

For personal use only



**BOWEN
COKING
COAL**

L I M I T E D

**BOWEN COKING COAL LTD
AND CONTROLLED ENTITIES**

ABN: 72 064 874 620

**CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2021**

Contents

Cautionary Statements	2
Corporate Information	3
Chairman's Letter	4
Review of Operations	5
Directors' Report	11
Auditor's Independence Declaration	28
Shareholder Information	29
Interests in Tenements	32
Annual Mineral Resources Statement	33
Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2021	35
Consolidated Statement of Financial Position as at 30 June 2021	36
Consolidated Statement of Changes in Equity for the Year Ended 30 June 2021	37
Consolidated Statement of Cash Flows for the Year Ended 30 June 2021	38
Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021	39
Directors' Declaration	65
Independent Auditor's Report	66

Cautionary Statements

Forward-looking statements

This document may contain certain forward-looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement.

The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward-looking statements will be or are likely to be fulfilled. Bowen Coking Coal Ltd undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this document (subject to securities exchange disclosure requirements).

The information in this document does not take into account the objectives, financial situation or particular needs of any person or organisation. Nothing contained in this document constitutes investment, legal, tax or other advice.

Competent Person Statement

All exploration results and Mineral Resources referred to in this Annual Report have previously been announced to the market by the Company in accordance with the requirements of Chapter 5 of the ASX Listing Rules and the JORC Code 2012, including as to the requirements for a statement from a Competent Person; and the relevant announcements have been referred to in the body of the Annual Report. The Company confirms that it is not aware of any new information or data that materially affects that information. In respect of the Mineral Resources, all material assumptions and technical parameters continue to apply and have not materially changed.

Corporate Information

Directors and Company Secretary

Nicholas Jorss (Executive Chairman)
Gerhard Redelinghuys (Managing Director)
Neville Sneddon (Non-Executive Director)
Matthew Latimore (Non-Executive Director)

Daryl Edwards (Chief Financial Officer)
Duncan Cornish (Company Secretary)

Head Office and Registered Office

Bowen Coking Coal Ltd
Level 7, 167 Eagle Street
Brisbane QLD 4000
Tel: +61 7 3191 8413
www.bowencokingcoal.com

Auditors

RSM Australia Partners
Level 6, 340 Adelaide Street
Brisbane QLD 4000

Share Registry

Link Market Services Limited
Level 21, 10 Eagle Street
Brisbane QLD 4000
Tel: 1300 554 474
www.linkmarketservices.com.au

Stock Exchange Listing

Australian Securities Exchange Ltd
ASX Code: BCB

Australian Company Number

064 874 620

Solicitor

Colin Biggers & Paisley Pty Ltd
Level 35, 1 Eagle Street
Brisbane QLD 4000

Banker

Westpac Banking Corporation Limited

Chairman's Letter

Dear shareholders,

While the 2022 financial year has got off to a flying start with Bowen Coking Coal's transformational acquisition of New Hope Group's Burton Mine and New Lenton development project, the past financial year has been an impressive log of achievements and triumphs that have collectively propelled the company within reach of its vision to be the Bowen Basin's next independent coking coal producer.

The 2021 financial year started with the completion of the company's acquisition of the Broadmeadow East Coking Coal Project near Moranbah which has a Mining Lease with an estimated 33 million tonne JORC coal resource and included access rights to existing haul road, coal processing and train loading infrastructure of the Burton mine. By December, we had mobilised a drill team at the project to conduct a coal quality and groundwater monitoring campaign which returned exceptional results from a previously unexplored area. Permitting has advanced and an investment decision is expected before the end of the year.

At our Hillalong Project, which lies in close proximity to Glencore's Hail Creek mine in the northern Bowen Basin, we commenced the second phase of the farm-in to build on the maiden 43Mt JORC resource estimated at Hillalong North.

This program followed an agreement by farm-in partner, Sumitomo Corporation, to commit a further \$2.5m to earn an additional 5% of the project. The Japanese major previously earned 10% of the project in December after spending \$2.5m on Phase 1 and has the option to earn up to 20% in the project by spending another \$2.5m on Phase 2b which would take its total farm-in expenditure to \$7.5m. This investment was a great vote of confidence in the project.

At Isaac River, a coking coal project located close to BMAs' Daunia Mine and Peabody's Moorvale South Project and regional infrastructure, we followed the submission of our Mining Lease Application with the lodging of an Environmental Authority, a key milestone in our progression of the asset to production.

All this progress brings us considerably closer to our clear strategic goal of becoming a significant coking coal producer in the near term. Amid tightening environmental regulations and increasing urbanisation, the call from global steelmakers for higher quality coking coal has never been louder. As supply falls and prices rise, Bowen Coking Coal will make the most of this significant opportunity.

Located in the heart of the world's best coking coal province, our pipeline of projects has convenient access to existing infrastructure and a skilled mining labour force, and are being brought into production by a proven leadership team. This is happening as many traditional players are exiting the market, creating unprecedented business development opportunities for our Company

There's a strong pipeline of news flow ahead. We've recently been awarded preferred bidder status in the sale of the Bluff PCI Mine and will continue to improve our portfolio at every opportunity. On behalf of the Board, I thank you for your continued support and look forward to delivering on your investment in Bowen.

Yours faithfully

Nick Jorss
Chairman

Review of Operations

During the year ended 30 June 2021, Bowen Coking Coal Limited continued to execute on its strategy of taking the Company from a developer to a producer, by progressing its portfolio of high-quality coking coal assets with a view to having the Broadmeadow East and Isaac River projects “shovel ready” as soon as practically possible. Hillalong exploration continued to deliver exceptional results whilst the company continued to assess several business development opportunities.

Highlights:

- Completed the acquisition of the 33Mt Broadmeadow East Coking Coal project and associated Mining Lease
- Confirming high quality coking coal at Broadmeadow East
- Securing a further \$2.5m investment in the Hillalong JV from Sumitomo, to earn an additional 5% interest
- Completing coal quality confirmatory drilling at Hillalong North demonstrating the potential to produce a low ash primary coking coal with CSN values as high as 8
- Permitting on track for Isaac River Project. Environmental Authority application submitted in October 2020 following the submission of the Mining Lease application earlier that year
- Former Stanmore chief Nicholas Jorss appointed Executive Chairman to lead the Company's transition to production
- Drilling at Hillalong South demonstrated the seam continuance across the southern area with a significant intersection of 9m of coal from the target seams from as shallow as 31m deep, clearing the way for a maiden resource estimate.
- Raising \$5.25m to acquire and accelerate Broadmeadow East development and securing a further \$2.1m in funding through the exercise of Options.

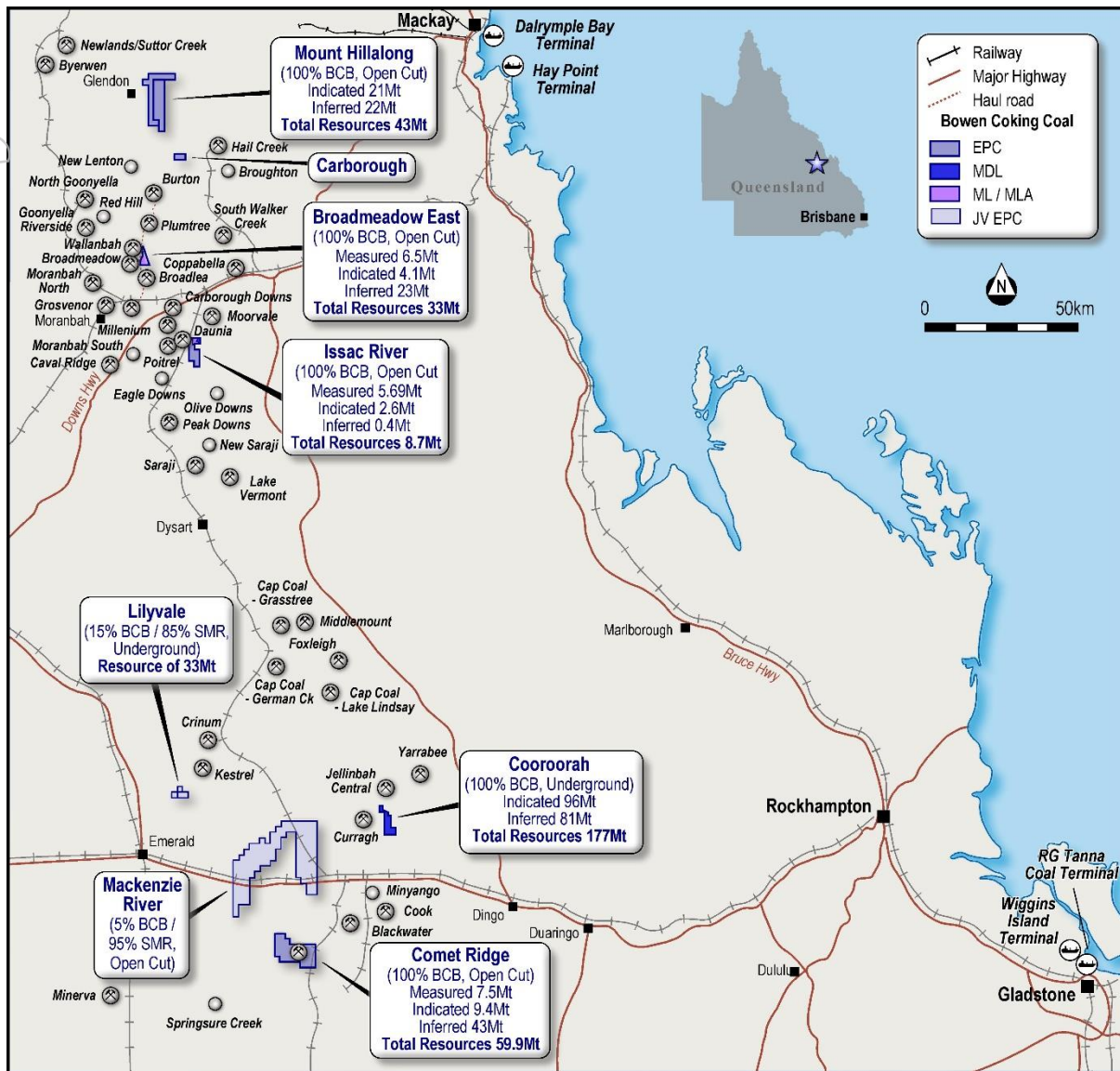
PROJECTS

Broadmeadow East Coking Coal Project (ML 70257)

Located around 25km north-east of the coal mining town of Moranbah, Broadmeadow East is the Company's most advanced coking coal project, which includes a granted Mining Lease and access to infrastructure. In a significant milestone, the Company announced in late June 2020, that it had executed binding agreements with Peabody (Burton Coal) Pty Ltd, a wholly owned subsidiary of US headquartered Peabody Energy Corporation, whereby BCB would acquire the Broadmeadow East coking coal project, located within undeveloped Mining Lease 70257 (“Project” or “Broadmeadow East”).

Review of Operations

Project location



On 30 September 2020, all conditions relating to the acquisition of Broadmeadow East were satisfied and the deal was completed.

The transaction includes access rights to both the New Lenton Joint Venture Coal Handling and Preparation Plant (“CHPP”) and the Train Load Out Facility (“TLO”), which are connected by an established haul road passing immediately adjacent to ML 70257. The Company has secured throughput capacity of a minimum of 1Mtpa, with the ability to increase this capacity to a total of 2 Mtpa, subject to agreement.

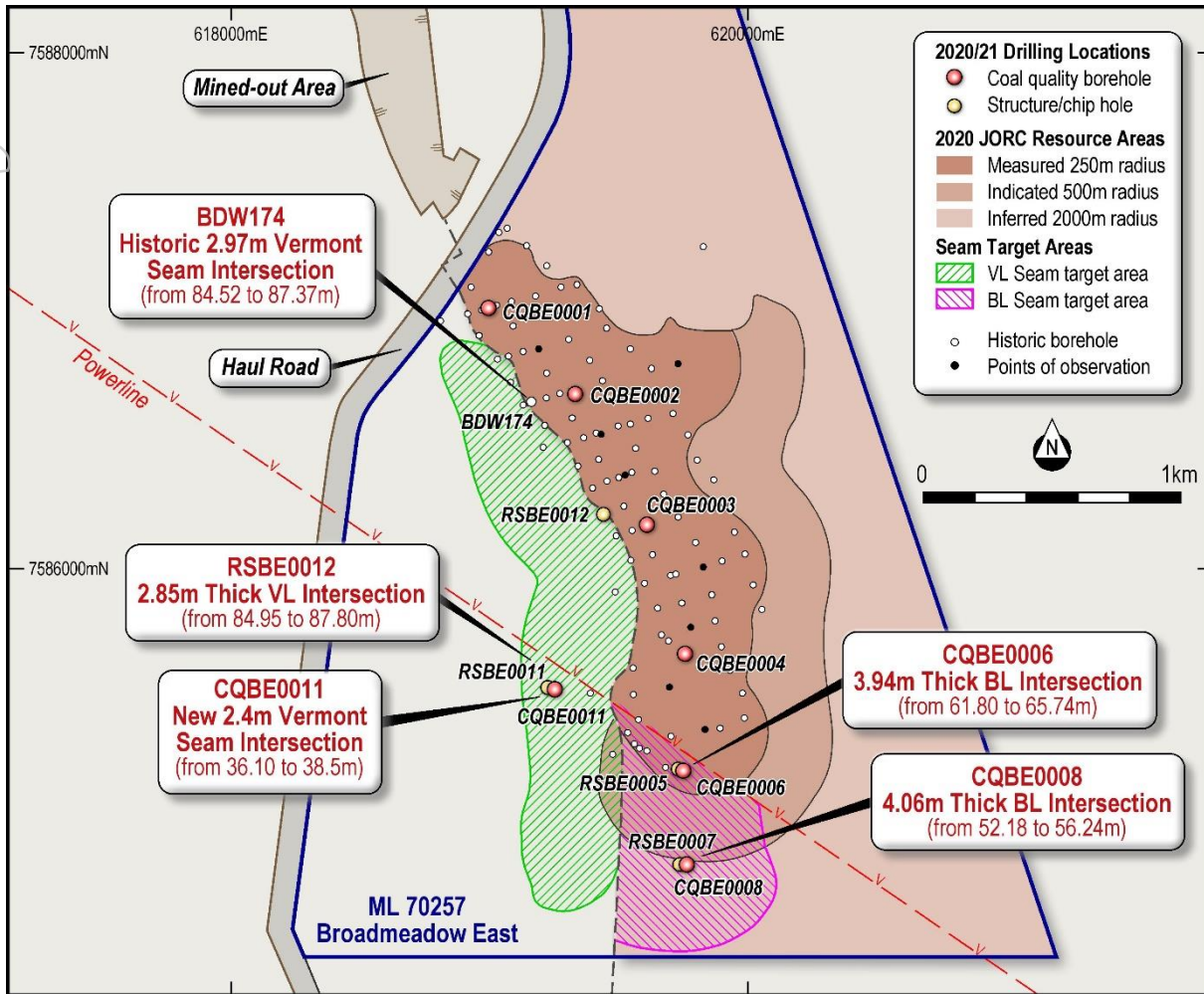
The Company’s independent consultants, Xenith Consulting, were commissioned to review all available and relevant data and completed a Resource Estimate of 33Mt, in accordance with the JORC Code (2012). BCB commenced analysing the washability data and determined that the coal can be washed at lower density levels (albeit at lower primary yields) to create a higher quality coking coal at ~8.7% ash with CSN as high as 7 whilst still producing a high-energy secondary thermal coal.

