

15 May 2020

Notice of Meeting to Approve Marketing Joint Venture & Finance Facility

Bowen Coking Coal Ltd (ASX: BCB, "Company") is pleased to provide Shareholders with the attached Notice of Meeting, which seeks Shareholder approval of the proposed Marketing Joint Venture (the "**Marketing JV**") and Finance Facility with M Resources Trading Pty Ltd ("**M Resources**"), to be held on 17 June 2020.

As previously announced, the Company and M Resources, a related entity of Mr Matt Latimore (a Substantial Shareholder of BCB), have agreed to establish a joint venture to market, promote and sell, all coking coal produced by and from any of BCB's existing coking coal portfolio, as well as third party coal for blending purposes. M Resources has also agreed to provide BCB with a finance facility of up to \$15m, to be utilised in funding the development of BCB's Isaac River Coking Coal Project, or any other of BCB's coking coal projects, as the case may be.

Subject only to receiving Shareholder Approval for the above-mentioned Marketing JV, Mr Matt Latimore will also join the Company's Board as a Non-Executive Director. On the assumption that Shareholders approve the Marketing JV at the forthcoming General Meeting, the Board has agreed to consider the appropriateness of both its size and composition and as such, will make an announcement regarding same in the near term.

By Order of the Board.

For further information please contact:

Gerhard Redelinghuys
Managing Director
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Blair Sergeant
Executive Director – Corporate Development
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ABOUT BOWEN COKING COAL

Bowen Coking Coal Ltd is a Queensland based coking coal exploration company with advanced exploration assets. The Company fully owns the Isaac River, Cooroora, 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 with Stanmore Coal Limited in the Lilyvale (15% interest) and Mackenzie (5% interest) coking coal Projects.

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 exploration and development program underpin the business strategy.

Directors
Gerhard Redelinghuys
Blair Sergeant
Neville Sneddon
Steve Formica
James Agenbag
Nick Jorss

Company Secretary
Duncan Cornish



ASX Code
BCB

Enquiries regarding this announcement can be directed to
Duncan Cornish
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Bowen Coking Coal Limited
ABN 72 064 874 620

NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY STATEMENT

Date of meeting: 17 June 2020

Time of meeting: 10.00am

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting and Explanatory Statement should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Extraordinary General Meeting are those who are registered Shareholders at 7.00pm (AEST) on 15 June 2020.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (07) 3212 6299.

BUSINESS OF THE EXTRAORDINARY GENERAL MEETING

Notice is given that an Extraordinary General Meeting of Shareholders of Bowen Coking Coal Limited ABN 72 064 874 620 (**Company**) will be held online (see further details below) and at Level 8, Waterfront Place, 1 Eagle St, Brisbane on 17 June 2020 at 10.00am. In light of the COVID-19 pandemic and social distancing restrictions, the Company encourages Shareholders to attend the General Meeting online.

Terms used in this Notice of Meeting are defined in the Glossary forming part of the Explanatory Statement.

The Explanatory Statement and the Proxy Form accompanying this Notice of Meeting are incorporated in and comprise part of this Notice of Meeting.

A copy of this Notice and the Explanatory Memorandum which accompanies this Notice has been lodged with the Australian Securities & Investments Commission (**ASIC**) in accordance with Section 218 of the Corporations Act.

INSTRUCTIONS FOR ATTENDANCE AT MEETING & VOTING

Shareholders can attend the General Meeting online at the following link: <https://agmlive.link/BCB20>

The Company's Share Registry recommends logging onto our online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

Enter <https://agmlive.link/BCB20> into a web browser on your computer or online device;

- Shareholders will need their Shareholder Reference Number or Holder Identification Number, which is printed at the top of the Voting Form; and
- Proxyholders will need their proxy code which Link Market Services will provide via email no later than 48 hours prior to the Meeting.

Shareholders are requested to participate in the General Meeting virtually via the Company's virtual General Meeting platform at <https://agmlive.link/BCB20> or via the appointment of a proxy.

Further information on how to participate and vote virtually is set out in this Notice and the Online Platform Guide at <https://www.bowencokingcoal.com.au/upcomingegm>.

DISCUSSION & SHAREHOLDER QUESTIONS

Discussion will take place on all items of business to be considered at the General Meeting.

All shareholders will have a reasonable opportunity to ask questions during the General Meeting via the virtual General Meeting platform.

To ensure that as many Shareholders as possible have the opportunity to speak, Shareholders are requested to observe the following requests:

- all Shareholder questions should be stated clearly and should be relevant to the business of the Meeting;
- if a Shareholder has more than one question on an item of business, all questions should be asked at the one time; and
- Shareholders should not ask questions at the Meeting relating to any matters that are personal to the Shareholder or commercial in confidence.

Shareholders who prefer to register questions in advance of the General Meeting are invited to do so. A Shareholder Question Form is also available on the Company's website: <https://www.bowencokingcoal.com.au/upcomingegm>. Written questions must be received by the Company or Link Market Services Limited by 5pm on 10 June 2020, and can be submitted online, by mail, by fax or in person (as set out on the top of the Shareholder Question Form).

