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QUARTERLY ACTIVITIES REPORT

Date: 24 January 2019

Quarter: 1 October to 31 December 2018

Highlights

- **Successfully completed second phase drilling at Cooroorah**
- **Maiden JORC Resource estimate and exploration target for Isaac River**
- **Appointment of experienced executives (Nick Jorss and Neville Sneddon) to the Board**
- **Share placement of $500,000 to St Lucia Resources (Company associated with Nick Jorss)**
- **Stage 1 of the Isaac River Scoping study has commenced and 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 coking coal projects located in Queensland's Bowen Basin for the December 2018 Quarter.

Projects

Cooroorah (MDL 453)

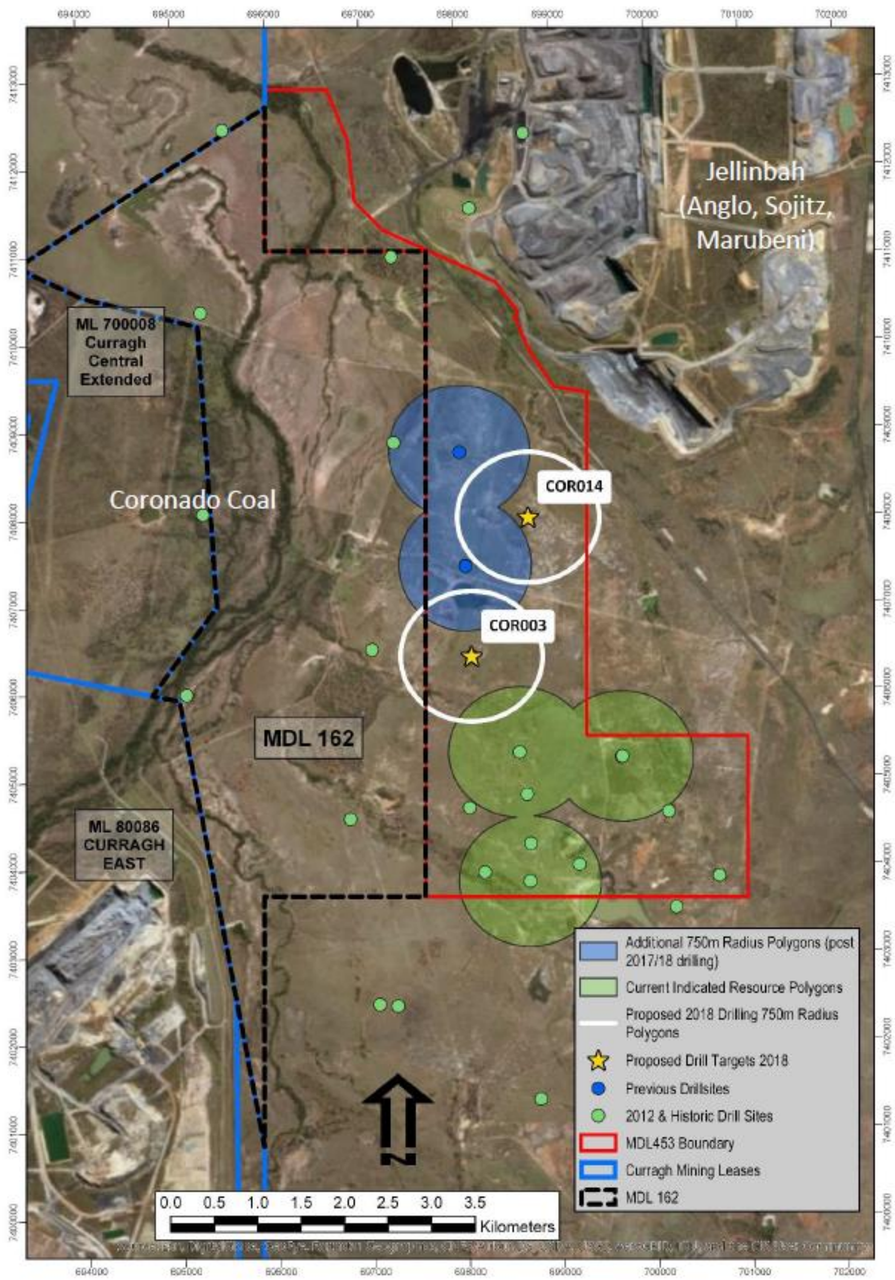
During the Quarter the Company completed its second phase drilling program at the 100% owned Cooroorah Coking Coal Project, which currently contains a 154mt JORC Resource[1] (69 mt Indicated, 85 mt Inferred categories) and is located between Coronado Global Resources' (ASX:CRN) Curragh mine and the Anglo, Marubeni and Sojitz owned Jellinbah Mine (see Figure 1).