Post completion of the Broadmeadow East acquisition, the Company mobilised a drilling team to conduct a coal quality and groundwater monitoring campaign. The primary purpose of the program was to obtain up to six core samples for detailed coal quality analysis on a ply-by-ply basis in order to optimise the mine plan, as well as providing valuable information for marketing studies and potential off-take agreements.

For personal use only

Review of Operations

Locations and intersections of core holes of the 2020/21 exploration program



The results of the coal quality exploration program demonstrated the flexibility of the resource to produce a primary coking coal product of either high quality (7.5% ash, CSN 7.5) or high yield (9.2% ash, CSN 4.5). In both of the primary product cases, the secondary energy coal created from the primary coking coal discard has a calorific value of more than 6,500kcal/kg (ad) which is also a sought-after product for the export coal markets. Total laboratory yield for the combined products ranges between 77% and 86%.

Part of this campaign, BCB undertook drilling in a previously unexplored area south of the existing Measure Resource of the project which confirmed that the Leichardt seam extends further south, within the current Mining Lease (CQBE006 and CQBE008).

The results also confirmed BCB's view that the lower two thirds section of the 3.8m thick Leichardt seam contains better coking properties and a higher yield and therefore justifies investigation of a two-pass mining method. It was also confirmed that the lower section contains lower impurities such as phosphorus and therefore supports a higher quality coking coal. Previous coal quality analysis had been limited to an aggregate total seam analysis.

Studies have also commenced to understand the concept for a shallow, low cost, underground operation as a second phase of the project. Initial outcomes are encouraging and warrant further investment into the Inferred area of the resource.

Mine planning studies have been undertaken by Xenith Consulting and field work for the EA amendment has been managed by Nitro Solutions. Final permitting and a "Decision to Mine" is planned for the second half of the year.

Review of Operations

Hillalong Coking Coal Project (EPC 1824 & EPC 2141)

The Hillalong Coking Coal Project (“Hillalong”) is located in the northern Bowen Basin approximately 105 km west-southwest of Mackay.

The project is currently the subject of a farm-in agreement (“Hillalong Farm-In”) with the Sumitomo Corporation (“Sumitomo”) which earned a 10% interest in the project post expending \$2.5m on the successful Phase 1 exploration program completed earlier in 2020.

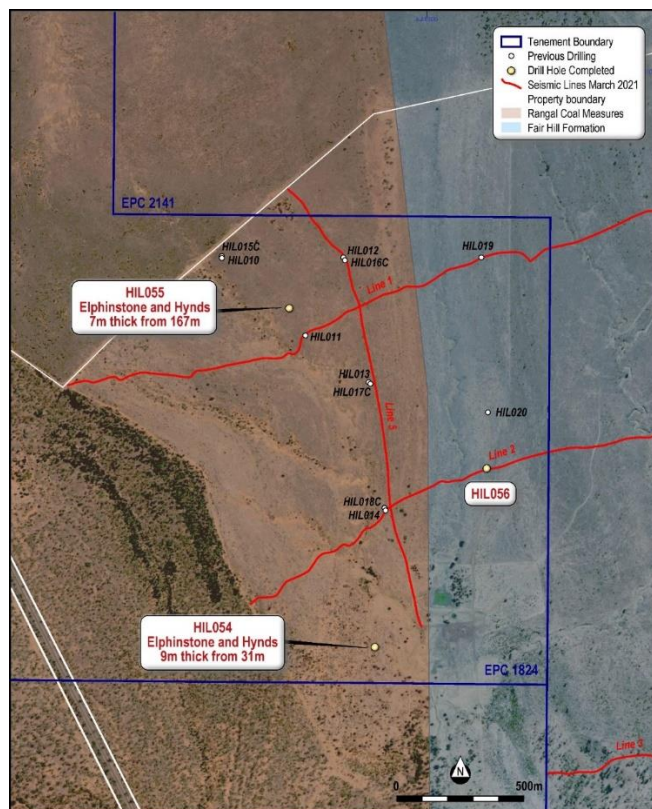
Significantly, in March 2021, Sumitomo confirmed its commitment to continue farming into the Hillalong project through a further expenditure of \$2.5 million in the Phase 2a exploration program to earn an additional 5% interest. Sumitomo now has the ability to earn an additional 5% in Hillalong by funding a further A\$2.5m of exploration in Phase 2b. This will be subject to the success of the Phase 2a program. The Hillalong Farm-In is in the process of being converted into a formal joint venture.

Sumitomo already has interests in Clermont, Rolleston and Oaky Creek mines, as well as Glencore’s Hail Creek Mine which neighbours the Hillalong tenements and produces more than five million tonnes of coking coal annually.

The Phase 1 exploration program resulted in a maiden JORC Resource of 43Mt and confirmation that the project has the potential to produce a low ash, high quality coking coal. In August 2020, washability and coal quality results received from drilling at Hillalong North confirmed the potential for high quality coking coal at excellent yields. Laboratory results demonstrated that the Elphinstone seam has the potential to produce a single primary coking coal with 10.5% ash at an average yield of 84% over the deposit. The Hynds Upper seam has the potential to produce a high quality, 8.5% ash primary coking coal product with a secondary high energy thermal coal at a combined yield of 87%.

The Phase 2a exploration program comprises three drill holes in the northern area to extend the resources in the Rangal Coal Measures and eight drill holes in the southern area to target the definition of a maiden resource and to test the existence of the Moranbah Coal Measures along the eastern margin of the project. A 37 km seismic survey is also part of the program.

Locations of the holes of the 2021 exploration program targeting the Rangal Coal Measures



Review of Operations

In June 2021, BCB announced significant early results from the drilling. Hole HIL055 encountered both the target Elphinstone and Hynds Upper seams at a combined thickness of more than seven metres, which provides a good indication of the seam continuance over that area of the Hillalong project.

Drill Hole HIL054, in the southern part of the permit, intersected a 9m thick coalesced Elphinstone and Hynds Upper seam, along strike from the highest quality area observed in the previous campaign. Based on the previous exploration program and coal quality and washability results, there is potential to produce a Mid Volatile Matter (25% a.d. basis) coking coal from the Hillalong South project, which complements the other products within the Bowen Coking Coal portfolio, including the Low Volatile Matter coking coals of Broadmeadow East.

Scout drilling towards the east of the project encountered several coal seams which were interpreted to be the upper seams of the Moranbah Coal Measures, which are generally higher in ash and therefore not of economic interest.

Isaac River Coking Coal Project (MDL 444, EPC 830, MLA 7000062)

The Isaac River Coking Coal Project ("Isaac River") covers an area of 14 km² in the Bowen Basin in Central Queensland, approximately 30 km west of Moranbah. The project is in close proximity to BMA's (BHP Mitsubishi Alliance) Daunia Mine, and Peabody's Moorvale South Project.

During the period, BCB progressed the permitting process for Isaac River. In October 2020 the Company announced it had lodged a site-specific Environmental Authority ("EA") application for the permit with the Queensland Government Department of Environment and Science. Further to the lodging of the Mining Lease Application (MLA) in Q1 2020, the lodgement of the EA application for Isaac River represented a significant milestone in the critical path to converting the project into a producing asset. Approvals are expected in the second half of this year.

The Initial Development Plan submitted with the MLA proposed a contractor-operated opencut operation along with highwall/auger mining, utilising offsite infrastructure and toll washing of run-of-mine coal at a nearby facility. Discussions on access to third party infrastructure are ongoing in advance of a planned start to mining in the first half of 2022.

Corporate

Board Changes

Long serving Directors Steven Formica and James Agenbag both tendered their resignations, effective 31 October 2020.

In February 2021, BCB announced the appointment of coal industry veteran, Nicholas Jorss, as Executive Chairman to lead the Company's transition from explorer to coking coal producer. Mr Jorss was founding Managing Director of Stanmore Coal and successfully led this company to become a significant Bowen Basin coking coal producer. He was previously a Non-Executive Director. Mr Jorss replaced Neville Sneddon who remains on the Board in the capacity of Non-Executive Director.

In February 2021, Daryl Edwards was appointed to the role of Chief Financial Officer (CFO). Mr Edwards is a Chartered Accountant with over 22 years' experience in the mining and manufacturing industries, including seven years as CFO and Head of Corporate Development for Universal Coal Plc.

In May 2021, Blair Sergeant moved from an Executive role to Non-Executive Director and subsequently resigned as a Director on 17 September 2021.

The Board would like to extend their gratitude to Steve, James and Blair for the valuable contribution they made during their tenure.

Review of Operations

Placements Raise \$5.25m (before costs)

The Company completed two private placements during the period raising a total of \$5.25m (both at a price of \$0.05 per share). Funds raised under the placements were applied to the acquisition and transaction costs of the Broadmeadow East project, related environmental and mining studies, and to accelerate the Broadmeadow East development program. Funds were also allocated for general working capital purposes, including Isaac River permitting and business development.

Exercise of Options

In December 2020, the Company received notice of exercise for a total of 30 million options with an expiry date of 12 December 2020, raising total proceeds of \$900,000. Importantly, the Company's Executive Chairman, Mr Nicholas Jorss, exercised over two thirds of those options, personally committing \$550,000 of the aforementioned \$900,000 received and increasing his direct and indirect shareholding in the Company to over 60,957,120 shares, representing 6.5% of the Company's outstanding shares on issue at the time.

In February 2021, an additional 4,200,000 unlisted options held by former Directors were exercised into ordinary shares, raising \$141,960, and 12,000,000 performance rights were issued to Mr. Edwards. On 1 March 2021, 4,000,000 performance rights, that had previously vested, were converted into ordinary shares for Mr McKee.

Between March and June, Board and management exercised an additional 31,500,000 options with a strike price of 3.38c (issued in Q2 2019, expiring end Q2 2021) which resulted in a further cash injection of \$1,064,700 to the Company.

COVID-19 Impact

The COVID-19 pandemic impacted the Company on several fronts during the period. Both the Broadmeadow East and Hillalong exploration programs were impacted by inter-state travel restrictions for the exploration teams and also additional costs to keep the teams on site and compliant with Queensland Government regulations. International travel restrictions and working from home policies by larger corporations impacted Phase 2 Farm-in negotiations with Sumitomo Corporation, the completion of the Broadmeadow East transaction with Peabody Energy and other interactions with larger companies. However, the Company advanced these negotiations and discussions via telephone and video conferencing with limited face to face interaction. Social distancing restrictions and inter-state travel restrictions resulted in roadshows, shareholder meetings and board meetings being scheduled as virtual events.

Directors' Report

The directors submit their report on the consolidated entity ("Group") consisting of Bowen Coking Coal Ltd and the entities it controlled at the end of, and during, the financial period ended 30 June 2021.

Directors

The following persons were directors of Bowen Coking Coal Ltd during the financial period and up to the date of this report, unless otherwise stated:

Nicholas Jorss	Executive Chairman (moved from Non-Executive Director to Executive Chairman on 25 February 2021)
Gerhard Redelinghuys	Managing Director
Matthew Latimore	Non-Executive Director
Neville Sneddon	Non-Executive Director (moved from Non-Executive Chairman to Non-Executive Director on 25 February 2021)
Blair Sergeant	Non-Executive Director (moved from Executive to Non-Executive on 1 May 2021 and resigned as a Director on 17 September 2021)
Steven Formica	Non-Executive Director (resigned 31 October 2020)
James Agenbag	Non-Executive Director (resigned 31 October 2020)

Information on Directors

The board has a strong combination of technical, managerial and capital markets experience. Expertise and experience include operating and coal exploration. The names and qualifications of the current directors are summarised as follows:

Nicholas Jorss – Executive Chairman

Qualifications	BE (Hons) Civil, MBA, GDip App Fin (Sec Inst)
Appointment Date	12 December 2018
Resignation Date	N/A
Length of Service	2.5 years
Current ASX Listed Directorships	Ballymore Resources Limited
Former ASX Listed Directorships	Stanmore Coal Limited

Mr Jorss is the founding Managing Director of Stanmore Coal Ltd (via St Lucia). Mr Jorss served on Stanmore's Board from its formation in June 2008 through to 26 November 2016. He has over 25 years' experience in investment banking, civil engineering, corporate finance and project management. Mr Jorss was instrumental in the success of Stanmore Coal Ltd, which currently has a market value of around \$230m. As the Founding Managing Director, Mr Jorss led Stanmore's growth from a coal exploration company to a profitable, mid-tier producer. In his prior roles in investment banking (as a director of Pacific Road Corporate Finance) he has been involved in leading advisory mandates with corporate, government and private equity clients across industry sectors ranging from resources to infrastructure.