ORDINARY BUSINESS

1. Resolution 1 – Approval of transactions with M Resources Trading Pty Ltd (and associated entities) under Chapter 2E of the Corporations Act

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an Ordinary Resolution:

“That, for the purposes of Chapter 2E of the Corporations Act 2001, and for all other purposes, the Company be authorised, with effect from the passing of this Resolution 1, to proceed with:

- a) the establishment of Marketing Co.;*
- b) the entry of the Transaction Documents and undertaking all matters contemplated by the Transaction Documents;*
- c) without limitation to (b) above, in the event that the Company draws down on the Finance Facility, the granting of the Security by the Company to Latimore Finance Pty Ltd to secure the indebtedness associated with the Finance Facility;*
- d) the giving of financial benefits to M Resources Trading Pty Ltd, Latimore Family Pty Ltd as trustee for The Latimore Family Trust and Latimore Finance Pty Ltd, being related parties of the Company,*
- e) where contemplated by the Umbrella Deed, the entry into:*
 - (i) the Hillalong Exclusive Marketing Agreement; and*
 - (ii) any additional exclusive marketing agreement with Marketing Co, where wholly owned assets of the Company become jointly owned or where the Company acquires further coal projects (either wholly or jointly owned) in the future,*

pursuant to the terms and conditions of the Transaction Documents and the Umbrella Agreement, the details of which are summarised in the Explanatory Statement.”

Voting Exclusion Statement

A vote on this Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) M Resources Trading Pty Ltd, Latimore Family Pty Ltd as trustee for The Latimore Family Trust and Latimore Finance Pty Ltd; or
- (b) an associate of M Resources Trading Pty Ltd, Latimore Family Pty Ltd as trustee for The Latimore Family Trust and Latimore Finance Pty Ltd.

However, a vote may be cast if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and
- (b) it is not cast on behalf of any of the persons listed above.

SPECIAL BUSINESS

2. Resolution 2 – Amendment of Constitution

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a Special Resolution:

“That, with effect from the close of this Meeting, for the purposes of section 136(2) of the Corporations Act 2001 and for all other purposes, the Constitution of the Company be amended in accordance with, and as explained in, the Explanatory Statement.

General business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

IMPORTANT INFORMATION ABOUT VOTING ON THE RESOLUTIONS

All Resolutions will be by Poll

In accordance with clauses 13.16 and 13.17 of the Company’s constitution, the Chair intends to call a poll on each of the resolutions proposed at the Meeting. Each resolution considered at the Meeting will therefore be conducted by a poll, rather than on a show of hands. The Chair considers voting by poll to be in the interests of the Shareholders as a whole and is a way to ensure the views of as many Shareholders as possible are represented at the Meeting.

How to vote

Shareholders may vote by:

- (a) Using the online platform. We recommend logging in to the online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:
- Enter <https://agmlive.link/BCB20> into a web browser on your computer or online device;
 - Securityholders will need their Securityholder Reference Number or Holder Identification Number, which is printed at the top of the Voting Form; and
 - Proxyholders will need their proxy code which Link Market Services will provide via email no later than 48 hours prior to the Meetings.

Online voting will be open between the commencement of the Meeting at 10.00 am (Brisbane time) on 17 June 2020 and the time at which the Chair announces the closure of voting.

More information about online participation in the Meeting is available in the Online Platform Guide at <https://www.bowencokingcoal.com.au/upcomingegm>.

- (b) Appointing a proxy to attend and vote on their behalf, using the enclosed proxy form.

Voting by proxy

A member who is entitled to vote at the Meeting may appoint:

- (a) one proxy if the member is only entitled to one vote; or
- (b) two proxies if the member is entitled to more than one vote.

Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one half of the votes, in which case any fraction of votes will be discarded.

A proxy need not be a member of the Company.

If you require an additional proxy form, please contact the Share Registry, Link Market Services Limited, on 1300 554 474, which will supply it on request.

The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Share Registry, Link Market Services Limited, no later than 15 June 2020 at 10.00am (that is, at least 48 hours before the meeting). Proxies received after this time will not be accepted. Instructions for completing the proxy form are outlined on the form, which may be returned by:

- (a) posting it in the reply-paid envelope provided;
- (b) posting it to Bowen Coking Coal Limited C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
- (c) hand delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000;
- (d) faxing it to Link Market Services Limited on fax number (02) 9287 0309;
- (e) lodging it online at linkmarketservices.com.au in accordance with the instructions provided on the website. You will need your Holder Identification Number (HIN) or Security Reference Number (SRN) to lodge your proxy form online.

Proxies given by corporate shareholders must be executed in accordance with their Constitutions or signed by a duly authorised attorney.

A proxy may decide whether to vote on any motion except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as a proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote how he or she thinks fit.

The Constitution provides that a proxy form issued by the Company may provide that where the appointment of a proxy has not identified the person who may exercise it, the appointment will be deemed to be given in favour of the Chair of the meeting to which it relates or to such other person as the Board determines.

If a Shareholder appoints the Chair of the meeting as the Shareholder's proxy and does not specify how the Chair is to vote on an item of business, the Chair will vote, as a proxy for that Shareholder, in favour of the item on a poll.

Dated: 15 May 2020

By order of the Board
DP Cornish
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions to be put to Shareholders at the Extraordinary General Meeting to be held online (see further details in the Notice of Meeting) and at Level 8, Waterfront Place, 1 Eagle Street, Brisbane on 17 June 2020 at 10.00am.

The Notice of Meeting, which is also enclosed, sets out details of proposals concerning the Resolutions to be put to Shareholders.

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Statement in full before making any decision in relation to the Resolutions.

Unless otherwise defined, terms used in this Explanatory Statement are defined in the Glossary forming part of this Explanatory Statement.

1. Resolution 1 – Approval of transactions with M Resources Trading Pty Ltd (and associated entities) under Chapter 2E of the Corporations Act

1.1. Background

Marketing Joint Venture & Finance Facility

On 23 March 2020 the Company entered into the Umbrella Deed with M Resources, Latimore Family and Latimore Finance which sets out the terms of a proposed 50/50 joint venture arrangement between the Company and M Resources.