The drilling program successfully intersected all the target coal seams where expected, confirming the Company's confidence in the geological model and seam continuance predictions.

[1] ASX release 27 April 2018, Cooroorah Resource Update

A key objective of the drilling program was to convert a percentage of Cooroorah's Inferred JORC Resource for the Mammoth seam into the Indicated Resource category and to confirm the continuance between the two main resource areas in the North and South of the tenement.

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



Hole COR014 confirmed the extension of the Mammoth seam at a 4.5m thickness. The seam appears very clean and devoid of any stone bands, similar to those intersections observed in the 2017/18 exploration program. COR014 is strategically located towards the East of the tenement (also the deepest part of the Mammoth resource area) to test the seam continuance closer to the interpreted Jellinbah fault. Initial raw coal quality from COR014 confirmed the continuance of the high-quality coal. Regionally, the combined Aries and Castor seams are known as the Mammoth seam which is well known for its good coking properties.

Hole COR003 was placed in an area where the Mammoth seam was not predicted to occur (interburden exists between the Aries and the Castor seams). The drill hole encountered all the coal seams in line with the predictions from the geological model and adds further confidence to the geological model in terms of seam continuance between the previous exploration in the South and the latest exploration by BCB in the North of the tenement. Washability and clean coal quality tests are under way, as well as a re-estimate of the Resource size.

The program was completed ahead of schedule and below budget.

Isaac River

Of great significance, the Company announced its maiden JORC Mineral Resource Estimate for its 100% owned Isaac River Project which is located along strike from BHP Mitsubishi Alliance's ("BMA") Daunia Mine (Figure 2) [2]. Whilst the maiden Mineral Resource is relatively small, the Company is excited by the potential of an open pit operation at Isaac River, with high quality coal and within close proximity to existing infrastructure. This positions Isaac River as a project BCB can potentially fast track to a development decision.

Given the relatively small resource tonnage, the assessment of reasonable prospects for economic extraction has been based on a likely scenario of minimal on-site development and utilisation of nearby infrastructure, with coal washing and other services to be negotiated with nearby operations. This allows the small resource base to be exploited much like a satellite pit of a nearby mine.

A significant amount of study work has been done on option analysis and margin ranking to determine the best case for advancing the project. Study focus to date has been on the Leichardt seam only ("Isaac River Stage 1") due to its current resource status, which will be expanded to include the other seams ("Isaac River Stage 2") on completion of the planned exploration program. Discussions to determine the best way to fast-track the project have already commenced with environmental consultants and relevant service providers.

The maiden Mineral Resource estimate for the Leichhardt seam is 5.3Mt, which includes Indicated Resources of 4.2Mt (open cut) and Inferred Resources of 1.1Mt (underground). The Leichhardt seam has an average thickness of 4.7m across the Project.

The seam structural continuity is well supported by the structural drilling and seismic interpretation, resulting from the seismic program undertaken in 2015 by Velseis, comprising four 2D mini-sosie lines, covering 7.4 line kilometres. The base of weathering is observed at between 20m and 25m.

[2] ASX release 1 November 2018, Maiden Resource Estimate for Isaac River Project

Coal quality and washability demonstrated potential for a primary semi-soft/semi-hard coking coal with a secondary high energy thermal coal. A higher yielding single product PCI option was also identified and is assumed as the base case for early studies.

Figure 2: Location of the Isaac River Project (MDL 444 and EPC 830)