Prior to this Mr Jorss was an engineer with Baulderstone Hornibrook where he delivered significant infrastructure and resource projects over a period of approximately 8 years. Mr Jorss is a founding shareholder and Director of St Lucia Resources, Konstantin Resources, Ballymore Resources and Wingate Capital. He was previously a Director of Kurilpa Uranium, Vantage Private Equity Growth, Vantage Asset Management and WICET Holdings Pty Ltd. Mr Jorss holds a Bachelor with Honours in Civil Engineering from the University of Queensland, a Master of Business Administration from the University of NSW (AGSM) and a Graduate Diploma of Applied Finance and Investment.

Directors' Report

Gerhard Redelinghuys – Managing Director

Qualifications	B. Comm. Acc, Hons, B. Compt, GAICD
Appointment Date	27 September 2017
Resignation Date	N/A
Length of Service	3.75 years
Current ASX Listed Directorships	Nil
Former ASX Listed Directorships	Nil

Mr Redelinghuys is the Managing Director of Cape Coal and has 24 years' experience in financial and project development within the mining sector. After studying finance at the University of Pretoria in South Africa, he joined PricewaterhouseCoopers, before commencing his employment with EXXARO Resources Ltd (former ISCOR and KUMBA Resources) in 1995.

Since 1995 he has held various senior management positions in the corporate office, as well as both open cut and underground mining operations in South Africa. He has held directorships in Australia, including the position of Managing Director of Exxaro Australia Pty Ltd. In addition to his business analysis experience, Mr Redelinghuys has extensive experience in mining project acquisitions and deal making on an international level. He was also the owner's representative on a multi-billion dollar underground coal project in Queensland until 2015 before founding Bowen Coking Coal Ltd. Mr Redelinghuys is also a graduate member of the Australian Institute of Company Directors.

Matthew Latimore - Non-Executive Director

Qualifications	Executive Education Program, Columbia University Graduate School of Business, New York. Master of Business (Executive), Australian Graduate School of Management Advanced Diploma of Leadership and Management, The University of Western Australia. Bachelor of International Business, Griffith University.
Appointment Date	17 June 2020
Length of Service	1 year
Current ASX Listed Directorships	Nil
Former ASX Listed Directorships	Nil

Mr Latimore is the President and Founder of M Resources, an entity which specialises in marketing coking coal, including hard coking coal, semi hard coking coal, semi soft coking coal and PCI coals for steel manufacturing. Mr Latimore held the position of General Manager Sales and Marketing for Wesfarmers Curragh mine and was responsible for global sales of Curragh metallurgical coal products to international steel mills and thermal coal to domestic and international power utilities, rail and port and quality and finance functions. Mr Latimore was a Director of Curragh Coal Sales. Prior to joining Wesfarmers in early 2001, Mr Latimore held various positions with Mitsui & Co (Australia) Pty Ltd.

Directors' Report

Neville Sneddon - Independent Non-Executive Director

Qualifications	B. Eng (Mining)(Hons), M. Eng, MAusIMM, Grad AICD
Appointment Date	12 December 2018
Resignation Date	N/A
Length of Service	2.5 years
Current ASX Listed Directorships	Nil
Former ASX Listed Directorships	Stanmore Coal Limited

A mining engineer with over 40 years' experience in most facets of the Queensland (QLD) and New South Wales (NSW) resource sectors, and as the recently retired Chairman of Stanmore Coal Ltd, Mr Sneddon brings substantial Board and industry knowledge to the Company. He has developed and operated both underground and open cut mines working for Coal & Allied in the Hunter Valley and from 1997 worked in a senior role in the NSW Mines Inspectorate, covering operations in all forms of mining in the state.

Moving to Queensland in 1999, Mr Sneddon accepted the position of Chief Operating Officer with Shell Coal which was acquired by Anglo American's Australian coal operations the following year. Leaving as CEO in 2007, he held several Board positions with mining and infrastructure companies including Chairman of the operating company at Dalrymple Bay Coal Terminal near Mackay and Director of Port Waratah Coal Services, a major coal export facility at Newcastle. Mr Sneddon has also been a member of the Boards of the QLD, NSW and National Mining Councils. His expertise has been sought by several government committees such as the NSW Mine Subsidence Board, NSW Mines Rescue Board, QLD Ministerial Coal Mine Safety Advisory Committee and the joint federal/state advisory committee.

Blair Sergeant – Non-Executive Director

Qualifications	B. Bus, PostGradDip (CorpAdmin), MAICD, AGIA, ACIS, ASCPA
Appointment Date	28 September 2018
Resignation Date	17 September 2021
Length of Service	2.75 years
Current ASX Listed Directorships	Nil
Former ASX Listed Directorships	Nil

Mr Sergeant is an experienced mining executive, having been the former Founding Managing Director of Lemur Resources Limited, an ASX listed coal exploration and development company, as well as the former Finance Director of Coal of Africa Limited, growing the company from a sub-\$2m market capitalisation to over \$1.5b at its peak. During his career, Mr Sergeant has also held the position of Managing Director, Non-Executive Director and/or Company Secretary for numerous listed entities across a broad spectrum of industry. Mr Sergeant graduated from Curtin University, Western Australia with a Bachelor of Business and subsequently, a Post Graduate Diploma in Corporate Administration. He is a member of the Institute of Chartered Secretaries and Administrators and the Australian Institute of Company Directors.

Directors' Report

Steven Formica – Independent Non-Executive Director

Qualifications	N/A
Appointment Date	4 August 2015
Resignation Date	31 October 2020
Length of Service	5.25 years
Current ASX Listed Directorships	Nil
Former ASX Listed Directorships	Nil

Mr Formica is a successful businessman with over 30 years' experience. He has been involved in multiple business ventures either as a founding shareholder, operational Managing Director or as a Non-Executive Director. Mr Formica is currently a director of both FPG Projects and Viridian Property Group, both successful property developers.

James Agenbag - Independent Non-Executive Director

Qualifications	B. Eng (Chemical Engineering), MBA
Appointment Date	27 September 2017
Resignation Date	31 October 2020
Length of Service	3.1 years
Current ASX Listed Directorships	Nil
Former ASX Listed Directorships	Nil

Mr Agenbag has 15 years' experience in the mining industry covering all phases of business and project development, process design, including the commissioning and optimisation of processing facilities across multiple commodities. After completing his Chemical Engineering degree at the University of Stellenbosch in 2003, Mr Agenbag worked as a process design engineer at EPCM companies including GRD Minproc Limited and DRA Global.

In 2008, Mr Agenbag moved to Australia to help build DRA's Brisbane office. His responsibilities included research and development of new business and client management in Southern Africa, Australia and Indonesia. Mr Agenbag also has substantial experience in beneficiation optimisation with emphasis on various technologies including some technologies where he jointly holds patent rights. Mr Agenbag has delivered technical papers within his area of expertise in the minerals processing field. He held a position responsible for the process engineering discipline across Peabody Energy Australia PCI Pty Ltd coal projects, and has been a Director of Cape Coal since 2012.

Mr Agenbag has been accredited with ECSA as a Professional Engineer. He is a Member of IEAust (Chem) and is an active Member of the South African and Australian Coal Processing Societies.

Directors' Report

Company Secretary

Duncan Cornish –Company Secretary

Appointment Date	1 May 2019
Resignation Date	N/A
Length of Service	2.2 years
Current ASX Listed Directorships	Nil
Former ASX Listed Directorships	Nil

Mr Cornish was the founding CFO and Company Secretary for Stanmore Coal Ltd (ASX:SMR), Waratah Coal Ltd (TSX and ASX:WCI) and Cokal Ltd (ASX:CKA) and is a Chartered Accountant with significant experience as a public company CFO and Company Secretary, focused on finance, administration and governance roles. He has more than 20 years' experience in the accountancy profession both in England and Australia, mainly with the accountancy firms Ernst & Young and PricewaterhouseCoopers. He has extensive experience in all aspects of company financial reporting, corporate regulatory and governance areas, business acquisition and disposal due diligence, capital raising, company initial public offerings and company secretarial responsibilities, and has served as CFO and/or Company Secretary of several Australian and Canadian public companies.

Chief Financial Officer

Daryl Edwards –Chief Financial Officer

Appointment Date	2 February 2021
Resignation Date	N/A
Length of Service	5 months
Current ASX Listed Directorships	Nil
Former ASX Listed Directorships	Nil

Mr. Edwards is a Chartered Accountant with over 22 years' experience in the mining and manufacturing industries. He has held various executive positions including CEO of a private Australian coal explorer, Pioneer Coal, and CFO and Head of Corporate Development for Universal Coal plc (ASX:UNV) for over 7 years, where he managed the commercialisation of the 4Mtpa Kangala Colliery and the 3.3Mtpa New Clydesdale Colliery. Previously, Mr Edwards was CFO at Asenjo Energy, a Botswana-based coal exploration and development company, held privately by Aquila Resources, Sentula Mining and Jonah Capital.

Directors' Report

Interests in Securities

As at the date of this report, the interests of each director in shares and options issued by the Company are shown in the table below:

Directors	Shares
Nicholas Jorss	66,036,882
Gerhard Redelinghuys	127,237,358 ⁽¹⁾
Matthew Latimore	171,622,455
Neville Sneddon	7,454,365

Notes:

- (1) 119,849,774 of these shares are held by both Gerhard Redelinghuys and James Agenbag through their respective associations with Cape Coal Pty Ltd

Principal Activities

The principal activity of the Group during the period was the exploration and development of coal projects with a primary focus on Metallurgical coal.

Corporate

Bowen Coking Coal Ltd ACN 064 874 620 was incorporated as an Australian public company limited by shares on 6 July 1994, listing on the Australian Stock Exchange shortly thereafter.

Dividends Paid or Recommended

There were no dividends paid or recommended during the financial year.

Review of Operations

Information on the operations of the Group during the financial year and up to the date of this report is set out separately in the Annual Report under Review of Operations.

Operating Results

The Group's operating loss for the financial year was \$3,224,368 (2020: \$2,057,812). The increased loss was caused principally by:

- General corporate and administrative expenses (\$1,699,722);
- Exploration expenses (\$25,784);
- Employee benefits expense (\$896,093); and
- Share-based payments (\$506,904).

Review of Financial Condition

Capital Structure

As at 30 June 2021 the Company had 978,462,262 ordinary shares, 20,000,000 performance rights and 3,400,000 options on issue.

Directors' Report

During the year ended 30 June 2021, the following shares were issued:

- 105,000,000 shares were issued (raising \$ 5,250,000);
- 65,700,000 shares were issued following option exercises (raising \$2,106,660); and
- 4,000,000 shares were issued following the exercise of vested performance rights.

During the year ended 30 June 2021 12,000,000 performance rights were issued with various performance hurdles and test dates.

Financial Position

At 30 June 2021, the Group's net assets totalled \$14,948,951 (2020: \$10,480,649) which included cash assets of \$2,997,030 (2020: \$2,394,319). The movement in net assets largely resulted from the following factors:

- Operating losses of \$3,224,368;
- Cash outflows from operating activities of \$2,710,812;
- Cash outflows from investing activities of \$3,360,228; and
- Net cash inflows from financing activities of \$6,673,751.

Throughout the year the Group focussed on exploration and development on the Group's coal projects.

The Group's working capital, being current assets less current liabilities has increased from \$1,363,381 in 2020 to \$2,175,369 in 2021.

Treasury policy

The Group does not have a formally established treasury function. The Board is responsible for managing the Group's finance facilities. The Group does not currently undertake hedging of any kind and is not currently directly exposed to material currency risks.

Liquidity and funding

The Group has sufficient funds to finance its operations and exploration activities, and to allow the Group to take advantage of favourable business opportunities, not specifically budgeted for, or to fund unforeseen expenditure.

Significant Changes in State of Affairs

Other than the securities issued as noted above, there were no other significant changes in the state of affairs of the Group in the financial year.

Subsequent Events

On 30 July 2021 the Company announced that it had been awarded preferred bidder status in the sale process for the Bluff PCI Mine. The Company has entered into a terms sheet pursuant to which it has paid a \$250,000 deposit, which provided exclusive rights to conduct detailed due diligence over a period of 4 weeks and to advance towards binding transaction documents.

On 4 August 2021 the Company announced that it had signed a Binding Term Sheet with New Hope Corporation Limited ('NHC') to acquire 100% of the shares in New Lenton Coal Pty Ltd ('New Lenton') (which currently owns a 90% interest in the Lenton Joint Venture) ('Lenton JV', the 'Acquisition'). The Company has agreed to pay New Hope Corporation a \$20,000,000 upfront payment (of which \$500,000 was paid upon signing of the Binding Term Sheet and up to \$10,000,000 can be in Bowen Coking Coal Limited shares at the Company's election); up to \$7,500,000 in deferred milestone payments linked to both production ramp-up and time-based payments (24 and 36 months) plus up to \$70,000,000 in predominantly price-linked royalty payments on 90% of all coal produced from the Lenton Joint Venture.

Directors' Report

The transaction is conditional upon:

- New Hope Corporation and Bowen Coking Coal finalising and entering into formal transaction documents to give effect to the Binding Term Sheet;
- Bowen Coking Coal (and, potentially, New Hope Corporation) agreeing acceptable commercial arrangements with MPC Lenton Pty Ltd, a subsidiary of Formosa Plastics Group ("Formosa") in relation to the future ownership, operation and funding arrangements for the Lenton Joint Venture assets; and acceptable arrangements being put in place under the Queensland Financial Provisioning regime for resources projects in respect of the outstanding Burton rehabilitation obligations.

The formal documents will provide that completion is subject to Bowen Coking Coal Limited shareholder approvals required under the ASX Listing Rules.

On 5 August 2021 the Company issued 2,700,000 fully paid ordinary shares on the exercise of unlisted options, with 2,100,000 shares issued at \$0.07 and 600,000 shares issued at \$0.08 per share.

On 10 August 2021 the Company completed a private placement of 149,253,731 shares at \$0.067 per share, raising \$10,000,000.

