BOWEN COKING COAL LIMITED

BOWEN COKING COAL LTD AND CONTROLLED ENTITIES

ABN: 72 064 874 620

HALF YEAR REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

Contents

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 Half Year 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 Half Year 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)

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

Head Office and Registered Office
Bowen Coking Coal Ltd
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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

Directors' Report

The Directors of Bowen Coking Coal Limited (the **Company**) present their Report together with the financial statements of the Consolidated Entity, being the Company and its Controlled Entities, for the period ended 31 December 2021.

DIRECTORS

The names of Directors who held office of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Nicholas Jorss	Executive Chairman
Gerhard Redelinghuys	Managing Director
Blair Sergeant	Non-Executive Director (resigned 17 September 2021)
Neville Sneddon	Non-Executive Director
Matthew Latimore	Non-Executive Director

COMPANY SECRETARY

Duncan Cornish

PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity is exploration and development of coal projects with a primary focus on metallurgical coal.

REVIEW OF RESULTS

The loss after tax for the period ended 31 December 2021 was $5,470,040 (2020: $1,718,298).

REVIEW OF OPERATIONS

Bowen Coking Coal Limited made significant steps during the period in transitioning from explorer to multi-mine producer with the acquisition of the Bluff PCI mine, progressing the acquisition of the Burton Mine and Lenton Project and readying Broadmeadow East for first production.

Highlights:
- Acquisition of the Bluff PCI Mine.
- Binding agreement signed for the acquisition of the Burton Mine and Lenton Project.
- High quality coking coal identified at Broadmeadow East.
- Securing access and infrastructure with Fitzroy resources for processing of coal from the Northern Hub.
- Announcing maiden 44 Mt Resource Estimate for Hillalong South.
- Progressing permitting at the Isaac River Project.
- Raising $21m in share placements, and $5.5 million in a rights issue
- $15m debt facility progressed to fund initial production at Bluff and Broadmeadow East.

PROJECTS

Bluff PCI Mine (ML 80194)

The Bluff PCI Mine (Bluff) is an open cut mine located in the southern Bowen Basin, near the township of Bluff and 20km east of Blackwater. The mine is adjacent to the Blackwater rail line which connects it to the port of Gladstone. Bluff was operating until December 2020 when it was placed on care and maintenance by previous owners, Carabella Resources (Carabella) due to falling coal prices. It has all the necessary permits to recommence production without significant lead time or capital expenditure.

Directors' Report

In October 2021, Bowen announced it had signed an agreement to acquire Bluff with mining contractor, MACA Ltd, who were appointed receivers for Carabella. The transaction completed in December 2021 via an issue of Bowen shares to MACA Ltd.

The mine hosts a 13.5 million tonne JORC Resource of high quality Ultra-low Volatile Pulverised Coal Injection (ULVPCI) coal which could be mined at a rate of 1.0-1.2 Mtpa Run of Mine over four to six years to supply the global steel industry. A rapid restart of the mine is underway to maximise exposure to the current high metallurgical coal prices environment.

The Bluff assets include a granted mining lease (ML80194), associated surface infrastructure, 1931ha of grazing land, an approved Environmental Authority to mine to 1.8Mtpa and coal exploration permits EPC1175 and EPC1999.

The Company also announced it had reached agreement with the QCoal Group to process coal from Bluff through their nearby Cook coal handling and processing plant. Negotiations for rail and port access are advanced and are expected to conclude in early 2022 when production is targeted to commence. Bowen has signed a A$15 million senior secured debt facility agreement with a private credit institution. Bowen intends on using these funds to restart operations at the Bluff Project. This includes the settlement of costs associated with the recommencement of the Bluff Project and satisfaction of government bonding requirements.

While wet weather in the December quarter hampered initial mobilisation, off-site work advanced with the optimisation of the mine plan and mine redevelopment options.

The Company has appointed HSE Mining as the contractor to perform the initial works on site to prepare the mine for the recommencement of coal production.

The ULVPCI coal produced at the mine will complement the rest of the Bowen asset portfolio, adding to the product mix of high-quality coal for the steel making industry. The marketing of the Bluff product coal will be handled by the company's 50:50 Marketing Joint Venture with M Resources, a specialist metallurgical coal trading company.