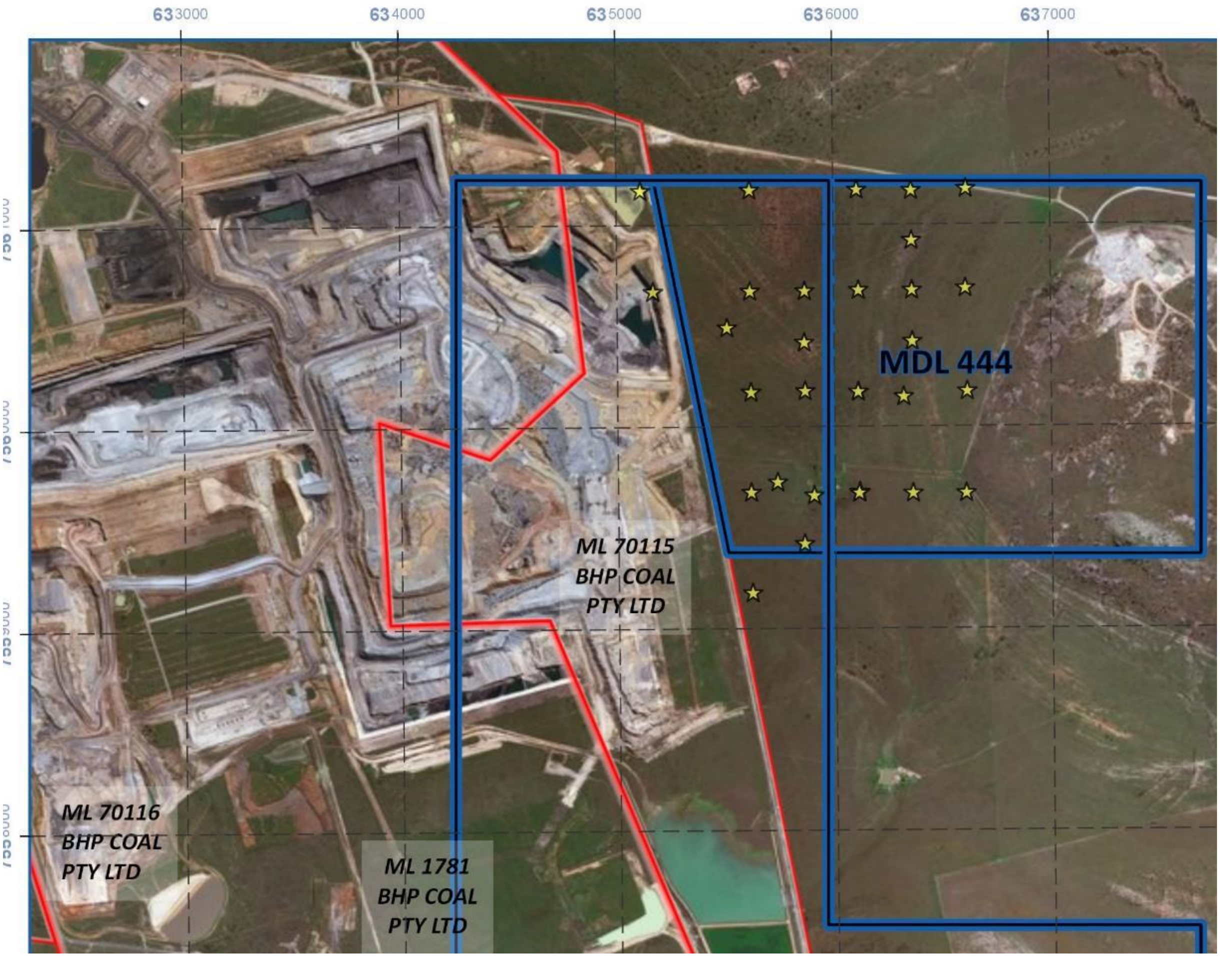


Table 1: Resource Estimate for the Leichhardt Seam (Raw coal quality, air dried basis (adb))

Seam	Lease	Mass	Seam Thickness	Insitu RD	Moisture					
		Mt	m	g/cc	% (adb)	RAW Ash % (adb)	FC % (adb)	VM % (adb)	TS % (adb)	RAW CV kcal/kg (adb)
LHD Indicated	MDL 444	4.2	4.4	1.40	1.5	16.8	62.0	19.6	0.33	6779
LHD Inferred	MDL 444	1.1	4.7	1.45	1.5	17.6	61.2	19.7	0.31	6680
LHD Total	**MDL 444**	**5.3**		**1.44**	**1.5**	**17.0**	**61.9**	**19.6**	**0.33**	**6758**

The Company has also estimated a further Exploration Target* of between 9Mt and 15Mt for the underlying Leichhardt Lower, Vermont, and Girrah seams based on an open cut pit configuration shallower than 150m depth and minimum seam thickness of 0.3m.

*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.