On 30 August 2021, the Company completed an Entitlement Offer ('Offer'), being a fully underwritten pro-rata non-renounceable entitlement issue of Shares, of 1 New Share for every 12 Shares held by Eligible Shareholders on the Record Date, at an Issue Price of \$0.067 per New Share, to raise \$5,478,185 (before costs of the Offer). Accordingly on the same date, the Company issued 81,763,969 new shares at \$0.067 per share.

In addition, on 30 August 2021 the Company applied for the issue 30,000,000 unlisted options each exercisable at \$0.10 per share on or before 31 August 2024. 21,000,000 unlisted options were issued on this date with a further 9,000,000 unlisted options to be issued at a future date subject to shareholder approval.

During the reporting period the outbreak of what is known as the COVID-19 pandemic continued to spread, resulting in significant volatility with worldwide economies as well as there being Government imposed social distancing guidelines. Subsequent to the reporting period the COVID-19 pandemic has remained prevalent, and this may impact the results of operations of the Company in future reporting periods. Given the stage of the pandemic, the company is not in a position to reliably estimate this impact.

Other than the matters noted above, there are no material matters or circumstances that have arisen since the end of the year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Business Results

The prospects of the Group in progressing their exploration projects may be affected by a number of factors. These factors are similar to most exploration companies moving through exploration phase and attempting to get projects into development. Some of these factors include:

- Exploration - the results of the exploration activities may be such that the estimated resources are insufficient to justify the financial viability of the projects. The Group undertakes extensive exploration and product quality testing prior to establishing JORC compliant resource estimates and to (ultimately) support mining feasibility studies. The Group engages external experts to assist with the evaluation of exploration results where required and utilises third party competent persons to prepare JORC resource statements or suitably qualified senior management of the Group. Economic feasibility modelling of projects will be conducted in conjunction with third party experts and the results of which will usually be subject to independent third party peer review.
- Social Licence to Operate – the ability of the Group to secure and undertake exploration and development activities within prospective areas is also reliant upon satisfactory resolution of native title and (potentially) overlapping tenure. To address this risk, the Group develops strong, long term

Directors' Report

effective relationships with landholders with a focus on developing mutually acceptable access arrangements. The Group takes appropriate legal and technical advice to ensure it manages its compliance obligations appropriately.

- **Environmental** - All phases of mining and exploration present environmental risks and hazards. The Group's operations are subject to environmental regulations pursuant to a variety of state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The Group assesses each of its projects very carefully with respect to potential environmental issues, in conjunction with specific environmental regulations applicable to each project, prior to commencing field exploration. Periodic reviews are undertaken once field exploration commences.
- **Safety** - Safety is of critical importance in the planning, organisation and execution of the Group's exploration and development activities. The Group is committed to providing and maintaining a working environment in which its employees are not exposed to hazards that will jeopardise an employee's health, safety or the health and safety of others associated with our business. The Group recognises that safety is both an individual and shared responsibility of all employees, contractors and other persons involved with the operation of the organisation. The Group has a Safety and Health Management system which is designed to minimise the risk of an uncontrolled safety and health event and to continuously improve the safety culture within the organisation.
- **Funding** - the Group will require additional funding to continue exploration and potentially move from the exploration phase to the development phases of its projects. There is no certainty that the Group will have access to available financial resources sufficient to fund its exploration, feasibility or development costs at those times.
- **Market** - there are numerous factors involved with exploration and early stage development of its projects, including variance in commodity price and labour costs which can result in projects being uneconomical.

Environmental Issues

The Group is subject to significant environmental regulations under the (Federal, State and local) laws in Australia. The directors monitor the Group's compliance with environmental obligations. The directors are not aware of any compliance breach arising during the year and up to the date of this report.

Native Title

Mining tenements that the Group currently holds, may be subject to Native Title claims. The Group has a policy that is respectful of the Native Title rights and will, as required, negotiate with relevant indigenous bodies.

Directors' Report

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each director and other key management personnel.

The names of key management personnel of Bowen Coking Coal Ltd who have held office during the financial year are:

Nicholas Jorss	Executive Chairman
Gerhard Redelinghuys	Managing Director
Matthew Latimore	Non-Executive Director
Neville Sneddon	Non-Executive Director
Steven Formica	Non-Executive Director (resigned 31 October 2021)
James Agenbag	Non-Executive Director (resigned 31 October 2021)
Blair Sergeant	Non-Executive Director (resigned 17 September 2021)
Duncan Cornish	Company Secretary
Daryl Edwards	Chief Financial Officer

The Group's remuneration policy seeks to align director and executive objectives with those of shareholders and the business, while at the same time, recognising the early development stage of the Group and the criticality of funds being utilised to achieve development objectives. The board believes the current policy has been appropriate and effective in achieving a balance of these objectives.

The Group's remuneration policy provides for long-term incentives to be offered through a director and employee equity incentive plan. Options, shares or performance rights may be granted under this plan to align directors', executives', employees' and shareholders' interests. Two methods may be used to achieve this aim, the first being securities that vest upon reaching or exceeding specific predetermined objectives, and the second being options granted with higher exercise prices (than the share price at issue) rewarding share price growth.

The board of directors is responsible for determining and reviewing the Group's remuneration policy, remuneration levels and performance of both executive and non-executive directors. Independent external advice will be sought when required. No independent external advice was sought during the current year.

Performance-Based Remuneration

Performance-based remuneration includes both short-term and long-term incentives and is designed to reward key management personnel for reaching or exceeding specific objectives or as recognition for strong individual performance. Short-term incentives are available to eligible staff of the Group and may be comprised of cash bonuses, determined on a discretionary basis by the board. No short-term incentives were made available during the year.

Long-term incentives are currently comprised of share options and performance rights, which are granted from time-to-time to encourage sustained strong performance in the realisation of strategic outcomes and growth in shareholder value.

The exercise price of the options is determined after taking into account the underlying share price performance in the period leading up to the date of grant and if applicable, performance conditions attached to the share options. Subject to specific vesting conditions, each option is convertible into one ordinary share.

The Group's policy for determining the nature and amount of remuneration of board members and key executives is set out below.

Directors' Report

Remuneration Report (Audited) (Continued)

Directors

Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is not linked to the performance of the Group. The maximum aggregate amount of fees that can be paid to non-executive directors approved by shareholders is currently \$300,000. One-third, by number, of non-executive directors retires by rotation at the Company's Annual General Meeting. Retiring directors are eligible for re-election by shareholders at the Annual General Meeting of the Company. The appointment conditions of the non-executive directors are set out and agreed in letters of appointment.

Executives

The remuneration structure for executives is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Group.

The executives receive payments provided for under an employment or service agreement, which may include cash, superannuation, short-term incentives and equity-based performance remuneration.

The Company has entered into an employment agreement with Gerhard Redelinghuys on the following material terms.

- Position: Managing Director and CEO.
- Commencement Date: 1 June 2020.
- Notice period: The Company must give 3 months' notice to terminate the agreement other than for cause. The executive must give 3 months' notice to terminate the agreement.
- Remuneration: \$320,000 including superannuation per annum, indexed per CPI Brisbane on 1 July each year, plus an allowance of \$5,000 per annum for death & disability insurance.
- Other industry standard provisions for senior executive of a public listed company are included in the agreement.

The Company amended an employment agreement with Nicholas Jorss on the following material terms.

- Position: Executive Chairman.
- Commencement Date: 24 February 2021.
- Notice period: The Company must give 3 months' notice to terminate the agreement other than for cause. The executive must give 3 months' notice to terminate the agreement.
- Remuneration: \$200,000 per annum including superannuation per annum, indexed per CPI Brisbane on 1 July each year.

The Company has a services agreement with Corporate Administration Services Pty Ltd ("CAS") and Duncan Cornish, the Company's Company Secretary. Both the Company and CAS are entitled to terminate the agreement upon giving not less than three months' written notice. The base fee under the services agreement is \$36,000 per annum, in effect from 1 April 2021. The agreement also provides for additional services to be charged as agreed in advance.

The Company has a services agreement with Protea Resources Pty Ltd ("Protea") and Daryl Edwards, the Company's CFO. Both the Company and Protea are entitled to terminate the agreement without cause at any time upon giving not less than one month written notice. The base fee under the services agreement is \$175 per hour, in effect from 20 January 2021. The agreement also provides for additional services to be charged as agreed in advance.

Directors' Report

Remuneration Report (Audited) (Continued)

Remuneration Details of Key Management Personnel

The remuneration of the key management personnel of Bowen Coking Coal Ltd for the year ended 30 June 2021 was as follows:

Key Management Personnel	Short Term Benefits		Post-Employment		Equity-settled Share-based Payments		Total	Performance related %
	Salary & Fees	Non-cash Benefits	Super-annuation	Provision for leave entitlements	Shares	Options /Rights		
	\$	\$	\$	\$	\$	\$	\$	%
N. Jorss	117,384	-	10,495	-	-	-	127,879	0%
G. Redelinghuys	298,306	-	21,694	17,978	-	-	337,978	0%
M. Latimore	34,521	-	3,279	-	-	30,763	68,563	45%
N. Sneddon	51,479	-	4,891	-	-	-	56,370	0%
B. Sergeant	187,721	-	14,952	-	-	-	202,673	0%
S. Formica ⁽¹⁾	13,140	-	-	-	-	-	13,140	0%
J. Agenbag ⁽¹⁾	12,000	-	-	-	-	-	12,000	0%
D. Cornish	116,000	-	-	-	-	-	116,000	0%
D. Edwards ⁽²⁾	165,900	-	-	-	-	114,671	280,571	41%
Total	996,451	-	55,311	17,978	-	145,434	1,215,174	

(1) Resigned on 31 October 2020

(2) Appointed on 2 February 2021 (the above amount includes fees received prior to this date)

The remuneration of the key management personnel of Bowen Coking Coal Ltd for the year ended 30 June 2020 was as follows:

Key Management Personnel	Short Term Benefits		Post-Employment		Equity-settled Share-based Payments		Total	Performance related %
	Salary & Fees	Non-cash Benefits	Super-annuation	Provision for leave entitlements	Shares	Options /Rights		
	\$	\$	\$	\$	\$	\$	\$	%
N. Jorss	48,000	-	4,560	-	-	64,644	117,204	55.2%
G. Redelinghuys	241,258	-	18,450	28,429	-	-	288,137	0%
M. Latimore ⁽³⁾	1,187	-	113	-	-	-	1,300	0%
N. Sneddon	60,000	-	5,700	-	-	-	65,700	0%
B. Sergeant	180,822	-	17,178	1,270	-	-	199,270	0%
S. Formica	39,420	-	-	-	-	-	39,420	0%
J. Agenbag	36,000	-	-	-	-	-	36,000	0%
D. Cornish	125,000	-	-	-	-	-	125,000	0%
Total	731,687	-	46,001	29,699	-	64,644	872,031	

(3) Appointed on 17 June 2020

Directors' Report

Remuneration Report (Audited) (Continued)

The percentage of equity-based remuneration for persons who were key management personnel of the Group during the year ended 30 June 2021 is set out below:

Key Management Personnel	Proportion of Remuneration	
	Equity Based	Salary and Fees
N. Jorss	0%	100%
G. Redelinghuys	0%	100%
M. Latimore	45%	55%
N. Sneddon	0%	100%
B. Sergeant	0%	100%
S. Formica	0%	100%
J. Agenbag	0%	100%
D. Cornish	0%	100%
D. Edwards	41%	59%

Company Performance, Shareholder Wealth, and Director and Executive Remuneration

During the financial year, the Company generated losses as its principal activity was mineral exploration. As the Company is still in the exploration and development stage, the link between remuneration, company performance and shareholder wealth is tenuous. Share prices are subject to the influence of commodity prices and market sentiment towards the sector, and as such, increases and decreases might occur independent of executive performance and remuneration.

Options Held by Key Management Personnel

Details of options held directly, indirectly or beneficially by key management personnel during the year ended 30 June 2021 were as follows:

Key Management Personnel	Balance at 1 July 2020	Granted as Compensation	Acquired	Exercised	Sold	Balance at 30 June 2021	Total Vested 30 June 2021	Total Vested and Exercisable 30 June 2021
N. Jorss	30,000,000	-	-	(20,000,000)	(10,000,000)	-	-	-
G. Redelinghuys	14,000,000	-	-	(5,000,000)	(9,000,000)	-	-	-
M. Latimore	-	2,100,000	9,000,000	(9,000,000)	-	2,100,000	2,100,000	2,100,000
N. Sneddon	3,500,000	-	-	(3,500,000)	-	-	-	-
B. Sergeant	10,500,000	-	-	(10,500,000)	-	-	-	-
S. Formica ⁽¹⁾	2,100,000	-	-	(2,100,000) ⁽¹⁾	-	-	-	-
J. Agenbag ⁽¹⁾	2,100,000	-	-	(2,100,000) ⁽¹⁾	-	-	-	-
D. Cornish	3,500,000	-	-	(3,500,000)	-	-	-	-
D. Edwards	-	-	-	-	-	-	-	-
Total	65,700,000	2,100,000	9,000,000	(55,700,000)	(19,000,000)	2,100,000	2,100,000	2,100,000

(1) Options held at date of resignation and exercised before year end.

Directors' Report

Remuneration Report (Audited) (Continued)

Performance Rights Held by Key Management Personnel

Details of Performance Rights held directly, indirectly or beneficially by key management personnel during the year ended 30 June 2021 were as follows:

Key Management Personnel	Balance at 1 July 2020	Granted as Compensation	Vested	Lapsed	Balance at 30 June 2021	Total Vested 30 June 2021
D Edwards	-	12,000,000	-	-	12,000,000	-

Options Granted as Remuneration

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year are as follows:

Key Management Personnel	Number of options granted	Grant date	Vesting date	Expiry date	Exercise price	Fair Value per option at grant date
M. Latimore	2,100,000	11.11.2020	11.11.2020	31.12.2022	\$0.07	\$0.0146

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

Key Management Personnel	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year
N. Jorss	-	\$95,333	-
G. Redelinghuys	-	\$42,550	-
M. Latimore	\$30,763	-	-
N. Sneddon	-	\$29,785	-
B. Sergeant	-	\$89,355	-
D. Cornish	-	\$29,785	-

No options have been granted to Key Management Personnel since the end of the financial year.