M Resources, Latimore Family and Latimore Finance are each controlled by Mr Matthew Latimore, who is a substantial holder of the Company (currently with a combined relevant interest of approximately 15.21% in the Company). M Resources specialises in marketing coking coal.

The parties intend to register Marketing Co. as a joint venture coal marketing vehicle, of which the Company and Latimore Family will be 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 will provide marketing support services to Marketing Co.

In addition, Latimore Finance may provide the Finance Facility of up to \$15 million, to be utilised in funding the development of the Company's coking coal projects.

The proposed joint venture was originally announced by the Company on 21 November 2019 and the signing of a binding overarching Umbrella Agreement was announced on 23 March 2020 (see the Company's ASX announcements of those dates for further information).

Pursuant to the Umbrella Agreement, the Company and the Latimore Parties propose to enter into the following documents to give effect to the joint venture and financing arrangements:

- (a) a constitution for Marketing Co.;
- (b) a Shareholders' Agreement between the Company, M Resources and Marketing Co.;
- (c) an Exclusive Marketing Agreement between the Company and Marketing Co. in respect of coal from projects wholly owned by the Company;
- (d) a Marketing Support Services Agreement between M Resources and Marketing Co.; and
- (e) a Loan Facility Agreement between the Company and Latimore Finance.

together, the **Transaction Documents**. A summary of each Transaction Document is set out in Annexures A – D. The Umbrella Deed also contemplates certain additional exclusive marketing agreements which may be entered into with Marketing Co, which are explained further in section 1.2 below. Further, in the event that the Company draws down on the Finance Facility, the Company (or its related entities) will be required to grant the Security to Latimore Finance Pty Ltd to secure the indebtedness associated with the Finance Facility.

The following sets out information in respect of the joint venture and financing arrangements. The implementation of the Transaction Documents is conditional on shareholder approval being obtained by 23 July 2020. Under the Umbrella Agreement, Marketing Co. must be registered within two Business Days of shareholder approval of Resolution 1. Execution of and implementation of the Transaction Documents pursuant to the Umbrella Agreement will occur one Business Day after the date Marketing Co. is registered by ASIC.

1.2. The proposed transaction

The Umbrella Agreement together with the Transaction Documents establish the following arrangements.

The Company and M Resources will establish Marketing Co. as a 50/50 joint venture coal marketing company, that will be responsible for the marketing and sales of all coal produced from the Company's current portfolio of wholly owned coking coal assets. Marketing Co. will be governed by the Constitution, and the Shareholders' Agreement which is to be entered into by the Company, Latimore Family and Marketing Co.. The Marketing Co. Constitution will be on standard market terms for a small proprietary company and the terms of the Shareholders' Agreement will override the Marketing Co. Constitution to the extent of any inconsistency. Further details of the Shareholders' Agreement are set out in Annexure A.

In respect of the Company's wholly owned projects, the Company and Marketing Co. will enter into the Exclusive Marketing Agreement, under which:

- (a) the Company will have an obligation to sell all of its coal from wholly owned projects to Marketing Co. (who will be obligated to purchase this coal), for on-sale to third party customers (**Exclusive Coal**);
- (b) the sale price payable to the Companies or its wholly owned subsidiaries by Marketing Co. for this Exclusive Coal will be the sale price paid by the end customer to Marketing Co., less a 1.75% marketing fee; and
- (c) Marketing Co. will be entitled to purchase coal from third parties to produce 'blended coal' to be sold by Marketing Co. after blending with Exclusive Coal at Marketing Co.'s discretion, with the sale price payable to the Company or its wholly owned subsidiaries for Exclusive Coal used in this manner to be agreed by the Company and Marketing Co.

Further details of the Exclusive Marketing Agreement are set out in Annexure B.

The Company will use reasonable endeavours to have any co-owned marketing company established for the purposes of the joint venture between the Company's subsidiary, CCO and SCAP Hillalong (an entity controlled by Sumitomo Corporation) for the Company's Hillalong Project (refer to the Company's announcement of 18 November 2019 for further information) appoint Marketing Co. as its exclusive marketing agent (other than in Japan where the appointment would be non-exclusive) under a separate marketing agreement.

Where any of the current wholly owned assets of the Company become jointly owned, subject to existing arrangements with SCAP Hillalong, the Company will use its reasonable endeavours to procure the owners of such jointly owned projects also enter into an exclusive marketing agreement with Marketing Co.. For completeness, it is noted that the joint venture as documented by the Transaction Documents does not presently extend to the Company's Lilyvale and Mackenzie Joint Ventures with Stanmore Coal.

In addition, where the Company acquires any further coal projects in the future, the Company and M Resources must:

- (a) if the project is wholly owned by the Company, procure; or
- (b) if the project is jointly owned by the Company, use reasonable endeavours to procure,

that the Company and the other owners of the project (if applicable) enter/s into an exclusive marketing agreement with Marketing Co..

The terms of any future marketing agreement must be on terms that are substantially similar to the Exclusive Marketing Agreement and otherwise on arm's length terms which are no less commercially reasonable in the circumstances than would have been the case had such agreement been entered into between third parties.

Marketing Co. will engage M Resources to provide general support services to Marketing Co., as detailed in the Marketing Support Services Agreement. M Resources will be paid a Service Fee for providing the services, which will be:

- (a) from the date of the Marketing Support Services Agreement until the first sale of coal by Marketing Co., the aggregate of:

- (i) \$10,000 per month (to be adjusted pro rata if such period is less than one month); and
 - (ii) the amount of any expenses incurred by M Resources in performing the services during that period; and
- (b) in respect of any period commencing on or after the date of the first sale of coal by Marketing Co., 4.82% of the aggregate of the Marketing Fee during that period,

payable monthly. Further details of the Marketing Support Services Agreement are set out in Annexure C.