Burton Lenton (ML 700053, ML 70337, ML 700054, ML 70109, ML 70260, EPC 766, EPC 1675, EPC 865, EPC 857, MDL 349, MDL 315)

The Burton Lenton project is situated approximately 165 km west of Mackay, and approximately 45 km northeast of the township of Moranbah in the northern Bowen Basis, one of the world's major coal provinces.

The Burton mine is an open-cut coal mine containing three unmined open pit deposits with total coal resources of 64 million tonnes (Mt). There is substantial infrastructure on site including a 5.5Mtpa Coal Handling and Preparation Plant, a 350-bed accommodation village, a Mine Industrial Area for site offices, workshops and communications, power and water infrastructure, haul roads and a train load out facility. The Company has negotiated access to third party processing facilities while the on-site infrastructure is being refurbished.

The mine operated until 2016 and has a proven track record for the reliable production of coal that is valued by the steel industry worldwide for its high quality, low ash and low sulphur. Lenton is an adjacent undeveloped open-cut project with total coal resources of 140 Mt.

In August 2021, Bowen announced it had signed a binding term sheet to acquire New Hope Corporation's 90% interest in the Lenton Joint Venture, owner of the Burton Coal Mine and New Lenton Project. In December 2021, the Company signed a binding share Sale and Purchase Agreement for the acquisition. MPC Lenton Pty Ltd, a subsidiary of Formosa Plastics Group currently holds the remaining 10%.

Directors' Report

The project will form the basis of the Burton Complex to serve as a processing hub for the Company's nearby Broadmeadow East and Hillalong assets as they come into production.

Broadmeadow East Coking Coal Project (ML 70257) ("Broadmeadow East")

Broadmeadow East is located about 25 km northeast of the township of Moranbah, in the Central Bowen Basin. It is the Company's most advanced opencut coking coal project, due to come on line in 2022.

Drilling during 2021 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. Studies for the project indicate a run of mine production target of 0.8 million tonnes per annum (Mtpa) to 1.1Mtpa over a five-to-seven-year period.

Broadmeadow East forms the first planned pit of the expanded Burton complex. First production will be processed under an infrastructure sharing agreement with Fitzroy (CQ) Pty Ltd to access their Carborough Downs coal processing plant, coupled with rail and port capacity, which will fast-track development and minimise the initial capital outlay.

The project is a major step closer to first production after receiving formal approval from the Queensland State Government for an amendment to the project's existing Environmental Authority. Alongside the existing, granted Mining Lease, this is the final approval required in order to commence mining operations on site. Activities are due to commence on site shortly, once mining contractor selection has been determined.

Hillalong Coking Coal Project (EPC 1824 & EPC 2141)

The Hillalong Coking Coal Project 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 with Sumitomo Corporation which has earned a 10% interest in the project post expending $2.5m on the Phase 1 exploration program. Phase 2a is currently underway wherein Sumitomo will spend a further $2.5m to earn a further 5% in the project. Sumitomo then has the option to earn an additional 5% in the project by spending another $2.5m on Phase 2b to take their total holding up to 20%.

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.

In August 2021, Bowen announced a maiden JORC Resource for Hillalong South of 44 million tonnes (26mt Indicated and 18Mt Inferred). That brings the Total Resource for the Hillalong project to 87 million tonnes, of which 47Mt is classified Indicated and 40Mt Inferred.

With regard to the Hillalong coal quality, the laboratory data for product quality and washability of Hillalong South in the 2020 exploration program was very encouraging and demonstrated the potential to wash a low ash primary coking coal with secondary PCI coal for a combined yield up to 89% from the holes that were not affected by igneous intrusions. There is potential to produce a high quality Mid Volatile Matter (~25% air dried basis) coking coal from the Hillalong project, which is very positive given continued increases in recent coking coal prices.

Directors' Report

Given its close proximity to the Burton Complex, Hillalong South could become a critical building block in the Company's development strategy.

Isaac River Coking Coal Project (MLA 700062, 700063, MDL 444 & EPC 830)

The Isaac River Coking Coal Project covers an area of 14 km2 in the Bowen Basin in Central Queensland, located approximately 30km west of Moranbah, in the Bowen Basin, close to rail and road infrastructure.

An initial scoping study completed in July 2021 indicated a run of mine production target for Isaac River of 0.4mtpa to 0.6 Mtpa over a four-to-five-year period.

