



QUARTERLY ACTIVITIES REPORT

Date: 18 October 2018

Quarter: 1 July to 30 September 2018

Highlights

- **Positive Mining study completed at Cooroorah**
- **Second Phase exploration commences at Cooroorah**
- **Hillalong exploration target defined for both open pit and underground resources**
- **Share placement of \$1.2m (before costs) at 1.6c per share, representing a 2.8% discount to the 30 day VWAP**
- **New exploration opportunities identified for Isaac River following historic drill hole review**
- **Isaac River exploration fast tracked**

Bowen Coking Coal Ltd (“BCB” or “the Company”) is pleased to provide shareholders with the following update in respect of the Company’s activities at its portfolio of projects located in Queensland’s Bowen Basin for the September 2018 quarter.

Projects

Cooroorah (MDL 453)

Second phase exploration commenced at the 100% owned Cooroorah Coking Coal Project, which currently contains a 154mt JORC Resource and is located between Coronado Coal’s Curragh Mine and the Anglo, Marubeni and Sojitz owned Jellinbah Mine.

The commencement of the second phase exploration program followed the positive outcome of a Mining Study carried out by John T Boyd (ASX announcement 20 August 2018), following on a highly successful exploration program which targeted a previously unexplored area of the Mammoth seam. The outcome of the program included exceptional coal quality results that were significantly better than previously observed.

The Mining Study focused on extractability, operating cost, capital expenditure and alternative development options, including the new Mammoth seam resource. The Study encouraged the Company to advance the Project into the next phase of project development which includes further drilling, increasing the level of confidence in the newly defined resource area, and more detailed quality analysis, prior to commencing a Pre-Feasibility Study. A multi-seam, 150m wide Longwall option with drift access to the Mammoth seam was assumed as a base case in the Study.

The Study also suggested alternative options to test the impact of synergies with neighbouring operations such as:

- Access from a neighbouring highwall opposed to drift access.
- Toll washing ROM (Run of Mine) coal at a neighbouring operation.
- Using neighbouring rail loop and load out infrastructure.
- Unwashed PCI from the Mammoth seam which could delay the Coal Handling and Process Plant (CHPP) capital expenditure.

All the above alternative options demonstrated a positive impact on the base case and therefore, will be considered in future studies along the development path of the Project. Exploratory discussions with proximate operations have now been initiated.

Table 1 below is a summary of the key coal qualities from the Mammoth Seam, demonstrating very desirable coking coal properties for a primary coking coal with a high energy secondary Low Volatile PCI product, with a combined estimated laboratory yield of circa 90%.

Property	Primary Coking coal	Secondary PCI coal
Inherent Moisture (% ad)	1.2	1.4
Ash (% ad)	3.5	10.0
Volatile Matter (% ad)	18.8	17.1
Fixed Carbon (%ad)	76.5	71.5
Total Sulphur (% ad)	0.44	0.38
Phosphorus (% ad)	0.03	0.06
Calorific Value (kcal/kg gad)		7560
HGI	90	85
CSN	8 - 9	
Gray-King coke type	G4 - G5	
Reflectance R _v max. %	1.56	
Vitrinite content %	68	
Fluidity (ddpm)	5 - 10	
Base-acid ratio	0.13	
Yield % (Lab, dilution free)	40%-45%	45%-50%

Table 1: Washed coal quality observed from the Mammoth seam for the primary and secondary products (average for both of the completed holes)

Xenith Consulting has been engaged to conduct a turnkey program for two pilot drill holes and two partially cored holes to sample all coal seams (See Figure 1 below COR003 and COR014).

If the program proves successful, a Resource estimate update will be triggered in accordance with the JORC Code (2012). Part of the rationale for the exploration program is to convert more of the current Inferred Resources to an Indicated level (aiming to achieve more than 50% on Indicated level, currently 44%) which is a common milestone for Scoping Studies and Preliminary Feasibility Studies.