Table 2: Exploration Target* for Isaac River per seam

Seam	Lease	Exploration Target (Mt)	
		Minimum	Maximum
LH Lower	MDL 444	0.5	1.5
	EPC 830		0.1
Total LH Lower		**0.5**	**1.6**
Vermont Plies	MDL 444	2.5	3.5
	EPC 830	0.1	0.5
Total Vermont		**2.6**	**4.0**
Girrah Plies	MDL 444	3.5	5.5
	EPC 830	2.5	3.5
Total Girrah		**6.0**	**9.0**
Exploration Target	MDL 444	6.5	10.5
Exploration Target	EPC 830	2.5	4.5
Total Exploration Target		**9**	**15**

The Leichhardt and Vermont seams form part of the Rangal Coal Measures and are mined at neighbouring mines to produce high quality metallurgical coal for the export market. The Leichhardt Lower seam has been encountered in 7 historical drill holes within the boundary of the tenement at an average thickness of 2.7 metres, but due to a lack of suitable coal quality data, those drill results have not been included in the Resource estimate at this stage (QDEX, EPC 646 2014 Report).

The Company has now developed an exploration program to test the Leichardt Lower and Vermont seams (Isaac River Stage 2) and to further increase its confidence in the Leichardt seam (Isaac River Stage 1). Weather permitting, drilling is planned to commence in coming weeks.

Mt Hillalong

The Company has designed an exploration program which targets an area where the Elphinstone seam (Leichardt equivalent) in the Rangal Coal Measures is expected to sub-crop and could be amenable to open pit mining. Cultural Heritage clearance of the drill sites will commence shortly and negotiations with the land owners has already commenced. During the previous quarter the Company released an exploration target* ranging between 61Mt and 409Mt[3].

Table 3. Exploration Target* estimate for the Mt Hillalong Project (EPC1824 and EPC2141)

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**		

*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.

Comet Ridge

In May 2018 the Company announced it had entered into a binding Term Sheet with Springsure Creek Coal Pty Ltd (SCC) to sell its 100% owned Comet Ridge Project (EPC830 & MLA700005) in exchange for a $100,000 cash payment and a royalty stream of 1.25% of FOR (Free on Rail) revenue from the first 2.8Mt coal produced from Comet Ridge. The transaction was subject to certain conditions precedent, amongst others, entering into final transaction documents. The parties could not reach agreement on certain key commercial issues, and therefore the Company terminated the Term Sheet. EPC 1230 underlies Comet Ridge, and the renewal of the tenement was granted in September 2018 for a further 5 years with an annual exploration commitment of $20 000 per annum.

BCB is currently considering various strategic options to realise value from this tenement.

[3] ASX release 9 July 2018, Material Open Cut and Underground Exploration Target for Mt Hillalong

Corporate

Mr Neville Sneddon and Mr Nick Jorss have joined the Board as Chairman and Non-Executive Director respectively. Both Neville and Nick bring an enormous of amount of coal experience and success to the Board, Neville as the former Managing Director of Anglo Coal Australia, and Nick as the Founder and former Managing Director of ASX listed Stanmore Coal Limited.

In conjunction with the Board appointments, the Company made a placement of 31,250,000 shares at an issue price of 1.6c per share, raising gross proceeds of $500,000. The Placement was made to St Lucia Resources Capital Fund Pty Ltd ("SLRCF"), an entity associated with Nick Jorss. The funds raised will be used to further accelerate BCB's exploration and development program. The shareholders of SLRCF are Nick Jorss, together the two other co-founders of Stanmore Coal.

Significant interest has been received in the Company's projects from both domestic and international producers and end users. Corporate discussions are ongoing with various parties to explore synergies and potential development opportunities.

Metallurgical Coal Markets

The export market for metallurgical coal grew 4.4% in 2018 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 179Mtpa in 2017/2018 to 190Mtpa in 2019/20.

The high demand for metallurgical coal supported the average FOB price for premium hard coking coal at around US$220/t during the quarter, which represents a 15% increase from the September Quarter and 5.4% increase from the previous year[4] –

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 Isaac River exploration program is expected to commence early in the quarter. The aim of the program is to increase confidence in the Leichardt seam washability, and to obtain an understanding of the washability and coal quality of the Leichardt Lower and Vermont seams, which has not been tested by the previous owners.

[4] *Department of Industry, Innovation and Science.*

Depending on the outcome of the exploration program, the Resource estimate will be updated and strategic development options revisited to potentially include the lower seams in the development plan (Isaac River Stage 2).

The Isaac River Scoping Study for Stage 1 (Leichardt seam only) is progressing well and is expected to be completed early in the quarter.

Following the recent exploration outcomes at Cooroorah, Xenith Consulting has been engaged to conduct an update in the resource estimate in accordance with the JORC code.

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%
Australia	Queensland	Hillalong East	EPC 1860		100%
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%

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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, Hillalong and Comet Ridge 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 the Company's coking coal projects to benefit shareholders by leveraging innovation and maximising the assets and *network of the team. An aggressive two-year exploration and development program 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.