The total coal yield at Isaac River is estimated be approximately 81% split between 49% primary 8-10% ash Coking and 32% secondary PCI at 10.5% ash and high Calorific Value. The primary coking product is estimated to be approximately 1.3Mt and the secondary PCI coal approximately 900kt. The product is comparable to coals produced in the region by Daunia (BHP Mitsubishi Alliance) and Peabody Energy at Moorvale and Millennium.

Similar to Broadmeadow East, an agreement with Fitzroy CQ Pty Ltd was announced in September 2021 to process coal through the Carborough Downs coal processing facilities could help fast track the development of the project.

The focus at Isaac River remains on permitting with the Environmental Authority expected to be granted in the first half of 2022.

CORPORATE

The Company completed two placements and a rights issue during the half year ended 31 December 2021 raising a total of $26.5m.

In August, Bowen completed a $10 million institutional placement through the issue of 149,253,731 fully paid ordinary shares at $0.067 as part funding for the Burton Mine and Lenton Project acquisition. This was supplemented by a rights issue through the issue of 81,763,949 fully paid ordinary shares at $0.067 which completed in late August, raising $5.478m.

In November, Bowen announced a further institutional placement of $11m to fund the acquisition of the Bluff Mine. The placement was completed through the issue of 68,750,000 fully paid ordinary shares at $0.16 per share.

Also in November, the Company signed a term sheet for $15m of debt financing from a private credit institution to support the restart operations at Bluff.

Settlement of the acquisition of the Bluff Mine was completed on 29 December 2021. As settlement the company issued 27,941,177 fully paid ordinary shares at $0.17 in satisfaction of the remaining acquisition price of $4.75m.

COVID-19 Impact

The COVID-19 pandemic impacted the Company on several fronts during the half year ended 31 December 2021. The exploration programs at various sites were impacted by inter-state travel restrictions and also additional costs to keep the teams on site and compliant with Queensland Government regulations. Travel restrictions and working from home policies impacted negotiations on the Bluff and Burton Lenton acquisitions and other interactions with larger companies. However,

Directors' Report

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.

EVENTS SUBSEQUENT TO REPORTING DATE

On 2 February 2022, under Phase 2a of the Farm-In Agreement, 5% interest in Hillalong Tenement was transferred to Sumitomo Corporation. Sumitomo Corporation now own 15% interest in the Hillalong Tenement.

On 17 February 2021, the company announced that it had completed a placement to sophisticated and institutional investors to raise $41.5m. The placement was completed on 24 February through the issue of 207,353,813 fully paid ordinary shares issued with placement price of A$0.20 per share.

On 24 February 2021, the company announced that it had executed a A$15 million senior secured debt facility agreement (the "Facility") with funds and accounts managed by Remagen Capital Management Pty Limited.

On 4 March 2022, 4,000,000 performance rights lapsed because the conditions have not been met, or became incapable of being satisfied.

No other matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of in future financial periods.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the period ended 31 December 2021 has been received and is included within the financial statements.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporation Act 2001. Signed on behalf of the Directors.

Gerhard Redelinghuys
Managing Director
14 March 2022

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Bowen Coking Coal Limited for the half-year ended 31 December 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 review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM

RSM Australia Partners

Albert Loots
Partner – Assurance & Advisory

Brisbane, Queensland
Dated: 14 March 2022

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2021

	Note	31-Dec-21 $	31-Dec-20 $
Other income		271	396
Administration expenses		(2,891,122)	(1,098,590)
Depreciation and amortisation expense		(27,184)	-
Employee benefits expenses		(382,100)	(462,919)
Exploration expenses		-	(15,313)
Share of loss of joint ventures accounted for using equity method		(30,000)	-
Share based payments		(2,139,905)	(141,872)
Loss before tax		(5,470,040)	(1,718,298)
Income tax benefit/(expense)		-	-
Net loss for the period from operations		(5,470,040)	(1,718,298)
Other comprehensive income		-	-
Total comprehensive loss for the period		(5,470,040)	(1,718,298)
Net loss for the period from operations attributable to:			
Owners of Bowen Coking Coal Limited		(5,470,040)	(1,683,297)
Non-controlling interests		-	(35,001)
		(5,470,040)	(1,718,298)
Total comprehensive loss for the period attributable to:			
Owners of Bowen Coking Coal Limited		(5,470,040)	(1,683,297)
Non-controlling interests		-	(35,001)
		(5,470,040)	(1,718,298)
Basic loss per share (cents)		(0.47)¢	(0.19)¢
Diluted loss per share (cents)		(0.47)¢	(0.19)¢

