Wongai Management Agreement to develop and operate the mine
- Bounty has completed a prefeasibility study for the Wongai Project and is now planning to complete a bankable feasibility study.
- There is an indigenous land use agreement between Bounty Mining Investments Pty Ltd, Aust-Pac Capital Pty Ltd and the Traditional Owners in respect of EPC.



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