Performance Rights Granted as Remuneration

The terms and conditions of each grant of performance right over ordinary shares affecting remuneration of directors and other key management personnel in this financial year are as follows:

Key Management Personnel	Number of Performance rights granted	Grant date	Expiry date	Exercise price	Fair Value per option at grant date
D. Edwards	4,000,000	01.02.2021	31.12.2022	\$Nil	\$0.05
D. Edwards	4,000,000	01.02.2021	31.12.2023	\$Nil	\$0.05
D. Edwards	4,000,000	01.02.2021	31.12.2024	\$Nil	\$0.05

Directors' Report

Values of performance rights over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

Key Management Personnel	Value of performance rights granted during the year	Value of performance rights vested during the year	Value of performance rights lapsed during the year
D. Edwards	\$114,671	-	-

No performance rights have been granted to Key Management Personnel since the end of the financial year.

Shares Held by Key Management Personnel

Details of shares held directly, indirectly or beneficially by key management personnel during the year ended 30 June 2021 were as follows:

Key Management Personnel	Balance at 1 July 2020	Granted as Compensation	Other Changes	Balance at 30 June 2021
N. Jorss	40,957,120	-	20,000,000	60,957,120
G. Redelinghuys ⁽¹⁾	111,882,826	-	5,567,042	117,449,868
M. Latimore	123,225,840	-	33,094,886	156,320,726
N. Sneddon	3,380,952	-	3,500,000	6,880,952
B. Sergeant	11,335,000	-	10,500,000	21,835,000
S. Formica ⁽²⁾	9,407,100	-	-	9,407,100
J. Agenbag ^(1,2)	110,357,826	-	272,742	110,630,568
D. Cornish	2,380,952	-	4,000,000	6,380,952
D. Edwards ⁽³⁾	-	-	-	-

(1) 110,630,568 (110,357,826 at 1 July 2020) of these shares are held by both Gerhard Redelinghuys and James Agenbag through their respective associations with Cape Coal Pty Ltd

(2) Held at date of resignation

(3) Held at date of appointment

Other transactions with Key Management Personnel

There have been no other transactions with key management personnel during the year ended 30 June 2021.

End of Remuneration Report (Audited)

Options and Performance Rights

At the date of this report, the unissued ordinary shares of the Company under options are as follows:

Unlisted Options

Issue Date	Expiry Date	Exercise Price	No. Under Option
3 July 2020	30 September 2023	\$0.08	700,000
31 August 2021	31 August 2024	\$0.10	21,000,000
TOTAL			21,700,000

Directors' Report

At the date of this report, there are 20,000,000 unlisted performance rights on issue, with various vesting conditions and expiry dates.

There have been no unissued shares or interests under option of any controlled entity within the Group during or since reporting date. Option holders do not have any rights to participate in any share issue or other interests in the Company or any other entity.

Directors' Meetings

The meetings (held while a director) attended by each director during the financial year were:

Directors	Board		Remuneration	
	Meetings	Attended	Meetings	Attended
Nicholas Jorss	8	8	-	-
Gerhard Redelinghuys	8	8	-	-
Matthew Latimore	8	8	-	-
Neville Sneddon	8	8	-	-
Blair Sergeant	8	8	-	-
Steven Formica	4	4	-	-
James Agenbag	4	4	-	-

It is noted that the Directors were able to attend to business of the Company during the year by circulated resolution and telephone meetings as permitted by the Company's Constitution in place of conducting meetings.

The Company does not have an audit committee. The Board is of the opinion that due to the nature and size of the Company, the functions performed by an audit committee can be adequately handled by the full Board. At such time when the Company is of sufficient size, a separate Audit and Risk Management Committee will be formed.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Bowen Coking Coal Ltd support and, where practicable or appropriate, have adhered to the ASX Principles of Corporate Governance. The Company's Corporate Governance Statement is lodged separately on the ASX and can be found on the Company's website (www.bowencokingcoal.com.au).

Indemnifying Directors and Auditors

The Company has entered into a Deed with each of the Directors (and the Company Secretary) whereby the Company has agreed to provide certain indemnities to each Director (and the Company Secretary) to the extent permitted by the Corporations Act and to use its best endeavours to obtain and maintain directors' and officers' indemnity insurance, subject to such insurance being available at reasonable commercial terms.

The Company has paid premiums to insure each of the directors (and the Company Secretary) of the Company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director (or Company Secretary) of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The contracts include a prohibition on disclosure of the premium paid and nature of the liabilities covered under the policy.

The Company has not given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums in respect of any person who is or has been an auditor of the Company or a related entity during the year and up to the date of this report.

Directors' Report

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Non-Audit Services

During the financial year, RSM Australia provided tax services to the value of \$nil (2020: \$6,500).

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is attached to and forms part of this financial report.

Signed in accordance with a resolution of the board of directors.



Gerhard Redelinghuys, Director

23 September 2021

Brisbane, Queensland

Auditor's Independence Declaration



RSM Australia Partners

Level 6, 340 Adelaide Street Brisbane QLD 4000
GPO Box 1108 Brisbane QLD 4001

T +61 (0) 7 3225 7800
F +61 (0) 7 3225 7880

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Bowen Coking Coal Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

Albert Loots
Partner

Brisbane, Queensland
Dated: 23 September 2021

THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

For personal use only

Shareholder Information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 20 September 2021.

(a) Distribution of equity securities

The number of holders, by size of holding, in each class of security are:

	Ordinary Shares		Unlisted Options (\$0.08 @ 30-Sep-23)	
	No. Holders	No. Shares	No. Holders	No. Options
1 - 1,000	150	31,148	-	-
1,001 - 5,000	90	316,092	-	-
5,001 - 10,000	156	1,271,746	-	-
10,001 - 100,000	601	26,219,557	-	-
100,001 and over	460	1,184,341,419	1	700,000
Total	1,457	1,212,179,962	1	700,000

	Unlisted Options (\$0.10 @ 31-Aug-24)		Performance Rights	
	No. Holders	No. Options	No. Holders	No. Rights
1 - 1,000	-	-	-	-
1,001 - 5,000	-	-	-	-
5,001 - 10,000	-	-	-	-
10,001 - 100,000	-	-	-	-
100,001 and over	1	21,000,000	2	20,000,000
Total	1	21,000,000	2	20,000,000

There are 191 shareholders holding less than a marketable parcel of 3,225 shares.

Shareholder Information

(b) Twenty Largest Shareholders

The names of the twenty largest holders of Quoted Ordinary Shares are:

#	Registered Name	Number of Shares	% of total Shares
1	LATIMORE FAMILY PTY LTD *	154,325,194	12.7%
2	CAPE COAL PTY LTD *	119,849,774	9.9%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED *	105,994,922	8.7%
4	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD	82,332,144	6.8%
5	CITICORP NOMINEES PTY LIMITED	62,620,079	5.2%
6	OLD FORRESTER PTY LTD *	44,807,470	3.7%
7	ST LUCIA RESOURCES CAPITAL FUND PTY LTD	40,439,261	3.3%
8	CS THIRD NOMINEES PTY LIMITED	24,805,452	2.0%
9	RIO SUPER PTY LTD	23,654,584	2.0%
10	NORFOLK ENCHANTS PTY LTD	21,843,388	1.8%
11	OLROSS INVESTMENTS PTY LIMITED	21,666,667	1.8%
12	SAS INVESTMENTS PTY LTD	21,000,000	1.7%
13	BRAZIL FARMING PTY LTD *	17,300,000	1.4%
14	MAYFAIR VENTURES PTE LTD	16,159,746	1.3%
15	BOND STREET CUSTODIANS LIMITED	15,921,662	1.3%
16	M RESOURCES PTY LTD	15,022,261	1.2%
17	STEV SAND INVESTMENTS PTY LTD	12,794,145	1.1%
18	WISHART FAMILY SUPER PTY LTD	11,387,368	0.9%
19	MR DEAN FIRMIN	10,672,451	0.9%
20	FIRST ONE REALTY PTY LTD	8,997,403	0.7%
	TOP 20 TOTAL	831,593,971	68.6%
	Total of Securities	1,212,179,962	100.0%

*Denotes merged holding

Shareholder Information

(c) Substantial Shareholders

The Company has received substantial shareholder notices from the following entities:

Name of Shareholder	Ordinary Shares	% of total Shares
M Resources Pty Ltd and Matthew Latimore	171,622,455	14.16%
Cape Coal Pty Ltd and Gerhard Redelinghuys	127,237,358	10.50%
Ilwella Pty Ltd	104,477,612	8.62%
Crocodile Capital (and associated entities)	82,188,223	6.78%
Nicholas Jorss	66,036,882	5.45%

The Company notes that, as at the date of this report, the following shareholders own substantial shareholdings ($\geq 5.0\%$) in Bowen Coking Coal Ltd:

Name of Shareholder	Ordinary Shares	% of total Shares
M Resources Pty Ltd and Matthew Latimore	171,622,455	14.16%
Cape Coal Pty Ltd and Gerhard Redelinghuys	127,237,358	10.50%
HSBC Custody Nominees (Australia) Limited	105,994,922	8.74%
BNP Paribas Nominees Pty Ltd Six Sis Ltd	82,332,144	6.79%
Nicholas Jorss	66,036,882	5.45%

(d) Voting rights

All ordinary shares carry one vote per share without restriction.

Options and performance rights do not carry voting rights.

(e) Restricted securities

As at the date of this report, there are no ordinary shares subject to ASX escrow.

(f) On-market buy back

There is not a current on-market buy-back in place.

(g) Business objectives

The Group has used its cash and assets that are readily convertible to cash in a way consistent with its business objectives.

Interests in Tenements

Bowen Coking Coal Ltd held the following interests in tenements as at the date of this report:

Country	Location	Project	Tenement	Status	Current Interest (%)
Australia	Queensland	Cooroorah	MDL 453	Granted	100%
Australia	Queensland	Mt Hillalong	EPC 1824	Granted	90%*
Australia	Queensland	Hillalong East	EPC 2141	Granted	90%*
Australia	Queensland	Carborough	EPC 1860	Granted	100%
Australia	Queensland	Lilyvale	EPC 1687	Granted	15%
Australia	Queensland	Lilyvale	EPC 2157	Granted	15%
Australia	Queensland	Mackenzie	EPC 2081	Granted	5%
Australia	Queensland	Comet Ridge	EPC 1230	Granted	100%
Australia	Queensland	Isaac River	MDL 444	Granted, under renewal	100%
Australia	Queensland	Isaac River	EPC 830	Granted	100%
Australia	Queensland	Isaac River	ML 700062	Application	100%
Australia	Queensland	Isaac River	ML 700063	Application	100%
Australia	Queensland	Broadmeadow East	ML 70257	Granted	100%

* Sumitomo Corporation elected to proceed with the Hillalong Joint Venture ("Hillalong JV") following the completion of the \$2.5m Phase 1 exploration program at Hillalong, resulting in Sumitomo solidifying a 10% interest in the Project. Completion of the first 10% transfer was completed on 13 April 2021. Sumitomo Corporation is currently earning-in for a further 5% by spending \$2.5m under Phase 2a of the Farm-In Agreement. Post the completion of Phase 2a, Sumitomo has the option to obtain an additional 5% (for a total interest of 20%) in the project by spending a further \$2.5m on Phase 2b exploration.

Annual Mineral Resources Statement

Resources Statement on 30 June 2021 (JORC 2012, Mt) * Includes 28Mt attributable to Stanmore Coal Ltd as part of the Lilyvale Joint Venture and 4Mt attributable to Sumitomo as part of the Hillalong Joint Venture

Resources Statement as at 30 June 2021 (JORC 2012, Mt)

Project	Tenement	Measured Resource	Indicated Resource	Inferred Resource	Total	% Holding
Broadmeadow East	ML70257	6	4	23	33	100%
Cooroorah	MDL 453		96	81	177	100%
Lilyvale	EPC 1687 & 2157			33	33	15%
Comet Ridge	EPC 1230	8	9	43	60	100%
Isaac River	MDL 444 / MLA700062 & EPC830	6	3	0	9	100%
Hillalong	EPC2141 & 1824		21	22	43	90%**
TOTAL		20	135	202*	355*	

* Includes 28Mt attributable to Stanmore Coal Ltd as part of the Lilyvale Joint Venture

**Includes 4Mt attributable to Sumitomo Corporation following the completion of the Phase 1 farm in. See ASX release 4 May 2020, 9 June 2020 and 11 December 2020.

Resources Statement as at 30 June 2020 (JORC 2012, Mt)

Project	Tenement	Measured Resource	Indicated Resource	Inferred Resource	Total	% Holding
Cooroorah	MDL 453		96	81	177	100%
Lilyvale	EPC 1687 & 2157			33	33	15%
Comet Ridge	EPC 1230	8	9	43	60	100%
Isaac River	MDL 444 / MLA700062 & EPC830	6	3	0	9	100%
Hillalong	EPC2141 & 1824		21	22	43	100%**
TOTAL		14	129	179*	322*	

* Includes 28Mt attributable to Stanmore Coal Ltd as part of the Lilyvale Joint Venture

**Includes 4Mt attributable to Sumitomo Corporation following the completion of the Phase 1 farm in. See ASX release 4 May 2020 and 9 June 2020.

Movements:

On 30 September 2020 the Company announced the completion of the Broadmeadow East acquisition. See ASX release 30 September 2020 "Broadmeadow East Coking Coal Project Acquisition Completed"

Annual Mineral Resources Statement

The Group regularly reviews its Mineral Resources and Reserves to assess their reasonableness, engaging suitably qualified competent persons where required. A summary of the governance and controls applicable to the Group's Mineral Resources and Reserves processes is as follows:

- Review and validation of drilling and sampling methodology and data spacing, geological logging, data collection and storage, sampling and analytical quality control;
- Geological interpretation — review of known and interpreted structure, lithology and weathering controls;
- Estimation methodology — relevant to mineralisation style and proposed mining methodology;
- Comparison of estimation results with previous mineral resource models, and with results using alternate modelling methodologies;
- Visual validation of block model against raw composite data; and
- Peer review by independent consultants as required.