Latimore Finance has agreed to provide the Company with the Finance Facility of up to \$15 million, to be used for the purposes of funding the development of the Company's current coking coal projects, to be governed by the Loan Facility Agreement.

The Company may request to draw down on the Finance Facility in respect of a particular project, once the decision to mine that project has been made. This decision, both to mine a project and to request to draw down on the Finance Facility, is completely at the Company's discretion. However, the Loan Facility Agreement details certain conditions precedent which must be satisfied before Latimore Finance is obliged to advance the funds the subject of a drawdown request, many of which are matters within the discretion of Latimore Finance and as such there is no guarantee that any funds will be made available under the Finance Facility at any time in the future.

Each approved draw down under the Finance Facility will be secured against the particular project being developed (with Latimore Finance having the ability to request additional security over other agreed assets if the value of the underlying project is not sufficient to cover the amount drawn down), will attract interest at a rate of 9% p.a. and will otherwise be governed by the terms and conditions detailed in the Loan Facility Agreement. Further details of the Loan Facility Agreement are set out in Annexure D.

Mr Latimore will be appointed to the Board of the Company as a Non-Executive Director, upon entry of the Transaction Documents. As noted above, Mr Latimore is the Managing Director of, and controls, M Resources. Mr Latimore also controls Latimore Family and Latimore Finance. Mr Latimore is a substantial holder of the Company, with a relevant interest in the Company of approximately 15.21% (held through M Resources and Latimore Family).

1.3. The rationale for the proposed transaction

The directors have given detailed consideration to the Proposed Transaction. The rationale for the Proposed Transaction includes to:

- (a) allow the Company to participate in the potential economic upside that can be generated through coal marketing activities, as the Company has not previously undertaken coal marketing;
- (b) facilitate the acquisition of significant coal marketing expertise and long standing relationships with global coking coal buyers, through the involvement of M Resources and Mr Latimore; and
- (c) provide the Company with a Finance Facility (albeit conditional) of up to \$15million for the purposes of facilitating development of the Company's coal projects.

The Company's role is to provide Marketing Co. with a source of coal and through the Exclusive Marketing Agreement and the Marketing Support Services Agreement, Mr Latimore's role is to maximise the sale price of that coal, through various trading and marketing activities. The Company will also have a right (at its discretion) to second staff into Marketing Co, in roles to be mutually agreed with Latimore Family (being a 50% shareholder in Marketing Co.).

Utilising a separate joint venture entity (Marketing Co.) will allow the Company and Latimore Family to control and manage risk and will establish an independent entity to carry on the marketing of coal from the Company's projects. The representatives of the Company and Latimore Family to be appointed as directors of Marketing Co. will have an express obligation in marketing and selling coal to act at all times in good faith and in the best interests of Marketing Co. as a whole, and in the case of Latimore Family, not to prefer the separate interests of Latimore Parties over the interests of Marketing Co..

The Finance Facility provides the Company with the potential for funding to progress its coking coal projects, which if ultimately drawn down on would remove uncertainty in finding additional sources of funding in the future for the development of the Company's coal projects and without diluting the interests of shareholders.

1.4. Relevant Legislation – Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a Financial Benefit to a Related Party of the public company unless providing the benefit falls within a prescribed exception to the general prohibition. Relevantly, there is an exception if the company first obtains the approval of its Shareholders in a general meeting in circumstances where certain requirements specified in Chapter 2E in relation to the convening of that meeting have been met.

A “Related Party” is defined widely in section 228 of the Corporations Act and includes, relevantly, a Director (or proposed Director) of a public company (section 228(2)) and any entity that is controlled by a person or entity which is otherwise a Related Party (section 228(4)), or there are reasonable grounds to believe that a person/entity is likely to become a Related Party of the public company (section 228(6)).

A “Financial Benefit” for the purposes of the Corporations Act has a very wide meaning. It includes a public company paying money to the Related Party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

This proposed Resolution, if passed, will confer Financial Benefits on the Latimore Parties, namely:

- (a) a 50% shareholding interest in Marketing Co.;
- (b) the Marketing Fee payable to Marketing Co. (of which Latimore Family will be a beneficiary, as a 50% shareholder of Marketing Co.) under the Exclusive Marketing Agreement and any other exclusive marketing agreement entered with Marketing Co. as contemplated by the Umbrella Agreement;
- (c) the Service Fee payable to M Resources; and
- (d) the loan repayments, interest and security to which Latimore Finance will be entitled under the Loan Facility Agreement;
- (e) other Financial Benefits as provided for in the Umbrella Agreement and the Transaction Documents.

The Latimore Parties are Related Parties of the Company as they have reasonable grounds to believe they will become an entity controlled by another Related Party of the Company in the future. This is because the Latimore Parties are controlled by Mr Matt Latimore, who will under the Proposed Transaction become a director of the Company (section 228(6) of the Corporations Act). Therefore, the Company seeks to obtain Shareholder approval of the Proposed Transaction in accordance with the requirements of Chapter 2E of the Corporations Act.

Various matters in respect of the Transaction Documents which give effect to the Proposed Transaction are all the subject of the Resolution. As such, Shareholders will either approve various matters relating to all or none of the Transaction Documents and the Proposed Transaction and there is not an ability for Shareholders to approve matters relating to only one or more of the Transaction Documents.

1.5. Information for Shareholders - Chapter 2E of the Corporations Act

Refer to section 1.1 above for the background and circumstances in which the Financial Benefit is given and the existing interest of Mr Latimore in the Company.