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
As at 31 December 2021

	Note	31-Dec-21 $	30-Jun-21 $
ASSETS			
Current Assets			
Cash and cash equivalents	2	23,170,616	2,997,030
Trade and other receivables	3	248,355	150,126
Other assets	4	813,034	23,142
Total Current Assets		24,232,005	3,170,298
Non-Current Assets			
Trade and other receivables	3	182,000	133,000
Exploration and evaluation assets	5	14,214,189	12,648,191
Mining assets	6	15,193,463	-
Property, plant & equipment	7	428,987	8,758
Right of use asset	8	100,716	125,930
Other assets	4	206,824	206,824
Total Non-Current Assets		30,326,179	13,122,703
Total Assets		54,558,184	16,293,001
LIABILITIES			
Current Liabilities			
Trade and other payables	9	2,151,403	948,191
Lease liabilities	10	50,074	46,738
Total Current Liabilities		2,201,477	994,929
Non-Current Liabilities			
Investment accounted for using the equity method	11	95,000	65,000
Lease liabilities	10	57,261	82,797
Provisions	12	10,719,720	201,324
Total Non-Current Liabilities		10,871,981	349,121
Total Liabilities		13,073,458	1,344,050
Net Assets		41,484,726	14,948,951
EQUITY			
Contributed equity	13	92,493,897	63,917,409
Reserves		4,185,270	755,943
Accumulated losses		(55,194,441)	(49,724,401)
Total Equity		41,484,726	14,948,951

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
For the Period Ended 31 December 2021

	Attributable to Owners of Parent Company					
Consolidated Entity	**Contributed Equity**	**Reserves**	**Accumulated Losses**	**Total**	**Non-controlling Interests**	**Total Equity**
	$	**$**	**$**	**$**	**$**	**$**
Balance at 1 July 2020	**56,399,643**	**581,039**	**(46,500,033)**	**10,480,649**	**-**	**10,480,649**
Loss for the period	-	-	(1,683,297)	(1,683,297)	(35,001)	(1,718,298)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(1,683,297)	(1,683,297)	(35,001)	(1,718,298)
Equity issues	6,293,000	(143,000)	-	6,150,000	-	6,150,000
Share based payments	-	141,872	-	141,872	-	141,872
Equity issue expenses	(170,893)	-	-	(170,893)	-	(170,893)
Balance at 31 December 2020	**62,521,750**	**579,911**	**(48,183,330)**	**14,918,331**	**(35,001)**	**14,883,330**
Balance at 1 July 2021	**63,917,409**	**755,943**	**(49,724,401)**	**14,948,951**	**-**	**14,948,951**
Loss for the period	-	-	(5,470,040)	(5,470,040)	-	(5,470,040)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(5,470,040)	(5,470,040)	-	(5,470,040)
Equity issues	31,623,186	(200,000)	-	31,423,186	-	31,423,186
Share based payments	-	2,139,905	-	2,139,905	-	2,139,905
Equity issue expenses	(3,046,698)	1,489,422	-	(1,557,276)	-	(1,557,276)
Balance at 31 December 2021	**92,493,897**	**4,185,270**	**(55,194,441)**	**41,484,726**	**-**	**41,484,726**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows
For the Period Ended 31 December 2021

	Note	31-Dec-21 $	31-Dec-20 $
Cash flows from operating activities			
Interest received		271	396
Other receipts		-	58,801
Payments to suppliers and employees		(3,235,064)	(1,598,390)
Net cash used in operating activities		(3,234,793)	(1,539,193)
Cash flows from investing activities			
Payment for exploration and evaluation assets		(1,404,807)	(1,990,194)
Payment for property, plant and equipment		(422,335)	-
Payment for deposit on project acquisition		(500,000)	-
Payment for loans to joint venture		(24,500)	-
Payments for exploration costs recoverable from farmee		(365,665)	(544,545)
Receipts for exploration costs from farmee		1,036,790	-
Net cash used in investing activities		(1,680,517)	(2,534,739)
Cash flows from financing activities			
Proceeds from equity issues		26,673,185	5,665,000
Payment for costs of equity issues		(1,557,275)	(228,769)
Payment for leases		(27,014)	-
Net cash provided from financing activities		25,088,896	5,436,231
Net increase in cash held		20,173,586	1,362,299
Cash and cash equivalents at beginning of the period		2,997,030	2,394,319
Cash and cash equivalents at period end	2	23,170,616	3,756,618