This Annual Mineral Resources and Ore Reserves Statement:

- is based on, and fairly represents, information and supporting documentation prepared by competent persons (referred to on page 2); and
- has been approved by Mr Troy Turner who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Turner, Managing Director and a fulltime employee of Xenith Consulting Pty Ltd, has sufficient experience that is relevant to the styles of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Turner has approved this Annual Mineral Resources and Ore Reserves Statement as a whole in the form and context in which it appears in this Annual Report.

For personal use only

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue	2	531	120,840
Corporate and administrative expenses	3	(1,699,722)	(989,446)
Employee benefits expense	3	(896,093)	(807,795)
Depreciation and amortisation expense		(25,713)	-
Exploration expense		(25,784)	(182,535)
Finance Cost		(5,682)	-
Share of loss of joint ventures accounted for using equity method		(65,001)	-
Share-based payments	24	(506,904)	(198,876)
Loss before income tax expense		(3,224,368)	(2,057,812)
Income tax expense	4	-	-
Loss for the year		(3,224,368)	(2,057,812)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(3,224,368)	(2,057,812)
Total comprehensive loss for the year attributable to the owners of the Company		(3,224,368)	(2,057,812)
Loss per share attributable to owners of the parent company		Cents	Cents
Basic earnings per share	20	(0.35)	(0.26)
Diluted earnings per share	20	(0.35)	(0.24)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2021

	Note	30 June 2021	30 June 2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	5	2,997,030	2,394,319
Trade and other receivables	6	150,126	164,260
Prepayments	7	23,142	19,849
Total Current Assets		3,170,298	2,578,428
NON-CURRENT ASSETS			
Receivables	6	133,000	-
Exploration and evaluation assets	8	12,648,191	9,117,268
Property, plant & equipment	9	8,758	-
Right of use asset	10	125,930	-
Other	7	206,824	-
Total Non-Current Assets		13,122,703	9,117,268
TOTAL ASSETS		16,293,001	11,695,696
CURRENT LIABILITIES			
Trade and other payables	11	948,191	730,047
Lease Liability	12	46,738	-
Other	13	-	485,000
Total Current Liabilities		994,929	1,215,047
NON-CURRENT LIABILITIES			
Investments accounted for using the equity method	14	65,000	-
Lease Liability	12	82,797	-
Provisions	15	201,324	-
Total Non-Current LIABILITES		349,121	-
TOTAL LIABILITIES		1,344,050	1,215,047
NET ASSETS		14,948,951	10,480,649
EQUITY			
Issued capital	16	63,917,409	56,399,643
Reserves	17	755,943	581,039
Accumulated losses		(49,724,401)	(46,500,033)
TOTAL EQUITY		14,948,951	10,480,649

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity For the Year Ended 30 June 2021

	Note	Issued Capital	Reserves	Accumulated Losses	Total Equity
		\$	\$	\$	\$
Balance at 30 June 2019		53,398,058	471,863	(44,442,221)	9,427,700
Loss for the year		-	-	(2,057,812)	(2,057,812)
Total comprehensive loss		-	-	(2,057,812)	(2,057,812)
Issue of shares	16	500,000	-	-	500,000
Exercise of options	16	2,489,760	-	-	2,489,760
Conversion of performance shares	16	89,700	(89,700)	-	-
Share-based payments	24	-	198,876	-	198,876
Share issue costs		(77,875)	-	-	(77,875)
Balance at 30 June 2020		56,399,643	581,039	(46,500,033)	10,480,649
Loss for the year		-	-	(3,224,368)	(3,224,368)
Total comprehensive loss		-	-	(3,224,368)	(3,224,368)
Issue of shares	16	5,250,000	-	-	5,250,000
Exercise of options	16	2,106,660	-	-	2,106,660
Conversion of performance shares	16	332,000	(332,000)	-	-
Share-based payments	24	-	506,904	-	506,904
Share issue costs		(170,894)	-	-	(170,894)
Balance at 30 June 2021		63,917,409	755,943	(49,724,401)	14,948,951

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2021

		2021	2020
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest receipts		531	20,840
Other receipts/payments		-	41,199
Payments to suppliers and employees		(2,711,343)	(1,694,909)
Net cash used in operating activities	19	(2,710,812)	(1,632,870)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation assets		(3,077,371)	(1,470,881)
Payments for property, plant and equipment		(9,533)	-
Payments for bonds		(206,824)	-
Payments for loans to joint venture		(66,500)	-
Payments for exploration costs recoverable from farmee		(1,463,210)	(2,500,000)
Receipts for exploration costs from farmee		1,463,210	2,500,000
Net cash used in investing activities		(3,360,228)	(1,470,881)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares and options		6,871,659	2,989,760
Payments for capital raising costs		(170,894)	(20,000)
Payments for leases		(27,014)	-
Receipts from share placement applications			485,000
Net cash provided by financing activities		6,673,751	3,454,760
Net increase in cash held		602,711	351,009
Cash at beginning of the year		2,394,319	2,043,310
Cash at end of the year	5	2,997,030	2,394,319

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board. Bowen Coking Coal Ltd is a for-profit entity for the purpose of preparing the financial statements. The financial statements are presented in Australian dollars.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The financial statements are for the consolidated entity consisting of Bowen Coking Coal Ltd and its Controlled Entities (the Group). Bowen Coking Coal Ltd is a listed public company, incorporated and domiciled in Australia. The financial report was authorised for issue on 23 September 2021 by the directors of the Company.

Separate financial statements for Bowen Coking Coal Ltd as an individual entity are no longer presented following a change to the Corporations Act 2001. However, financial information required for Bowen Coking Coal Ltd as an individual entity is included in Note 30.

Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit orientated entities. These financial statements and notes also comply with the International Financial Reporting Standards and Interpretations as issued by the International Accounting Standards Board ('IASB').

Historical Cost Convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

Going Concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

For the year ended 30 June 2021 the Group generated a consolidated loss of \$3,224,368 and incurred operating cash outflows of \$2,710,812. As at 30 June 2021 the Group has cash and cash equivalents of \$2,997,030 and net assets of \$14,948,951.

The Group's ability to continue to adopt the going concern assumption will depend upon the Group being able to manage its liquidity requirement and by taking some or all of the following actions:

1. raising additional capital;
2. successful exploration and subsequent exploitation of the Group's tenements; and
3. reducing its working capital expenditure.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Going Concern (Continued)

After taking into account the \$15.4m capital raising since year end, and the Group's ability to reduce its working capital requirement if needed, the directors have a reasonable expectation that the Group will have adequate resources to fund its future operational requirements and for these reasons they continue to adopt the going concern basis in preparing the financial report.

Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Bowen Coking Coal Ltd ("Company" or "parent entity") as at 30 June 2021, and the results of all subsidiaries for the year then ended. Bowen Coking Coal Ltd and its subsidiaries together are referred to in these financial statements as the Group.

The names of the subsidiaries are contained in Note 27. All subsidiaries in Australia have a 30 June financial year end and are accounted for by the parent entity at cost.

Subsidiaries are all entities over which the Group has control. The Group has control over an entity when the Group is exposed to, or has a right to, variable returns from its involvement with the entity, and has the ability to use its power to affect those returns. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

Changes in ownership interests

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in the carrying amount recognised in profit or loss.

The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of geographical locations as these locations have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis. Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are similar with respect to any external regulatory requirements. Management currently identifies the Group as having only one reportable segment, being the exploration of mineral projects in Australia.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Income Tax**

The income tax expense/income for the period comprises current income tax expense/income and deferred tax expense/income. Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/assets are therefore measured at the amounts expected to be paid to/recovered from the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses. Current and deferred income tax expense/income is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

The Company and its Australian 100% owned controlled entities have formed a tax consolidated group.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Exploration and Evaluation Assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

A regular review will be undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. A provision is raised against exploration and evaluation assets where the directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses. The increase in the provision is charged against the results for the year. Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restoration Costs

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the exploration and mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

The Group is not currently liable for any future restoration costs in relation to current areas of interest. Consequently, no provision for restoration has been deemed necessary.

Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets. Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value or amortised cost using the effective interest rate method. Fair value is the price that would be received to sell an asset or paid to transfer an asset. Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (d) less any reduction for impairment.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Financial Instruments** (Continued)

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of less than 3 months.

Issued Capital

Ordinary shares are classified as equity. Transaction costs (net of tax where the deduction can be utilised) arising on the issue of ordinary shares are recognised in equity as a reduction of the share proceeds received.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Share-Based Payments**

The Group makes equity-settled share-based payments to directors, employees and other parties for services provided or the acquisition of exploration assets. Where applicable, the fair value of the equity is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using the Black and Scholes option valuation pricing model which incorporates all market vesting conditions. Where applicable, the number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Where the fair value of services rendered by other parties can be reliably determined, this is used to measure the equity-settled payment.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST (or overseas VAT), except where the amount of GST incurred is not recoverable. In these circumstances the GST (or overseas VAT) is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis except for the GST component of investing and financing activities which are disclosed as operating cash flows.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture.

Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

Foreign Currency Transactions and Balances

Functional and presentation currency

The functional and presentation currency of Bowen Coking Coal Ltd and its Australian subsidiaries is Australian dollars (\$A).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were measured. Exchange differences arising on the translation of monetary items are recognised in profit or loss.

Group Companies

The financial results and position of foreign operations whose functional currency is not Australian dollars are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period;
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are recognised in other comprehensive income.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Employee Benefits***Short-term employee benefit obligations*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled wholly within 12 months after the end of the reporting period are recognised in liabilities in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year adjusted for any bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Provisions**

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment 5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New and Amended Standards and Interpretations for Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021.

The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Judgements:

Exploration and Evaluation Assets

The Group performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of exploration and drilling results performed to reporting date. Exploration and evaluation assets as at 30 June 2021 were \$12,648,191.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Critical Accounting Estimates and Judgements (continued)

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Refer Note 24 for further information.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Rehabilitation provision

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The consolidated entity's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The consolidated entity recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

NOTE 2: REVENUE

	2021	2020
	\$	\$
Revenue from operating activities:		
Interest received from other persons	531	20,840
Cash flow boost	-	100,000
	531	120,840

NOTE 3: EXPENSES

	2021	2020
	\$	\$
Included in expenses are the following items:		
Accounting and audit fees	78,283	68,020
ASX, ASIC, share registry expenses	101,248	124,183
Consulting fees	1,008,632	200,817
Insurance	75,102	57,329
Legal fees	289,917	367,035
Marketing	27,796	17,671
Occupancy costs	60,440	28,694
Travel expenses	19,020	68,866
Superannuation expense	55,311	46,001
Provision for leave entitlements	11,531	-

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 4: INCOME TAX EXPENSE

Recognised in the Statement of profit or loss

	2021	2020
	\$	\$
a) Tax expense		
Current tax expense	-	-
Deferred tax expense	-	-
Total income tax expense per the Statement of profit or loss	-	-
b) Numerical reconciliation between tax expense and pre-tax net profit or (loss)		
Net loss before tax	(3,224,368)	(2,057,812)
<i>Corporate tax rate applicable</i>	<i>30%</i>	<i>30%</i>
Income tax benefit on above at applicable corporate rate	(967,310)	(617,344)
Increase in income tax due to tax effect of:		
Share-based payments expense	152,071	59,663
Non-deductible expenses	83,975	718
Current year tax losses not recognised	756,415	648,197
Movement in unrecognised temporary differences	37,942	-
Decrease in income tax expense due to:		
Non-assessable income	-	(29,976)
Deductible equity raising costs	(63,093)	(61,258)
Income tax expense attributable to entity	-	-
Deferred tax assets and liabilities		
(c) Recognised deferred tax assets and liabilities	30%	30%
Deferred tax assets		
Employee provisions	15,121	11,662
Other provisions and accruals	12,435	11,613
Plant & Equipment	(2,627)	-
Blackhole – previously expensed	157,498	62,616
Tax losses	1,946,402	1,281,449
	2,128,829	1,367,340
Set-off of deferred tax liabilities	(2,128,829)	(1,367,340)
Net deferred tax assets	-	-

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 4: INCOME TAX EXPENSE (Continued)

	2021	2020
	\$	\$
(c) Recognised deferred tax assets and liabilities (Continued)		
Deferred tax liabilities		
Prepayments	(6,943)	(97)
Exploration and mine properties	(2,121,886)	(1,367,243)
Gross deferred tax liabilities	(2,128,829)	(1,367,340)
Set-off of deferred tax assets	2,128,829	1,367,340
Net deferred tax liabilities	-	-

(d) Unused tax losses and temporary differences for which no deferred tax assets has been recognised

Deferred tax assets have not been recognised in respect of the following using corporate tax rates of:	30%	30%
Deductible temporary differences	148,208	122,092
Tax revenue losses	5,280,653	4,548,210
Tax capital losses	1,104,890	1,104,890
Total unrecognised deferred tax assets	6,533,751	5,775,192

The corporate tax rates on both recognised and unrecognised deferred tax assets and deferred tax liabilities have been calculated with respect to the tax rate that is expected to apply in the year the deferred tax asset is realised or the liability is settled.