For the purposes of Chapter 2E of the Corporations Act and for all other purposes the following information is provided to Shareholders:

- (a) The nature of the Financial Benefit (section 219(1)(b))

The nature of the proposed Financial Benefits are the following matters comprising the Proposed Transaction:

- (i) a 50% shareholding interest in Marketing Co.;
- (ii) the Marketing Fee payable to Marketing Co. (of which Latimore Family will be a beneficiary, as a 50% shareholder of Marketing Co.) under the Exclusive Marketing Agreement and any other exclusive marketing agreement entered with Marketing Co. as contemplated by the Umbrella Agreement;

- (iii) the Services Fee to be paid to M Resources pursuant to the Marketing Support Services Agreement;
- (iv) the loan repayments and interest to be paid to Latimore Finance under the Loan Facility Agreement with Latimore Finance;
- (v) the grant of the Security to Latimore Finance (which will only be granted if and when funds are drawn down under the Finance Facility) to secure the obligations of the Company under the Loan Facility Agreement; and
- (vi) other Financial Benefits as provided for in the Umbrella Agreement and the Transaction Documents.

Refer also to section 1.3 above, for the rationale for giving the Financial Benefit and the basis for which it is proposed to be given.

(b) Directors' Recommendation (section 219(1)(c))

None of the Directors have a material personal interest in the subject matter of this Resolution. The Board recommends that Shareholders vote in favour of this Resolution.

The reasons for this recommendation are set out section 1.3 above.

(c) Directors' Interest and other remuneration (section 219(1)(d))

None of the Directors have a material personal interest in the outcome of Resolution 1, save for any interest they may have solely in their capacity as Shareholders which interest they hold in common with the other non Associated Shareholders. For completeness, it is noted that Gerhard Redelinghuys and Cape Coal Pty Ltd (being an entity controlled by him) have a relevant interest of 13.86% of the Shares.

(d) Valuation

The value of the Financial Benefits to be given to the Latimore Parties is as follows:

- (i) in respect of the Service Fee, this will be calculated as follows:
 - (1) from the date of the Marketing Support Services Agreement until the first sale of coal by Marketing Co, the aggregate of:
 - (A) \$10,000 per month (to be adjusted pro rata if such period is less than one month); and
 - (B) the amount of any expenses incurred by M Resources in performing the services during that period; and
 - (2) in respect of any period commencing on or after the date of the first sale of coal by Marketing Co, 42.86% of the aggregate of the Marketing Fee payable under the exclusive marketing agreements between the Company and Marketing Co. during that period; and
 - (ii) in respect of Latimore Family's beneficial entitlement as a 50% shareholder in Marketing Co., 50% of any distribution made to shareholders of Marketing Co, which may, for example notionally be equal to 50% of Marketing Fee payable under the exclusive marketing agreements between the Company and Marketing Co. (which is equal to 1.75% of the sales revenue received for the Company's coal which is on-sold by Marketing Co.) less expenses (including the Service Fee);
 - (iii) in respect of the Finance Facility, repayments of up to \$15 million (if the Finance Facility is fully drawn down) with interest at 9% per annum and the potential grant of security over the Company's assets up to the value of the Finance Facility.
- (e) Any other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors (section 219(1)(e) and 219(2))

There is no other information known to the Company or any of its Directors save and except as follows:

(i) Opportunity Costs and Disadvantages

The opportunity costs and benefits foregone by the Company entering into the Transaction Documents pursuant to Resolution 1 are that the Company is relinquishing part the proceeds it will

receive for the sale of its coal in the form of the Marketing Fee, of which Latimore Family will be beneficially entitled to 50% as the 50% shareholder of Marketing Co.. The Directors are of the view that this is reasonable and is more than offset against the increased value to the Company arising from the substantial coal marketing expertise that Mr Latimore and M Resources will provide.

In the event that the Finance Facility is drawn down (in whole or part), the Security will be granted over assets of the Company in favour of Latimore Finance. The grant of the Security is likely to affect the Company's ability to secure further funding where such additional funding is contingent on the granting of security in favour of the incoming financier. The consent of the Latimore Finance would be required for any further material security interests to be granted over the assets of the Company. This may adversely affect the Company's ability to obtain additional funding in the future, and particularly if this funding was proposed to occur other than by way of an issue of equity in the Company.

Any disadvantages are considered by the Directors to be offset by the advantages accruing to the Company in undertaking the Proposed Transaction.

- (ii) Taxation Consequences
- (iii) The entry into the Transaction Documents has no taxation consequences which will materially impact the Company. Dilutionary Effect

No shares or other equity securities are being issued as part of the Proposed Transaction. As such, there will not be any dilutionary effect on Shareholders.

- (iv) Alternative options to the transaction and implications of not proceeding with the transaction

The Directors have not identified any alternative available options for the Company if this Resolution 1 is not passed.

If Resolution 1 is not passed and the Proposed Transaction does not proceed, then the Company would need to consider the options available to it to ensure it was able to sell coal that is mined from its projects. The Company would need to consider appointing a marketing or selling agent through other means, which may be on less favourable terms than the Proposed Transaction. Further, the Company would need to consider securing alternative funding arrangements for the development of its coal projects which may be on less favourable terms than the Proposed Transaction.

- (v) Impact of the transaction on the Company

The impact of the transaction on the Company is set out in detail at sections 1.1 to 1.5 above.

Save as set out in this Explanatory Statement, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to the benefits contemplated by Resolution 1.

1.6. Recommendation of Directors

The Directors of the Company unanimously recommend that shareholders vote in favour of Resolution 1.

1.7. Voting exclusion statement

A voting exclusion statement is set out in Resolution 1 in the Notice of Meeting.