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements
For the Period Ended 31 December 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The financial statements are for the Consolidated Entity consisting of Bowen Coking Coal Ltd and its Controlled Entities. Bowen Coking Coal Ltd is a listed public company, incorporated and domiciled in Australia. The financial statements have been prepared on an accruals basis and are based on historical cost, modified by the measurement at fair value of selected non-current assets, financial assets and liabilities. The financial report was authorised for issue on 14 March 2022 by the directors of the Company.

This interim financial report does not include all notes of the type normally included in the Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report of Bowen Coking Coal Limited (the "Company") as at 30 June 2021.

The same accounting policies and methods of computation have generally been followed in these half-year financial statements as compared with the most recent annual financial statements except for the adoption of new and amended standards as set out below.

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 half-year ended 31 December 2021 the Group generated a consolidated loss of $5,470,040 and incurred operating cash outflows of $3,234,793. As at 31 December 2021 the Group has cash and cash equivalents of $23,170,616 and net assets of $41,484,726.

The directors have concluded that the going concern basis of preparation continues to be appropriate because:

- As disclosed in Note 15, the Company successfully raised $41.5m through the issue of ordinary shares, subsequent to the period end
- As disclosed in Note 15, in February 2022, the Company entered into a debt facility agreement for $15m of funding
- The Company expects to benefit from substantial recent increases in the market price of coking coal.

The directors have concluded that with the successful and substantial recent capital raises and the onset of production, in highly favourable coal price environments, there is no material uncertainty regarding the Group's ability to continue as a going concern and that the Group will be able to realise their assets and discharge their liabilities in the normal course of business. Taking into account the current financial position of the Group, and the Group's ability to raise further capital, 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.

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expense is provided below.

Exploration and evaluation expenditure

The application of the Consolidated Entity's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

Farm-outs — in the exploration and evaluation phase

The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements, but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

Mining Assets

Capitalised mining development costs include expenditures incurred to develop new ore bodies to define further mineralisation in existing ore bodies, to expand the capacity of a mine and to maintain production. Mining development also includes costs transferred from exploration and evaluation phase once production commences in the area of interest.

Amortisation of mining development is computed by the units of production basis over the estimated proved and probable reserves. Proved and probable mineral reserves reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known mineral deposits. These reserves are amortised from the date on which production commences.

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Mining Assets (Continued)

The amortisation is calculated from recoverable proven and probable reserves and a predetermined percentage of the recoverable measured, indicated and inferred resource. This percentage is reviewed annually.

Restoration costs expected to be incurred are provided for as part of development phase that give rise to the need for restoration.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group 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.

Rehabilitation provisions

Rehabilitation costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with the requirements of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology.

Rehabilitation costs are recognised at present value as a non-current liability. An equivalent amount is capitalised as part of the cost of the asset when an obligation arises to decommission or restore a site to certain condition after abandonment as a result of bringing the assets to its present location. The capitalised cost is amortised over the life of the project and the provision is accreted periodically as the discounting of the liability unwinds. The unwinding of the discount is recorded as a finance cost.

New and Amended Standards and Interpretations for Future Periods

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are necessary for the current reporting period.