NOTE 5: CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
Cash at bank and on hand	2,895,033	1,527,604
Short term deposits	101,997	866,715
	2,997,030	2,394,319

NOTE 6: RECEIVABLES

	2021	2020
	\$	\$
Current:		
Other receivables	150,126	164,260
	150,126	164,260
Non-Current:		
Receivable from joint venture entities	133,000	-
	133,000	-

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 7: OTHER ASSETS

	2021	2020
	\$	\$
Current:		
Prepayments	23,142	19,849
	23,142	19,849
Non-Current:		
Rental bonds	5,500	-
Security deposit	201,324	-
	206,824	-

NOTE 8: EXPLORATION AND EVALUATION ASSETS

	2021	2020
	\$	\$
Exploration and evaluation expenditure carried forward in respect of areas of interest are:		
Acquisitions - at cost	5,521,320	4,319,997
Exploration and evaluation phase - at cost	7,126,871	4,797,271
	12,648,191	9,117,268
Movement in exploration and evaluation assets:		
Acquisitions:		
Opening balance - at cost	4,319,997	4,219,997
Acquisition costs during the period	1,201,323	100,000
Total acquisitions costs	5,521,320	4,319,997
Exploration and evaluation phase – at cost:		
Opening balance - at cost	4,797,271	3,305,013
Capitalised exploration expenditure	2,329,600	1,492,258
Total exploration and evaluation phase – at cost:	7,126,871	4,797,271
Carrying amount at the end of the year	12,648,191	9,117,268

NOTE 9: PROPERTY PLANT AND EQUIPMENT

	2021	2020
	\$	\$
Office Equipment – at cost	9,533	-
Less: Accumulated depreciation	(775)	-
	8,758	-

NOTE 10: RIGHT OF USE ASSET

	2021	2020
	\$	\$
Land and buildings – right of use	150,867	-
Less: Accumulated depreciation	(24,937)	-
	125,930	-

The Group has recognised a right of use asset in relation to premises the entity leases for its corporate office under a three year agreement commencing on 1 January 2021.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 11: TRADE AND OTHER PAYABLES

	2021	2020
	\$	\$
Current:		
Trade payables and accrued expenses	622,959	691,174
Farm-in funds received in advance	274,828	-
Short term employee benefits	50,404	38,873
Total payables (unsecured)	<u>948,191</u>	<u>730,047</u>

The average credit period on purchases of goods and services is 30 days. No interest is paid on trade payables.

Refer Note 26 for further information on Financial Instruments.

NOTE 12: LEASE LIABILITIES

	2021	2020
	\$	\$
Current:		
Lease Liability	46,738	-
	<u>46,738</u>	<u>-</u>
Non-Current:		
Lease Liability	82,797	-
	<u>82,797</u>	<u>-</u>

Refer Note 26 for further information on Financial Instruments.

NOTE 13: OTHER CURRENT LIABILITIES

	2021	2020
	\$	\$
Current:		
Partial proceeds from placement completed in July 2020	-	485,000
	<u>-</u>	<u>485,000</u>

NOTE 14: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2021	2020
	\$	\$
Investment in Joint Ventures	65,000	-
	<u>65,000</u>	<u>-</u>

Refer Note 28 for further information on investments accounted for using the equity method.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 15: PROVISIONS

	2021	2020
	\$	\$
Rehabilitation provision	201,324	-
	201,324	-

On 24 June 2020 the Company announced that it had executed binding agreements with Peabody (Burton Coal) Pty Ltd ("Peabody"), a wholly owned subsidiary of US headquartered Peabody Energy Corporation, to acquire the Broadmeadow East coking coal project, located within undeveloped Mining Lease 70257 ("ML", "Project" or "Broadmeadow East").

The transaction includes access rights to both the New Lenton Joint Venture Coal Handling and Preparation Plant ("CHPP") and the Train Load Out Facility ("TLO"), which are connected by an established haul road passing immediately adjacent to ML 70257. The Company has secured throughput capacity of a minimum of 1Mtpa, with the ability to potentially increase this capacity to a total of 2Mtpa, subject to agreement.

Total consideration payable for the above-mentioned assets included assumption of environmental rehabilitation obligations. The provision represents the presents the estimated costs of future rehabilitation of this asset.

NOTE 16: CONTRIBUTED EQUITY

Fully paid ordinary shares

	2021		2020	
	No. of Shares	\$	No. of Shares	\$
Balance at the beginning of the year	803,762,262	56,399,643	706,274,262	53,398,058
Share issues:				
Placement - 7 August 2019 (a)	-	-	10,000,000	500,000
Conversion of Class A performance shares - 19 August 2019 (b)	-	-	13,000,000	89,700
Exercise of 2.0c options: July to October 2019 (c)	-	-	24,488,000	489,760
Exercise of 4.0c options: July to October 2019 (d)	-	-	50,000,000	2,000,000
Placement – 3 July 2020 (e)	45,000,000	2,250,000	-	-
Placement – 9 November 2020 (f)	60,000,000	3,000,000	-	-
Exercise of 2.5c options: 12 December 2020 (g)	10,000,000	250,000	-	-
Exercise of 3.0c options: 12 December 2020 (h)	10,000,000	300,000	-	-
Exercise of 3.5c options: 12 December 2020 (i)	10,000,000	350,000	-	-
Exercise of 3.38c options: February to June 2021 (j)	35,700,000	1,206,660	-	-
Performance rights conversion (k)	4,000,000	332,000	-	-
Transaction costs associated with share issues	-	(170,894)	-	(77,875)
Balance as at 30 June	978,462,262	63,917,409	803,762,262	56,399,643

Ordinary shareholders are entitled to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amount paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll. Ordinary shares have no par value.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 16: CONTRIBUTED EQUITY (Continued)

Notes for the above table:

- (a) 10,000,000 shares issued at \$0.05 each in the placement on 7 August 2019, raising \$500,000.
- (b) 13,000,000 Class A performance shares with a fair value of \$89,700 converted into ordinary shares at no consideration.
- (c) 24,488,000 shares were issued upon exercise of options at \$0.02 each between July and October 2019, raising \$489,760.
- (d) 50,000,000 shares were issued upon exercise of options at \$0.04 each between July and October 2019, raising \$2,000,000.
- (e) 45,000,000 shares were issued at \$0.05 each in the placement on 03 July 2020, raising \$2,250,000.
- (f) 60,000,000 shares issued at \$0.05 each in the placement on 9 November 2020, raising \$3,000,000.
- (g) 10,000,000 shares were issued upon exercise of options at \$0.025 each on 12 December 2020, raising \$250,000.
- (h) 10,000,000 shares were issued upon exercise of options at \$0.03 each on 12 December 2020, raising \$300,000.
- (i) 10,000,000 shares were issued upon exercise of options at \$0.035 each on 12 December 2020, raising \$350,000.
- (j) 35,700,000 shares were issued upon exercise of options at \$0.0338 each between February 2021 to June 2021, raising \$1,206,660.
- (k) 4,000,000 performance rights with a fair value of \$332,000 converted into ordinary shares at no consideration.

Listed Options

	Note	Weighted average exercise price	2021 No. of Options	Weighted average exercise price	2020 No. of Options
Listed Share Options		0.00	-	\$0.04	50,000,000
Balance at the beginning of the year		0.00	-		-
Options exercised		0.00	-	\$0.04	(50,000,000)
Exercisable at end of year		-	-	-	-

Unlisted Options

	Note	Weighted average exercise price	2021 No. of Options	Weighted average exercise price	2020 No. of Options
Unlisted Share Options		\$0.074	3,400,000	\$0.032	65,700,000
Balance at the beginning of the year		\$0.032	65,700,000	\$0.029	90,378,000
Change of options during the year:					
Issued during the year		\$0.074	3,400,000	-	-
Exercised during the year		\$0.032	(65,700,000)	\$0.02	(24,488,000)
Options lapsed				\$0.02	(190,000)
Exercisable at end of year		\$0.074	3,400,000	\$0.032	65,700,000

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 16: CONTRIBUTED EQUITY (Continued)

Performance Shares

	Note	Weighted average exercise price	2021 No. of Performance Shares	Weighted average exercise price	2020 No. of Performance Shares
Unlisted Performance Shares		-	-	-	-
Balance at the beginning of the year		-	-	-	13,000,000
Changes of Performance Shares during the year:					
Converted		-	-	-	(13,000,000)
Balance at end of year		-	-	-	-

Performance Rights

	Note	Weighted average exercise price	2021 No. of Performance Rights	Weighted average exercise price	2020 No. of Performance Rights
Unlisted Performance Rights		-	20,000,000	-	12,000,000
Balance at the beginning of the year		-	12,000,000	-	-
Changes of Performance Rights during the year:					
Issued			12,000,000		12,000,000
Converted		-	(4,000,000)	-	-
Balance at end of year		-	20,000,000	-	12,000,000

Capital Management

Exploration companies such as Bowen Coking Coal Ltd are funded almost exclusively by share capital. Management controls the capital of the Group to ensure it can fund its operations and continue as a going concern. Capital management policy is to fund its exploration activities principally by way of equity, and where required, debt and/or project finance. No dividend will be paid while the Group is in exploration stage. There are no externally imposed capital requirements.

There have been no other changes to the capital management policies during the year.

NOTE 17: RESERVES

Share-Based Payments Reserve

The share-based payment reserve is used to recognise the fair value of options and performance shares issued to consultants. This reserve can be reclassified as retained earnings if options lapse.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 18: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on geographic basis, that is, the location of the respective areas of interest (tenements) in Australia. Operating segments are determined on the basis of financial information reported to the board of directors which is at the consolidated entity level. The Group does not have any products or services that it derives revenue from. The Group's exploration and development activities in Australia is the Group's sole focus.

Accordingly, management currently identifies the Group as having only one reportable segment, being the exploration of mineral projects in Australia. There have been no changes in the reporting segments during the year. Accordingly, all significant operating decisions are based upon analysis of the consolidated entity as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

NOTE 19: CASH FLOW INFORMATION

	2021	2020
	\$	\$
A. Reconciliation of Cash Flow from Operations with Loss after Income Tax:		
Loss after income tax	(3,224,368)	(2,057,812)
Non-cash flows in loss from ordinary activities:		
Amortisation and depreciation	25,713	-
Interest on lease payments	5,682	-
Share-based payments	506,904	198,876
Changes in operating assets and liabilities:		
(Increase)/Decrease in receivables	12,634	(74,814)
(Increase)/Decrease in prepayments and other assets	(3,293)	(4,069)
Increase/(decrease) in payables and accruals	(45,615)	304,949
Increase/(decrease) in provisions	11,531	-
Net cash used in operations	(2,710,812)	(1,632,870)

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 20: EARNINGS PER SHARE

	2021	2020
	\$	\$
Net loss used in the calculation of basic and diluted EPS attributable to owners of the parent company	(3,224,368)	(2,057,812)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	910,093,769	779,784,232
Weighted average number of ordinary shares outstanding during the period used in the calculation of diluted EPS	910,093,769	854,959,642

Options are considered potential ordinary shares. Options issued are not presently dilutive and were not included in the determination of diluted earnings per share for the period.

NOTE 21: COMMITMENTS

(a) Exploration Commitments

The Group has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group.

The following commitments exist at balance date but have not been brought to account. If the relevant option to acquire a mineral tenement is relinquished the expenditure commitment also ceases. The Group has the option to negotiate new terms or relinquish the tenements and also to meet expenditure requirements by joint venture or farm-in arrangements.

	2021	2020
	\$	\$
Not later than 1 year	701,175	567,400
Later than 1 year but not later than 5 years	651,260	745,650
Later than 5 years	-	-
Total commitment	1,352,435	1,313,050

(b) Operating Lease Commitments

The Group has no operating leases.

(c) Capital Commitments

The Group has no capital commitments.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 22: CONTINGENT LIABILITIES

On 24 June 2020 the Company announced that it had executed binding agreements with Peabody (Burton Coal) Pty Ltd ("Peabody"), a wholly owned subsidiary of US headquartered Peabody Energy Corporation, to acquire the Broadmeadow East coking coal project, located within undeveloped Mining Lease 70257 ("ML", "Project" or "Broadmeadow East").

The transaction includes access rights to both the New Lenton Joint Venture Coal Handling and Preparation Plant ("CHPP") and the Train Load Out Facility ("TLO"), which are connected by an established haul road passing immediately adjacent to ML 70257. The Company has secured throughput capacity of a minimum of 1Mtpa, with the ability to potentially increase this capacity to a total of 2Mtpa, subject to agreement.

Assets being acquired

The Company has agreed to acquire the following from Peabody:

1. Granted Mining Lease ML 70257;
2. Land access for the purposes of exploration, development and mining; and
3. Assignment of 1Mtpa throughput capacity at (a) the New Lenton Joint Venture CHPP and (b) the New Lenton Joint Venture TLO, with access to the haul road. The parties may agree the assignment of a further potential 1Mtpa throughput capacity.

Consideration

Total consideration payable for the above-mentioned assets is as follows:

1. Cash consideration of \$1,000,000, payable upon completion;
2. Assumption of environmental rehabilitation obligations;
3. Royalty payable of \$1/t on all coal produced and sold from ML 70257, to a maximum of 1.5Mt, being \$1.5M; and
4. \$500,000 cash consideration for land compensation, payable only upon site works commencing or the renewal of the ML, whichever occurs first.

The acquisition was completed on 30 September 2020, with the cash consideration being paid and the assumption of the environmental rehabilitation obligation (recorded in the accounts as a provision). Items 3 and 4 above remain contingent liabilities.

There were no other contingent liabilities at the end of the reporting period.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 23: RELATED PARTY TRANSACTIONS

Parent Entity

Bowen Coking Coal Ltd is the legal parent and ultimate parent entity of the Group.

Subsidiary

Interest in subsidiaries are disclosed in Note 27.

Key Management Personnel

	2021	2020
	\$	\$
Short-term employee benefits	1,051,762	777,688
Share-based payments	145,434	64,644
Provision for leave entitlements	17,978	29,699
	1,215,174	872,031

During the year the consolidated entity paid M Resources Trading Pty Ltd, an entity associated with Mr M. Latimore, \$169,690 (2020: \$nil) for marketing consulting and technical services. At reporting date there was no outstanding amount payable to M Resources Trading Pty Ltd.

At reporting date there was an amount outstanding to Protea Resources Pty Ltd of \$20,213 (2020: \$nil), an entity associated with Mr Daryl Edwards for consulting fees due.

At reporting date there was an amount outstanding to Gerhard Redelinghuys of \$1,228 (2020: \$nil) for expense reimbursements due.