2. Resolution 2 – Special Resolution: Amendment of Constitution

2.1. General

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution, or a provision of its constitution, by special resolution. The Company seeks to amend its Constitution with respect to:

- (a) restricted securities; and

- (b) facilitating the Company's ability to hold general meetings of Shareholders utilising technology and providing for direct voting.

The Board considers this Meeting to be an ideal opportunity to pass these amendments, in addition to other Resolutions contained in this Notice of Meeting.

Many of the proposed amendments to the Constitution are administrative or minor in nature. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the proposed amended Constitution is available for review by Shareholders at the Company's Website (www.bowencokingcoal.com.au). A copy of the proposed amended Constitution can also be sent to Shareholders upon request to the Company Secretary (07) 3212 6299. Shareholders are invited to contact the Company if they have any queries or concerns regarding the proposed amended Constitution.

2.2. Summary of material proposed changes

- (a) Restricted Securities (Clause 2.12)

Background

On 2 December 2019, amendments to the Listing Rules came into effect. Specifically, amendments to Listing Rule 15.12 relate to new requirements for listed entities' constitutions in respect of restricted securities. These amendments apply to currently listed entities, or those that issue restricted securities, on or after 2 December 2019.

Restricted securities are securities which are subject to escrow requirements, meaning they are restricted from being traded for a period of time. Whether securities are treated as restricted securities is determined on a case-by-case basis. They may be held by certain persons who acquired them as part of their participation in a fundraising, such as seed capitalists, professional advisers or employees, or acquired in conjunction with an acquisition or can be securities that ASX determines should be treated as restricted securities.

The updated Listing Rules require listed entities to include specific wording in their constituent documents regarding treatment of restricted securities – that they be subject to mandatory escrow restrictions, must be held on the issuer sponsored subregister, and be subject to a holding lock.

Proposed Amendments

The Company intends, subject to Shareholder approval, to amend clause 2.12 of the Constitution in accordance with section 136(2) of the Corporations Act to expressly reflect the language contained in Listing Rule 15.12.

The Board considers that amendment to clause 2.12 of the Constitution is necessary for the Company to comply with Listing Rule 15.12. Under Listing Rule 15.11, if a listed entity amends its constitution, the constitution (including the amendments) must be consistent with the Listing Rules.

- (b) General Meetings of Shareholders (Clauses 12 and 13)

Background

Section 249R of the Corporations Act requires that a general meeting of Shareholders be held at a "reasonable time and place". Section 249S of the Corporations Act permits a company to hold a meeting at "two or more venues using any technology that gives members as a whole a reasonable opportunity to participate".

The Company seeks to amend the Constitution to provide for greater flexibility in holding meetings using technology and the proposed amendments to the Constitution seek to cater for meetings of the Company to be held via hybrid or virtual meetings more effectively.

Proposed Amendments

The Company intends to better facilitate the Company's ability to hold a general meeting of Shareholders utilising technology, subject to Shareholder approval, by amending Clauses 12 and 13 of the Constitution in accordance with section 136(2) of the Corporations Act, including the following material amendments:

- (1) proposed new “Clause 12.4 – Use of technology at General Meetings of Shareholders” is inserted to the effect that:
 - a. the Directors may determine that the place of a general meeting of Shareholders is determined not to be a physical location and is facilitated by an instantaneous communication device (i.e. a virtual meeting);
 - b. the Directors may determine that a hybrid meeting (being a meeting held in both a physical place as well as at other venues which is facilitated by an instantaneous communication device) will be convened (It should be noted that this is already permitted by the Constitution); and
 - c. a Shareholder attending a virtual or hybrid meeting convened under this clause is taken to be “present” for quorum purposes, if the technology allows the Shareholder a reasonable opportunity to participate in the business of the general meeting of Shareholders, vote on a show of hands, a poll or by directing voting (as set out in proposed new clause 13.20 described below);
- (2) the balance of clause 12, from the original clause 12.4 onwards is to be renumbered to reflect the insertion of the new clause 12.4 above;
- (3) Clauses 13.1 Quorum, 13.2 Persons Entitled to Attend a General Meeting, 13.16 Poll and 13.19 Voting by Joint Holders are amended to specifically include Shareholders who attend a general meeting of Shareholders in accordance with proposed new clause 12.4 above;
- (4) Clause 13.8 General Conduct is amended to expressly refer to the chairman’s power to adopt any procedures that, in the chairman’s opinion, are necessary or desirable for the proper and orderly debate or discussion at the general meeting of Shareholders or for the proper and orderly casting or recording of votes at the general meeting of Shareholders;
- (5) Clause 13.13 Voting Rights and clause 13.14 Voting – Show of Hands is amended to expressly refer to a Shareholder’s ability to utilise direct voting if permitted under proposed new clause 13.20 (as described below);
- (6) proposed new clause 13.20 is inserted to allow Directors to determine that direct voting may occur before or during a general meeting of Shareholders. Such a provision allows Shareholders to deliver votes by non-traditional methods approved by the Directors including voting via electronic means, and allows Directors to prescribe regulations, rules and procedures in relation to direct voting, including specifying the form, method and timing of giving a direct vote at a general meeting of Shareholders in order for the vote to be valid. If direct voting is proposed to be used at a general meeting of Shareholders, the Directors must, among other matters, put in place direct voting regulations before despatching the relevant notice of meeting, and include information on the application of direct voting in that notice of meeting.

2.3. Directors’ Recommendation

Resolution 2 is a Special Resolution. Accordingly, at least 75% of the votes cast by Shareholders present and eligible to vote at the Meeting must vote in favour of Resolution 2 for it to be passed.

The Directors recommend that Shareholders vote in favour of Resolution 2. Any undirected proxies held by the Chairman will be voted in favour of Resolution 2.