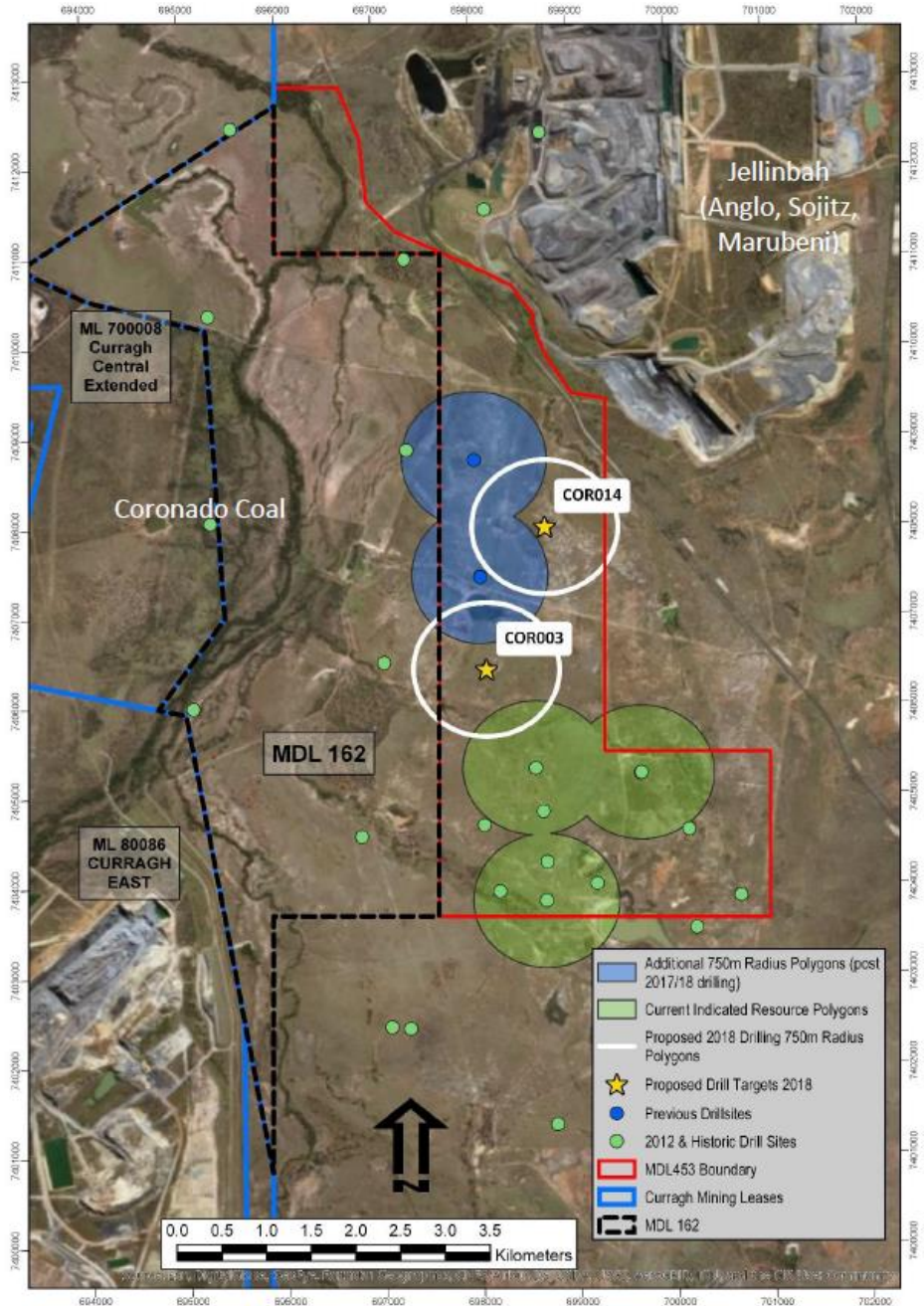


Figure 1: Cooroorah (MDL 453) current Indicated Resource areas. Green (Pre- 2017 drilling), Blue (2017/18 Drilling) and White (Planned 2018 drilling)

Mt Hillalong

During the quarter (ASX announcement 9 July 2018) the Company released results from the initial geological assessment carried out by Xstract Mining Consultants (“Xstract”) of the 100% owned Mt Hillalong Project (comprising EPC 1824 and EPC 2141), located in close proximity to Glencore’s Hail Creek Mine. Xstract consolidated all historic and Rio Tinto (“RTX”) exploration data into a geological model to recommend an exploration plan to further advance Mt Hillalong. Exploration data utilised in the model for the Exploration Target* included three 2D seismic lines, ground and aeromagnetic surveys, drill hole data from drilling programs conducted by previous tenement holders (including drilling conducted by RTX between 2013 and 2015) and coal quality data from nine cored holes.