NOTE 24: SHARE-BASED PAYMENTS

Director and Employee Share-based Payments

Share-based payment expense recognised during the year:

	2021	2020
	\$	\$
Share-based payment expense recognised during the period:		
Options issued to directors (1)	30,763	64,644
Options issued to Bizzell Capital (2)	25,350	-
Performance rights issued to a consultant (3)	450,791	134,232
	506,904	198,876

Notes for the above table, relating to the years ended 30 June 2021 and 30 June 2020 are:

- 30,000,000 options were granted to a director for nil consideration on 12 December 2018. The options vested on 12 December 2019 and expire on 12 December 2020. 10,000,000 options have an exercise price of \$0.025, 10,000,000 options have an exercise price of \$0.03 and 10,000,000 options have an exercise price of \$0.035. 2,100,000 options with an exercise price of \$0.07 were granted to a director for nil consideration on 11 November 2020. The options vested on grant date and expire on 31 December 2022.
- 1,300,000 options with an exercise price of \$0.08 were granted to a Bizzell Capital on 03 July 2020. The options vested on grant date and expire on 30 September 2023.
- 12,000,000 performance rights which have various vesting conditions, performance hurdles and expiry dates were granted to a consultant on 16 September 2019. 12,000,000 performance rights were granted to the Chief Financial Officer on 2 February 2021.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 25: AUDITOR'S REMUNERATION

Remuneration for the auditor of the parent entity:

	2021	2020
	\$	\$
RSM Australia Partners and its related entities:		
Auditing or reviewing the financial reports	40,750	34,135
Taxation services	-	6,500
	40,750	40,635

NOTE 26: FINANCIAL INSTRUMENTS

(a) Financial Risk Management Policies

The Group's financial instruments comprises cash balances, receivables and payables and loans to and from subsidiaries. The main purpose of these financial instruments is to provide finance for Group operations.

Treasury Risk Management

Key executives of the Company meet on a regular basis to analyse exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management is responsible for developing and monitoring the risk management policies and reports to the board.

Financial Risks

The main risks the Group is exposed to through its financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. These risks are managed through monitoring of forecast cash flows, interest rates, economic conditions and ensuring adequate funds are available.

Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's cash flows or fair value will fluctuate as a result of changes in market interest rates, arises in relation to the Group's bank balances. This risk is managed through the use of variable rate bank accounts.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able meet its financial obligations as they fall due. This risk is managed by ensuring, to the extent possible, that there is sufficient liquidity to meet liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's activities are funded from equity and where required and available debt and/or project finance.

During the year ended 30 June 2020, the Group executed a finance facility with M Resources Trading Pty Ltd ("M Resources"), a related entity of Mr Matt Latimore (a director and substantial holder of the Company), to provide the Group with a finance facility of up to \$15.0 million, to be utilised in funding the development of the Group's Isaac River Coking Coal Project, or any other of the Group's coking coal projects, as the case may be. The Group may draw down on the finance facility in respect of a particular project once the decision to mine that project has been made, and the finance facility will be secured against the project being developed. At the date of this report, the finance facility remains undrawn.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 26: FINANCIAL INSTRUMENTS (Continued)

(a) Financial Risk Management Policies (Continued)

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is their carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk arises from exposures to deposits with financial institutions and sundry receivables.

Credit risk is managed and reviewed regularly by key executives. The key executives monitor credit risk by actively assessing the rating quality and liquidity of counter parties:

- only banks and financial institutions with an 'A' rating are utilised; and
- all other entities are rated for credit worthiness taking into account their size, market position and financial standing.

At 30 June 2021, there was no concentration of credit risk, other than bank balances.

Foreign Currency Risk

The Group has no material exposure to foreign currency risk at the end of the reporting period.

(b) Financial Instrument Composition and Contractual Maturity Analysis

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	2021	2020
	\$	\$
Within 12 months:		
Payables ⁽¹⁾	814,888	643,414
Lease liability ⁽²⁾	55,440	-
	870,328	643,414
Between 12 months and 24 months:		
Lease liability ⁽²⁾	58,312	-
Between 24 months and 36 months:		
Lease liability ⁽²⁾	29,886	-

Notes:

- (1) *Non-interest bearing. The contractual cash flows do not differ to the carrying amount.*
- (2) *The Group has recognised a lease liability in relation to premises the entity leases for its corporate office under a three year agreement commencing on 1 January 2021.*

(c) Net Fair Values

Fair values of financial assets and financial liabilities are materially in line with carrying values.

(d) Sensitivity Analysis

The Company has performed sensitivity analysis relating to its exposure to interest rate risk. At year end, the effect on profit and equity as a result of a 10% change in the interest rate, with all other variables remaining constant, is immaterial.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 27: SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 1:

	Country of incorporation	Ownership interest	
		2021	2020
Coking Coal One Pty Ltd	Australia	100%	100%
Cabral Metais Ltd (dormant)	Brazil	100%	100%

NOTE 28: JOINT VENTURES

On 23 March 2020 the Company entered into an Umbrella Deed with M Resources Trading Pty Ltd, Latimore Family Pty Ltd and Latimore Finance Pty Ltd (Latimore Parties) which sets out the terms of a 50/50 joint venture arrangement between the Company and the Latimore Parties.

In accordance with the Umbrella Deed the parties have registered Bowen Coking Coal Marketing Pty Ltd (Marketing Co) as a joint venture coal marketing vehicle, of which the Company and the Latimore Parties are shareholders in equal proportion. Marketing Co. will market, promote and sell, all coking coal produced by and from any of the Company's existing wholly owned coking coal portfolio as well as third party coal for blending purposes. M Resources Trading Pty Ltd will provide marketing support services to Marketing Co.

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to Marketing Co joint venture is set out below:

	2021	2020
	\$	\$
Percentage ownership interest	50%	50%
Non-current assets	-	-
Current assets	3,000	-
Non-current liabilities	(133,000)	-
Current liabilities	-	-
Net assets (100%)	(130,000)	-
Consolidated entity's share of net assets	50%	-
Carrying amount of interest in associate	(65,000)	-
Revenue		
Loss from continuing operations (100%)	(130,000)	-
Total comprehensive income/(loss) (100%)	(130,000)	-
Consolidated entity's share of total comprehensive income/(loss)	(65,000)	-

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 29: SUBSEQUENT EVENTS

On 30 July 2021 the Company announced that it had been awarded preferred bidder status in the sale process for the Bluff PCI Mine. The Company has entered into a terms sheet pursuant to which it has paid a \$250,000 deposit, which provided exclusive rights to conduct detailed due diligence over a period of 4 weeks and to advance towards binding transaction documents.

On 4 August 2021 the Company announced that it had signed a Binding Term Sheet with New Hope Corporation Limited ('NHC') to acquire 100% of the shares in New Lenton Coal Pty Ltd ('New Lenton') (which currently owns a 90% interest in the Lenton Joint Venture) ('Lenton JV', the 'Acquisition'). The Company has agreed to pay New Hope Corporation a \$20,000,000 upfront payment (of which \$500,000 was paid upon signing of the Binding Term Sheet and up to \$10,000,000 can be in Bowen Coking Coal Limited shares at the Company's election); up to \$7,500,000 in deferred milestone payments linked to both production ramp-up and time-based payments (24 and 36 months) plus up to \$70,000,000 in predominantly price-linked royalty payments on 90% of all coal produced from the Lenton Joint Venture.

The transaction is conditional upon:

- New Hope Corporation and Bowen Coking Coal finalising and entering into formal transaction documents to give effect to the Binding Term Sheet;
- Bowen Coking Coal (and, potentially, New Hope Corporation) agreeing acceptable commercial arrangements with MPC Lenton Pty Ltd, a subsidiary of Formosa Plastics Group ("Formosa") in relation to the future ownership, operation and funding arrangements for the Lenton Joint Venture assets; and
- acceptable arrangements being put in place under the Queensland Financial Provisioning regime for resources projects in respect of the outstanding Burton rehabilitation obligations.

The formal documents will provide that completion is subject to Bowen Coking Coal Limited shareholder approvals required under the ASX Listing Rules.

On 5 August 2021 the Company issued 2,700,000 fully paid ordinary shares on the exercise of unlisted options, with 2,100,000 shares issued at \$0.07 and 600,000 shares issued at \$0.08 per share.

On 10 August 2021 the Company completed a private placement of 149,253,731 shares at \$0.067 per share, raising \$10,000,000.

On 30 August 2021, the Company completed an Entitlement Offer ('Offer'), being a fully underwritten pro-rata non-renounceable entitlement issue of Shares, of 1 New Share for every 12 Shares held by Eligible Shareholders on the Record Date, at an Issue Price of \$0.067 per New Share, to raise \$5,478,185 (before costs of the Offer). Accordingly on the same date, the Company issued 81,763,969 new shares at \$0.067 per share.

In addition, on 30 August 2021 the Company applied for the issue 30,000,000 unlisted options each exercisable at \$0.10 per share on or before 31 August 2024. 21,000,000 unlisted options were issued on this date with a further 9,000,000 unlisted options to be issued at a future date subject to shareholder approval.

During the reporting period the outbreak of what is known as the COVID-19 pandemic continued to spread, resulting in significant volatility with worldwide economies as well as there being Government imposed social distancing guidelines. Subsequent to the reporting period the COVID-19 pandemic has remained prevalent, and this may impact the results of operations of the Company in future reporting periods. Given the stage of the pandemic, the company is not in a position to reliably estimate this impact.

Other than the matters noted above, there are no material matters or circumstances that have arisen since the end of the year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2021

NOTE 30: PARENT ENTITY INFORMATION

The following information relates to the parent entity, Bowen Coking Coal Ltd at 30 June 2021. This information has been prepared using consistent accounting policies as presented in Note 1.

	2021	2020
	\$	\$
Current assets	1,172,888	2,165,316
Non-current assets	14,460,232	9,012,974
Total assets	15,633,120	11,178,290
Current liabilities	601,372	771,246
Non-current liabilities	82,797	-
Total liabilities	684,169	771,246
Net assets	14,948,951	10,407,044
Contributed equity	63,917,409	56,399,643
Reserves	755,943	581,039
Accumulated losses	(49,724,401)	(46,573,638)
Total equity	14,948,951	10,407,044
Loss for the period	(3,150,763)	(2,174,485)
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	(3,150,763)	(2,174,485)

Refer to Note 22 outlining a (conditional) contractual commitment for the acquisition of a project, also considered a contingent liability at 30 June 2021. Other than the transaction described in Note 22, the Company has:

- no other contingent liabilities, nor has it entered into any guarantees in relation to the debts of its subsidiaries; and
- has not entered into any other contractual commitments for the acquisition of property, plant and equipment.

The Company and its Australian controlled entities have formed a tax consolidated group as at the date of this report.

NOTE 31: COMPANY DETAILS

The registered office and principal place of business is:
 Level 7, 167 Eagle Street
 Brisbane, Queensland, 4000 Australia

NOTE 32: DIVIDENDS & FRANKING CREDITS

There were no dividends paid or recommended during the financial year. There are no franking credits available to the shareholders of the Company.

Directors' Declaration

The directors of the Company declare that:

1. The attached financial statements and notes are in accordance with the Corporations Act 2001, the Corporations Regulations 2001, including:
 - a. complying with the Australian Accounting Standards which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date.
2. The Managing Director and chief financial officer have each declared that:
 - a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
3. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors.



Gerhard Redelinghuys
Managing Director

Dated 23 September 2021
Brisbane, Queensland

RSM Australia Partners

Level 6, 340 Adelaide Street Brisbane QLD 4000

GPO Box 1108 Brisbane QLD 4001

T +61(0) 7 3225 7800

F +61(0) 7 3225 7880

www.rsm.com.au**INDEPENDENT AUDITOR'S REPORT****To the Members of Bowen Coking Coal Limited****Opinion**

We have audited the financial report of Bowen Coking Coal Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

For personal use only

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
<p>Carrying Value of Capitalised Exploration Expenditure Refer to Note 8 in the financial statements</p>	
<p>The Group has capitalised exploration expenditure with a carrying value of \$12,648,191 as at 30 June 2021.</p> <p>We determined this to be a key audit matter due to the significant management judgement involved in assessing the carrying value in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, including:</p> <ul style="list-style-type: none"> • Determination of whether expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest; • Assessing whether any indicators of impairment are present; and • Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be determined. 	<p>Our audit procedures in relation to the carrying value of capitalised exploration costs included:</p> <ul style="list-style-type: none"> • Ensuring that the right to tenure of the areas of interest was current through confirmation with the relevant government departments; • Critically assessing and evaluating management's assessment that no indicators of impairment existed; • Agreeing a sample of the additions to capitalised exploration expenditure during the year to supporting documentation, and ensuring that the amounts were capitalised correctly; and • Through discussions with the Group's Directors, and review of the Group's ASX announcements and other relevant documentation, assessing management's determination that exploration activities have not yet progressed to the point where the existence or otherwise of an economically recoverable mineral resource may be determined.
<p>Going concern</p>	
<p>The financial statements have been prepared on a going concern basis using managements critical accounting estimates and judgements as outlined in Note 1.</p> <p>In the current financial year, the Group recorded a total comprehensive loss of \$3,224,368 in the consolidated statement of profit or loss and other comprehensive income and incurred operating cash outflows of \$2,710,812.</p> <p>We considered the going concern assumption a key audit matter as there is inherent uncertainty associated with estimates and judgements associated with the Group's stage in operations and the going concern assumption relies on existing working capital, planned operations and uncertain future events generating sufficient cashflows to cover necessary expenditures.</p>	<p>In assessing the appropriateness of the going concern assumption used in preparing the financial statements, our procedures included, amongst others:</p> <ul style="list-style-type: none"> • We considered the cashflow requirements of the Group for the period until 30 September 2022 based on budgets and forecasts; • We gained an understanding of what budgeted expenditures are committed and what could be considered discretionary; • We considered potential downside scenarios of management assumptions and the resultant impact on available funds; • We tested the mathematical accuracy of the Group's forecasts; • We inspected bank statements after year end to confirm that funds were received for the capital raisings that occurred in July and August 2021; • We considered whether the disclosures in the financial statements were in compliance with accounting standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <https://www.auasb.gov.au/auditorsresponsibilities/ar2.pdf>.

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 25 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Bowen Coking Coal Limited, for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA PARTNERS



Albert Loots
Partner

Brisbane, Queensland
Dated: 23 September 2021

For personal use only