NOTE 2: CASH AND CASH EQUIVALENTS

	31-Dec-21 $	30-Jun-21 $
Cash at bank	23,068,592	2,895,033
Short term deposits	102,024	101,997
	23,170,616	**2,997,030**

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

NOTE 3: RECEIVABLES

	31-Dec-21 $	30-Jun-21 $
Current:		
Other receivables	248,355	150,126
	248,355	**150,126**
Non-Current:		
Receivable from joint venture entities	182,000	133,000
	182,000	**133,000**

NOTE 4: OTHER ASSETS

	31-Dec-21 $	30-Jun-21 $
Current:		
Prepayments	313,034	23,142
Deposit on project acquisition	500,000	-
	813,034	**23,142**
Non-Current:		
Rental bonds	5,500	5,500
Security deposit	201,324	201,324
	206,824	**206,824**

NOTE 5: EXPLORATION AND EVALUATION ASSETS

	31-Dec-21 $	30-Jun-21 $
Exploration and evaluation expenditure carried forward in respect of areas of interest are:		
Acquisitions - at cost	5,521,320	5,521,320
Exploration and evaluation phase - at cost	8,692,869	7,126,871
	14,214,189	12,648,191
Movement in exploration and evaluation assets:		
Acquisitions:		
Opening balance - at cost	5,521,320	4,319,997
Acquisition costs during the period	-	1,201,323
Total acquisitions costs	5,521,320	5,521,320
Exploration and evaluation phase – at cost:		
Opening balance - at cost	7,126,871	4,797,271
Capitalised exploration expenditure	1,565,998	2,329,600
Total exploration and evaluation phase – at cost:	8,692,869	7,126,871
Carrying amount at the end of the period	**14,214,189**	**12,648,191**

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

NOTE 6: MINING ASSETS

	31-Dec-21	30-Jun-21
	$	$
Mining assets – at cost	**4,675,067**	-
Land rehabilitation asset – at cost	**10,518,396**	-
	15,193,463	**-**

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Mining assets $'000	Land rehabilitation asset $'000	Total $'000
Balance at 1 July 2021	-	-	-
Additions through asset acquisition (note 19)	4,600	10,518	15,118
Additions	75	-	75
Depreciation expense	-	-	-
Balance at 31 December 2021	4,675	10,518	15,193

NOTE 7: PROPERTY PLANT AND EQUIPMENT

	31-Dec-21	30-Jun-21
	$	$
Land – at independent valuation	**400,000**	**-**
Mining Equipment – at cost	22,200	-
Less: Accumulated depreciation	(1,010)	-
	21,190	**-**
Office Equipment – at cost	9,533	9,533
Less: Accumulated depreciation	(1,736)	(775)
	7,797	**8,758**
	428,987	**8,758**

NOTE 7: PROPERTY PLANT AND EQUIPMENT (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Land $'000	Mining equipment $'000	Office equipment $'000	Total $'000
Balance at 1 July 2021	-	-	9	9
Additions through asset acquisition (note 19)	400	-	-	400
Additions	-	22	-	22
Depreciation expense	-	(1)	(1)	(2)
Balance at 31 December 2021	400	21	8	429

NOTE 8: RIGHT OF USE ASSET

	31-Dec-21 $	30-Jun-21 $
Land and buildings – right of use	150,867	150,867
Less: Accumulated depreciation	(50,151)	(24,937)
	100,716	**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.

NOTE 9: TRADE AND OTHER PAYABLES

	31-Dec-21 $	30-Jun-21 $
Current:		
Trade payables and accrued expenses	1,131,494	622,959
Farm-in funds received in advance	945,953	274,828
Short term employee benefits	73,956	50,404
	2,151,403	**948,191**

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

NOTE 10: LEASE LIABLITITES

	31-Dec-21 $	30-Jun-21 $
Current:		
Lease Liability	50,074	46,738
	50,074	**46,738**
Non-Current:		
Lease Liability	57,261	82,797
	57,261	**82,797**

NOTE 11: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	31-Dec-21 $	30-Jun-21 $
Investment in Joint Ventures	95,000	65,000
	95,000	**65,000**

NOTE 12: NON- CURRENT LIABILITIES

	31-Dec-21 $	30-Jun-21 $
Rehabilitation provision – Broadmeadow East ML 70257	201,324	201,324
Rehabilitation provision – Bluff Coal Mine ML 80194	10,518,396	-
	10,719,720	**201,324**