Xstract estimated an Exploration Target* in accordance with the guidelines of the JORC Code (2012) of between 61Mt and 409Mt, with average coal quality, composited on a full seam basis, ranging between 18% (adb) and 38% (adb) for raw ash and raw CSN ranging between 1.0 and 5.5. Estimated tonnage ranges and weighted average coal quality ranges for coal seams in the Rangal Coal Measures (“RCM”) and Moranbah Coal Measures (“MCM”) are shown below in Table 2. The estimate for the RCM is based on a hard coking coal assumption and open pit configuration with in-situ strip ratio <20:1, with the Underground target to a maximum depth of 160m (Low case) and 500m (High case). The estimate for the MCM assumes a Low Volatile PCI and open pit configuration with strip ratio <15:1, with the Underground target to a maximum depth of 400m (Low case) and 550m (High case). (*The potential quantity and grade for the Exploration Target is conceptual in nature. There has been insufficient exploration to date to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource in this area.)

The spatial distribution of coal quality Points of Observation is currently insufficient to allow for an estimate of Coal Resources, in accordance with JORC Code (2012) guidelines. Management will liaise with Xstract to plan and drill four to five strategically placed core holes as a first tranche within the next twelve months to further test the quality from both the RCM and MCM.

Exploration Target	Low case Tonnes (Mt)	Low case Raw Ash (% adb)	Low case Raw CSN	High case Tonnes (Mt)	High case Raw Ash (% adb)	High case Raw CSN
RCM Open Cut	8	18	5.5	222	34	3.0
RCM Underground	7	18	5.5	116	26	4.0
Total	15	18	5.5	338	31	3.5
MCM Open Cut	18	36	2.5	30	36	1.5
MCM Underground	28	39	1.5	41	32	1.0
Total	46	38	2.0	71	34	1.0
TOTAL	61			409		

Table 2: Exploration Target* estimate for the Mt Hillalong Project (EPC1824 and EPC2141)

Isaac River (MDL444 and EPC830)

BCB recently obtained historic exploration data (ASX announcement 26 September 2018) which identified new shallow exploration targets in its 100% owned Isaac River Project, located immediately down dip from BHP Mitsubishi Alliance's Daunia East Mine.

Drilling by the Utah Development Corporation in 1967 and Macarthur Coal in 1998 resulted in shallow intersections of the Leichhardt, Vermont and Girrah seams within the boundary of the tenement (EPC830). A limited amount of coal quality data is available in the historic reports, but it does demonstrate strong correlation with the quality observed in the Leichhardt seam in the North (Table 3).

The Company intends to drill at least two holes to verify the existence and continuance of these shallow Leichhardt coal seams in the South, and also to test the thick intersections of the Girrah seam from expected depths shallower than 20m for any commercial coal quality. The Company has also identified an area within MDL 444 where the Leichhardt Lower seam is expected to subcrop, and plans are underway to drill more holes in this new target area.

Indicative coal quality and washability analysis for the Leichhardt seam have been conducted on hole E830041C only by A&B Mylec Pty Ltd, which indicated the potential for an 8.9% ash semi-soft coking coal product with a secondary thermal coal product (6900kcal air dried) at a combined total simulated yield of 87%.

