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## Rail Capacity Upgrade Delivers Planned Cost Saving

- Upgrade of Cook Colliery's Koorilgah rail loop to full axle load is now complete;
- Allows Cook Colliery's rail infrastructure to operate with full capacity 8,500 tonne trains;
- Upgrade reduces operating costs by at least A\$5/tonne as planned and is in-line with Bounty's cost assumptions with prospectus forecasts;

### Rail Upgrade to Full Capacity Trains

Bounty Mining Limited (ASX: B2Y) ("Bounty", "the Company") is pleased to announce the completion of its upgrade of the Koorilgah Rail loop servicing its Cook Colliery in Queensland's Bowen Basin to full axle load capacity trains.

Prior to Bounty restarting operations at Cook early in 2018, the rail loop had been downgraded to 20 tonne axle load capacity due to a lack of maintenance under the previous mine owner. This limited Bounty to using partly loaded trains carrying 5,500 tonnes of coal at a time. Full capacity trains, of 8,500 tonnes, will deliver operating cost savings of at least \$5 per tonne of coal in line with prospectus forecasts.

Bounty Executive Chairman Gary Cochrane said: "***We are very pleased to have completed the rail upgrade slightly ahead of the original schedule, delivering a meaningful cost saving as indicated in the prospectus released ahead of Bounty's initial public offering earlier this year.***"

Bounty spent \$2 million on the upgrade, which included the installation of new ballast, formation work, new sleepers and weightometer and train overload facilities.



Train in the Koorilgah rail loop, Cook Colliery.

#### **4th Continuous Miner now underground**

Bounty has also completed the successful transfer of a fourth continuous miner underground at Cook. After initial commissioning, this machine is expected to commence cutting coal in the third week of August.

#### **5th Continuous Miner on track for early September**

An additional sumping<sup>1</sup> machine is scheduled to go underground at the end of August, which is expected to increase the mining rate to the nominal 1Mtpa run of mine rate from 6 September 2018. Bounty is currently on track to achieve its target of 2.2Mtpa run of mine production in line with its production forecast for June Quarter FY19.

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<sup>1</sup> Sumping is the practice of mining additional coal from the pillars of the mine during a 'retreat' phase of production.



Continuous Miner Underground

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