VOTING INFORMATION

ALL RESOLUTIONS WILL BE BY POLL

In accordance with clauses 13.16 and 13.17 of the Company's constitution, the Chair intends to call a poll on each of the resolutions proposed at the Meeting. Each resolution considered at the Meeting will therefore be conducted by a poll, rather than on a show of hands. The Chair considers voting by poll to be in the interests of the Shareholders as a whole and is a way to ensure the views of as many Shareholders as possible are represented at the Meeting.

HOW TO VOTE

Shareholders may vote by:

- (a) Using the online platform. We recommend logging in to the online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:
- Enter <https://agmlive.link/BCB20> into a web browser on your computer or online device;
 - Securityholders will need their Securityholder Reference Number or Holder Identification Number, which is printed at the top of the Voting Form; and
 - Proxyholders will need their proxy code which Link Market Services will provide via email no later than 48 hours prior to the Meetings.

Online voting will be open between the commencement of the Meeting at 10.00 am (Brisbane time) on 17 June 2020 and the time at which the Chair announces the closure of voting.

More information about online participation in the Meetings is available in the Online Platform Guide at <https://www.bowencokingcoal.com.au/upcomingegm>.

- (a) Appointing a proxy to attend and vote on their behalf, using the enclosed proxy form.

VOTING BY PROXY

A member who is entitled to vote at the Meeting may appoint:

- (a) one proxy if the member is only entitled to one vote; or
(b) two proxies if the member is entitled to more than one vote.

Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one half of the votes, in which case any fraction of votes will be discarded.

A proxy need not be a member of the Company.

If you require an additional proxy form, please contact the Share Registry, Link Market Services Limited, on 1300 554 474, which will supply it on request.

The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Share Registry, Link Market Services Limited, no later than 15 June 2020 at 10.00am (that is, at least 48 hours before the meeting). Proxies received after this time will not be accepted. Instructions for completing the proxy form are outlined on the form, which may be returned by:

- (a) posting it in the reply-paid envelope provided;
- (b) posting it to Bowen Coking Coal Limited C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
- (c) hand delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000;
- (d) faxing it to Link Market Services Limited on fax number (02) 9287 0309; or
- (e) lodging it online at linkmarketservices.com.au in accordance with the instructions provided on the website. You will need your Holder Identification Number (HIN) or Security Reference Number (SRN) to lodge your proxy form online.

Proxy forms received later than this time will be invalid.

Proxies given by corporate shareholders must be executed in accordance with their Constitutions or signed by a duly authorised attorney.

A proxy may decide whether to vote on any motion except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as a proxy. If a proxy is directed how to vote on an item of business,

the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote how he or she thinks fit.

The Constitution provides that a proxy form issued by the Company may provide that where the appointment of a proxy has not identified the person who may exercise it, the appointment will be deemed to be given in favour of the Chair of the meeting to which it relates or to such other person as the Board determines.

If a Shareholder appoints the Chair of the meeting as the Shareholder's proxy and does not specify how the Chair is to vote on an item of business, the Chair will vote, as a proxy for that Shareholder, in favour of the item on a poll.

GLOSSARY

AEST means Australian Eastern Standard Time

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

Business Day means a day that is not a Saturday, Sunday or public holiday in Brisbane, Queensland.

CCO means Coking Coal One Pty Ltd ACN 615 317 907.

Chair means the chair of the Meeting.

Company or **Bowen** means Bowen Coking Coal Limited (ABN 72 064 874 620).

Company Website means www.bowencokingcoal.com.au.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Exclusive Marketing Agreement means the exclusive marketing agreement to be entered into between the Company and Marketing Co. pursuant to which Marketing Co. will market and sell Bowen's coal in exchange for the Marketing Fee, the key terms of which are summarised in Annexure B.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

Finance Facility means the finance facility in the amount of up to \$15million which may be provided by Latimore Finance pursuant to the Loan Facility Agreement.

General Meeting or **Meeting** means the General Meeting of the Company convened by this Notice of Meeting.

Hillalong Project means the Company's undeveloped coking coal project of that name located in the northern Bowen Basin approximately 105 km west-southwest of Mackay, Queensland, which is the subject of farm-in arrangements between the Company's subsidiary CCO and SCAP Hillalong (which is controlled by Sumitomo Corporation).

Latimore Family means Latimore Family Pty Ltd ACN 610 067 395 as trustee for The Latimore Family Trust.

Latimore Finance means Latimore Finance Pty Ltd ACN 639 885 724.

Latimore Parties means M Resources, Latimore Family and Latimore Finance.

Loan Facility Agreement means the loan facility agreement to be entered into between Latimore Finance and the Company, the key terms of which are summarised in Annexure D.

Marketing Co. means the company to be registered and known as "Bowen Coking Coal Marketing Pty Ltd", which will be jointly owned by the Latimore Family and the Company in equal proportions.

Marketing Co. Constitution means the proposed constitution of Marketing Co.

Marketing Fee means the marketing fee to be paid to Marketing Co. under the Exclusive Marketing Agreement, namely 1.75% of the sales revenue received for Bowen coal which is on-sold by Marketing Co.

M Resources means M Resources Trading Pty Ltd ACN 156 582 320.

Marketing Support Services Agreement means the marketing support services agreement to be entered into between M Resources and Marketing Co, pursuant to which M Resources will be paid the Service Fee for providing services to Marketing Co. to enable Marketing Co. to comply with its obligations under the Exclusive Marketing Agreement, the key terms of which are summarised in Annexure C.

Notice or **Notice of Meeting** means this Notice of the General Meeting including the Explanatory Statement and Proxy Form.