NOTE 13: CONTRIBUTED EQUITY

Ordinary shares

	31-Dec-21		30-Jun-21	
	No. of Shares	$	No. of Shares	$
Balance at beginning of period	978,462,262	63,917,409	803,762,262	56,399,643
Share issues:				
Placement – 3 July 2020	-	-	45,000,000	2,250,000
Placement – 9 November 2020	-	-	60,000,000	3,000,000
Exercise of options – 12 December 2020	-	-	30,000,000	900,000
Exercise of options – 12 December 2020	-	-	35,700,000	1,206,660
Performance rights conversion	-	-	4,000,000	332,000
Exercise of options – 4 August 2021	2,700,000	195,000	-	-
Placement – 10 August 2021	149,253,731	10,000,000	-	-
Rights Issue – 30 August 2021	81,763,969	5,478,186	-	-
Placement – 18 November 2021	68,750,000	11,000,000	-	-
Issue of Bluff consideration shares – 29 December 2021	27,941,177	4,750,000	-	-
Performance rights conversion	4,000,000	200,000	-	-
Share issue transaction costs	-	(3,046,698)	-	(170,894)
Balance at end of period	**1,312,871,139**	**92,493,897**	**978,462,262**	**63,917,409**

NOTE 13: CONTRIBUTED EQUITY (continued)

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.

	31-Dec-21 Number	30-Jun-21 Number
Unlisted options		
Balance at beginning of period	3,400,000	65,700,000
Options granted	64,000,000	3,400,000
Options exercised	(2,700,000)	(65,700,000)
Balance at end of period	**64,700,000**	**3,400,000**
Performance rights		
Balance at beginning of period	20,000,000	12,000,000
Performance rights granted	-	12,000,000
Performance rights converted	(4,000,000)	(4,000,000)
Balance at end of period	**16,000,000**	**20,000,000**

NOTE 14: OPERATING 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 half-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.

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

NOTE 15: EVENTS AFTER THE END OF THE REPORTING PERIOD

On 2 February 2022, under Phase 2a of the Farm-In Agreement, 5% interest in Hillalong Tenement was transferred to Sumitomo Corporation. Sumitomo Corporation now own 15% interest in the Hillalong Tenement.

On 17 February 2021, the company announced that it had completed a placement to sophisticated and institutional investors to raise $41.5m. The placement was completed on 24 February through the issue of 207,353,813 fully paid ordinary shares issued with placement price of A$0.20 per share.

On 24 February 2021, the company announced that it had executed a A$15 million senior secured debt facility agreement (the "Facility") with funds and accounts managed by Remagen Capital Management Pty Limited.

On 4 March 2022, 4,000,000 performance rights lapsed because the conditions have not been met, or became incapable of being satisfied.

No other matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of in future financial periods.

NOTE 16: COMMITMENTS AND CONTINGENCIES

	31-Dec-21	30-Jun-21
	$	$
(a) Commitments relating to operating expenditures		
Not longer than 1 year	415,640	701,175
More than 1 year but not longer than 5 years	967,900	651,260
More than 5 years	230,000	-
	1,613,540	**1,352,435**

(b) Contingent assets

There are no contingent assets as at 31 December 2021.

(c) 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.

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

NOTE 16: COMMITMENTS AND CONTINGENCIES (continued)

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/tonne 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.

On 26 October 2021, the Company announced that it had executed binding agreements with MACA Ltd, appointed receivers for Carabella Resources Pty Ltd, to acquire the Bluff PCI Coal Project, located within developed Mining Lease 80194.

Assets being acquired

The Company has agreed to acquire the following:
1. Granted Mining Lease ML 80194;
2. Associated surface infrastructure;
3. 1931ha of grazing land;
4. An Approved Environments Authority to mine to 1.8Mtpa; and
5. Coal exploration permit EPC1175 and EPC 1999.

Consideration
Total consideration payable for the above-mentioned assets is as follows:
1. Cash consideration of $250,000, paid in advance;
2. Shares in Bowen of $4,750,000, issued upon Completion;
3. Assumption of environmental rehabilitation obligations;
4. Base Royalty payable, if benchmark price for the quarter is more than USD 120, the royalty is $2/tonne on all coal produced and sold from ML 80194, EPC 1175 and EPC 1999, subject to a maximum amount payable of $10,000,000;
5. Super Royalty payable, if benchmark price for the quarter is more than USD 150, the uncapped royalty is $5/tonne on all coal produced and sold from ML 80194, EPC 1175 and EPC 1999, and if benchmark price for the quarter is more than USD 200, the uncapped royalty is $10/tonne.