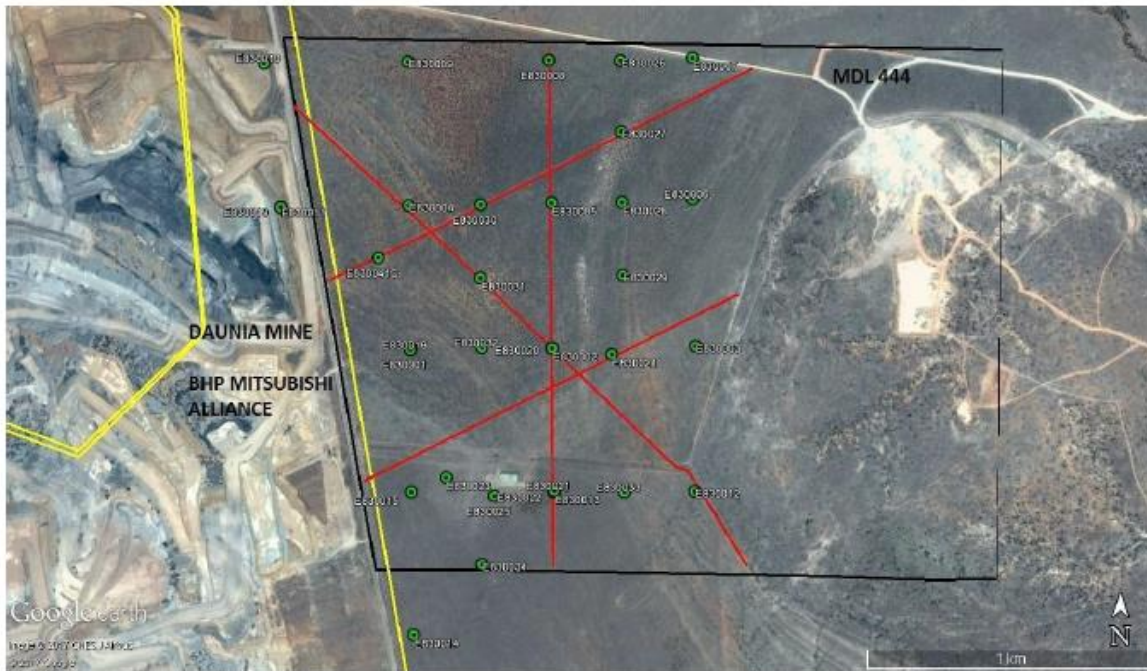


Figure 2: Northern part of Isaac River Project (MDL 444) with drill holes and seismic lines with BMA’s Daunia Mine in the East.

					Raw Air Dried Coal Quality (adb)					
HOLE	FROM	TO	Thickness (m)	Insitu RD	Moisture %	Ash %	Fixed Carbon %	Volatile Matter %	Total Sulphur %	Calorific Value
E830016	35.0	40.2	5.2	1.43	1.6	15.3	62.6	20.5	0.42	6876
E830019	90.2	95.4	5.2	1.50	1.0	21.3	57.5	20.2	0.32	6223
E830020	55.1	59.1	4.1	1.45	1.6	17.5	61.9	18.9	0.40	6750
E830022	42.3	46.5	4.2	1.43	1.0	16.2	63.7	19.0	0.34	6904
E830041C	102.0	106.2	4.2	1.42	2.1	15.5	63.3	19.2	0.22	6956

Table 3: Raw coal qualities observed at Isaac River for the Leichhardt Seam in MDL 444.

The Company has already commenced the exploration approval process to drill up to 6 holes in the short term (two in the South and four in the North) and is working with its Consultants to fast track the exploration program, which is expected to be followed by a maiden Resource Estimate and Scoping study for a small open pit mine. Pre-concept level studies are underway and initial indications are encouraging which warrants further investigation.

Whilst the tenement is small in size, the strategic location and shallow coal found at Isaac River has created significant interest from potential partners, developers and producers and as such, BCB is looking to fast track its exploration efforts at this project.

Comet Ridge (EPC 1230 and MLA700005)

In May 2018 the Company announced it had entered into a binding conditional Term Sheet with Springsure Creek Coal Pty Ltd (SCC) to sell its Comet Ridge Project (EPC 1230 & MLA 700005). The Term Sheet was subject to conditions precedent including that the parties enter into formal documentation. The parties continued to negotiate towards final binding documents, but after the end of the quarter the Company terminated the Term Sheet as commercial agreement on the terms of the final binding sales documents could not be reached. The Company is still evaluating its position in terms of the Mine Licence Application (MLA 700005). EPC 1230, underlying the MLA, has been granted to the Company for a further 5 years with an annual exploration expenditure commitment of \$20,000 per year.