The acquisition was completed on 29 December 2021, with the cash consideration being paid and the assumption of the environmental rehabilitation obligation (recorded in the accounts as a provision). Items 4 and 5 above remain contingent liabilities.

On 24 December 2021 the Company announced that it had executed binding Share Sale and Purchase Agreements with New Hope Corporation Limited for the acquisition of 100% of the shares in New Lenton Coal Pty Ltd (which currently owns a 90% interest in the Lenton Joint Venture).

Total consideration payable is as follows:
1. Cash consideration of $20,000,000 (including an equity component of up to $10,000,000 at Bowen's election), payable upon Completion;
2. Up to $7.5 million in milestone payments associated with production ramp-up and time-based payments (24 and 36 months);
3. Assumption of environmental rehabilitation obligations of $68.4 million; and

NOTE 16: COMMITMENTS AND CONTINGENCIES (continued)

4. Payment of royalties as follows:
   - Base Royalty; a non-indexed royalty on 90% of all coal mined from the Lenton JV assets at a royalty rate of $0.55 per product tonne, capped at $16m; and
   - Average Price Royalty; a non-indexed royalty on 90% of all coal mined from the Lenton JV assets during a quarter if the average price for PLVHA00 for that quarter exceeds US$160 / tonne at a royalty rate of $1.65 per product tonne, capped at $24m; and
   - High Price Royalty; a non-indexed royalty on 90% of all coal mined from the Lenton JV assets during a quarter if the average price for PLVHA00 for that quarter exceeds US$190 / tonne at a royalty rate of $3.30 per product tonne, capped at $30m.

Completion of the acquisition is expected by the end of Q1 2022. Items above remain contingent liabilities.

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

NOTE 17: INTERESTS IN CONTROLLED ENTITIES

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

	Country of incorporation	Ownership interest	
		31-Dec-21	30-Jun-21
Coking Coal One Pty Ltd	Australia	100%	100%
Cabral Metais Ltd (dormant)	Brazil	100%	100%
Bowen Coking Coal Marketing Pty Ltd	Australia	50%	50%
Bowen PCI Pty Ltd	Australia	100%	-

NOTE 18: RELATED PARTY TRANSACTIONS

Parent Entity

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

Subsidiaries

Interest in subsidiaries are disclosed in Note 17.

Key Management Personnel

	31-Dec-21	31-Dec-20
	$	$
Short-term employee benefits	552,886	450,278
Share-based payments	1,790,783	30,763
Provision for leave entitlements	25,266	12,641
	2,368,935	**493,682**

NOTE 18: RELATED PARTY TRANSACTIONS (continued)

Entities related to Key Management Personnel

	31-Dec-21 $	31-Dec-20 $
Marketing service fees paid to M Resources Pty Ltd, a company controlled by Mr Latimore	60,000	70,000

NOTE 19: ASSET ACQUISITION

On 29 December 2021 Bowen PCI Pty Limited, a subsidiary of Bowen Coking Coal Limited, acquired Bluff Mine for the total consideration transferred of $5,000,000. It was acquired for its Ultra-Low Volatile Pulverised Coal Injection (ULVPCI) coal, which typically attracts a premium in the market for its low ash, high energy and high coke replacement ratio. The values identified in relation to the acquisition of Bluff Mine are final as at 31 December 2021.

The acquisition was assessed as an asset acquisition rather than a business combination as it did not meet the definition of business combination.

Details of the acquisition are as follows:

	Fair value $
Land	400,000
Mining Assets	15,118,396
Total Assets	15,518,396
Less: Rehabilitation Provision	(10,518,396)
Net assets acquired	**5,000,000**
Representing:	
Cash paid in advance	250,000
Share Capital issued	4,750,000
Net acquisition	**5,000,000**

Directors' Declaration

The Directors of the Consolidated Entity declare that:

The financial statements and notes are in accordance with the Corporations Act 2001 and:

(a) comply with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(b) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and of the performance for the period ended 31 December 2021.

In the Directors' opinion there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Gerhard Redelinghuys
Managing Director
14 March 2022

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
BOWEN COKING COAL LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Bowen Coking Coal Limited which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Bowen Coking Coal Limited are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Bowen Coking Coal Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Bowen Coking Coal Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bowen Coking Coal Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS

Albert Loots
Partner – Assurance & Advisory

Brisbane, Queensland
Dated: 14 March 2022