Corporate

During the quarter coal industry specialist Blair Sergeant was appointed Executive Director: Corporate Development, following his engagement by the Company as a Corporate Advisor in May 2018. Blair 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 that company from a sub-\$2m market capitalisation to over \$1.5b at its peak.

During the quarter the Company conducted a capital raising pursuant to an offer made to sophisticated and professional investors of 74,875,000 ordinary fully paid shares at an issue price of \$0.016 per share, which represented a 2.8% discount to the prevailing 30 day VWAP. The issue raised a total of approximately \$1.2m before costs.

The Placement was cornerstoned by two European Funds and was well supported by local institutional investors. Ironside Capital Pty Ltd acted as Lead Manager to the Placement. The Company will use the funds raised to fast track the drilling and exploration activities at the Company's Cooroorah, Hillalong and Isaac River Projects.

Metallurgical Coal Markets

The export market for metallurgical coal grew 4.5% in 2017 on the back of strong economic growth and resultant steel demand. Demand from China and India remained strong during the quarter, driven by high steel production

Demand is expected to remain strong for the commodity in the medium to long term based on strong growth in Asia, mainly from India. Australian supply is expected to grow from 183Mtpa in 2017/2018 to 198Mtpa in 2019/20.

The high demand for metallurgical coal supported the average FOB price for premium hard coking coal at around US\$187 per tonne during the quarter with a sharp increase in October to above US\$200 due to supply concerns and logistical congestion [Department of Industry, Innovation and Science].

Metallurgical coal is a scarce commodity and the market fundamentals remain strong which in turn support healthy margins for Australian producers.

Key activities for the next quarter

The Company has engaged a new drilling contractor for the Cooroorah exploration program, as the previous contractor could not achieve a timely release from its previous engagement as originally envisaged in the exploration plan. Mobilisation to site is now expected in the coming weeks.

The Company is working with its Consultants to fast track the Isaac River exploration program, after which it aims to produce a maiden Resource and Exploration Target Estimate. Pre-Concept work on a small open pit mine is expected to be completed during the next quarter, which could progress into a Scoping study.

Conduct and Compensation Agreements with landowners are under negotiation at Hillalong, and the drill site approvals will be obtained once the final transfer of the tenements is complete. Exploration at this project will commence early in the new year post the wet season.

Corporate discussions are ongoing with various parties to explore synergies and to find potential development partners.

Project Information required by Listing Rule 5.3.3.

Country	Location	Project	Tenement	Change in Holding (%)	Current Interest (%)
Australia	Queensland	Cooroorah	MDL 453	-	100%
Australia	Queensland	Mt Hillalong	EPC 1824	-	100%
Australia	Queensland	Hillalong East	EPC 2141	-	100% ¹
Australia	Queensland	Hillalong East	EPC 1860	-	100% ¹
Australia	Queensland	Lilyvale	EPC 1687	-	15%
Australia	Queensland	Lilyvale	EPC 2157	-	15%
Australia	Queensland	Mackenzie	EPC 2081	-	5%
Australia	Queensland	Comet Ridge	EPC 1230	-	100%
Australia	Queensland	Comet Ridge	MLA 7005	-	100%
Australia	Queensland	Isaac River	MDL 444	-	100%
Australia	Queensland	Isaac River	EPC830	-	100%

¹Indicative ministerial approval for the transfer to the Company has been received, stamp duty was paid and final transfer documents were lodged in September.

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ABOUT BOWEN COKING COAL

Bowen Coking Coal is a Queensland based coking coal exploration company with advanced exploration assets. The Company fully owns the Isaac River, Cooroorah and Hillalong coking coal Projects in the world-renowned Bowen Basin in Queensland, Australia. Bowen Coking Coal is also a joint venture partner in the Lilyvale (15% interest) and Mackenzie (5% interest) coking coal Projects with Stanmore Coal Limited.

The highly experienced Board and management aim to grow the value of Bowen Coking Coal's projects to benefit shareholders by leveraging innovation and maximising the assets and network of the team. An aggressive two year exploration and development program will underpin the business strategy.

Listing Rule 5.23 Statement

All exploration results and Mineral Resources referred to in this quarterly 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 quarterly 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.