PPSA means the *Personal Property Securities Act 2009* (Cth).

Proposed Transaction means the proposed joint venture between the Company and M Resources (involving the Latimore Parties) and associated arrangements which are the subject of Resolution 1, the terms of which are set out in the Umbrella Deed and the Transaction Documents.

Proxy Form means the proxy form accompanying the Notice.

Ordinary Resolution means a resolution of a Meeting passed by at least 50% of the votes cast by Shareholders entitled to vote on the resolution at that Meeting.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

SCAP Hillalong means SCAP Hillalong Pty Ltd ACN 637 374 059.

Security means any security to be granted pursuant to the terms of the Loan Facility Agreement, including a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect, including any “security interest” as defined in sections 121(1) or (2) of the PPSA.

Service Fee means the service fee payable to M Resources under the Marketing Support Services Agreement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Shareholders Agreement means the shareholders agreement to be entered between the Company, Latimore Family and Marketing Co., the key terms of which are summarised in Annexure A.

Special Resolution means a resolution of a Meeting passed by at least 75% of the votes cast by Shareholders entitled to vote on the resolution at that Meeting.

Transaction Documents means:

- (a) Marketing Co. Constitution;
- (b) the Exclusive Marketing Agreement;
- (c) the Loan Facility Agreement;
- (d) the Marketing Support Services Agreement; and
- (e) the Shareholders’ Agreement.

Umbrella Agreement means the umbrella agreement between the Company and the Latimore Parties dated 23 March 2020.

Annexure A – Summary of terms of Shareholders' Agreement of Marketing Co.

Parties	Marketing Co. Company Latimore Family
Commencement	The Shareholders' Agreement takes effect from the date of execution.
Term	The Shareholders' Agreement remains in force and effect until the date that it is terminated or the date upon which all of the Shares in Marketing Co. are held by a single shareholder.
Inconsistency with Constitution	If there is any inconsistency between the terms of the Shareholders' Agreement and the Marketing Co. Constitution, then the terms of the Shareholders' Agreement will override the Marketing Co. Constitution to the extent of that inconsistency.
Objectives	The objectives of Marketing Co. are to: (a) carry on the business of purchasing, marketing and on-selling coal from BCB Company projects in accordance with the Exclusive Marketing Agreement as well as other coal (Business); (b) develop and expand the Business in accordance with the approved business plan; (c) maximise the value of the Business and Marketing Co.; and (d) undertake other matters incidental to the above.
Shareholdings	The shareholdings of the Company and Latimore Family in Marketing Co. will each be 50% each.
The Board	Each shareholder will be entitled to appoint two directors and will ensure that at all times there is at least one director appointed by it. A shareholder may remove a director appointed by it and appoint a replacement director at any time by notice in writing to Marketing Co. and the other shareholder/s. While it is acknowledged that a director appointed by a shareholder is a nominee of that shareholder, each shareholder must procure that their appointed directors act in good faith in the best interest of Marketing Co and Latimore Family must procure that its appointed directors do not prefer the interests of Mr Resources or Latimore Family over the interests of Marketing Co. The Company is also entitled to appoint a company secretary.
Board meetings and decision-making	A quorum for a board meeting will be at least one director entitled to vote appointed by each shareholder. The Company may appoint one of the directors as Chairman by giving to Marketing Co. and the other shareholders notice in writing of the appointment. The Chairman will not have a casting vote. Each director has one vote. Decisions at any meeting of the board will be majority vote, except for certain matters which will require a unanimous vote of the Board, including the following: (a) any agreement between Marketing Co. and a shareholder; (b) issuing further shares or other securities in Marketing Co.; (c) delegation of any authority of the board to any person; (d) Marketing Co. entering into any joint venture, partnership or similar

	arrangement; (e) creating any encumbrance or other interest over the assets of Marketing Co.; (f) the giving of any guarantee or indemnity other than to secure liabilities or obligations of a third party; and (g) the payment of dividends. Unless otherwise determined by a unanimous decision of shareholders, a director is not entitled to be paid any remuneration for acting as a director of Marketing Co.
Shareholders' meetings and decision-making	A quorum for a meeting of the shareholders will be one or more shareholders entitled to vote who, in aggregate, have 60% or more of the total votes (based on the current shareholdings of Company and Latimore Family, a quorum would require both shareholders). Each shareholder present and entitled to vote at any meeting of the shareholders will have that number of votes which is equal to the shareholding of the shareholder (e.g. for a shareholding of 50%, 50 votes). Decisions at any meeting of shareholders will be made by majority vote, except for certain matters which will require a unanimous vote of all shareholders present, including the following: (a) an amendment to or replacement of the Marketing Co. Constitution; (b) a material change in the nature of the Business or merger, consolidation or amalgamation of the Business with another business; (c) applying for listing of Marketing Co.; (d) Marketing Co. entering external administration, being wound up or appointing a liquidator; and (e) any reorganisation, acquisition, disposal or transaction which changes the share capital of Marketing Co. A resolution of shareholders may be made by circular resolution.
Agreements between Marketing Co. and its shareholders	Except for the Transaction Documents and any other agreement contemplated by the Umbrella Agreement, any related party agreement between Marketing Co. and a shareholder: (a) must be on 'arm's length' terms which are no less commercially reasonable in the particular circumstances than would have been the case had such a related party agreement been entered into with third parties; (b) be approved by unanimous decision of the board; and (c) be notified in writing to all shareholders.
Secondment of employees	The Company has the right to second one more of its employees to Marketing Co. on a full-time or part-time basis to assist M Resources in carrying out its obligations under the Marketing Support Services Agreement. The scope of the role to be performed by the secondee will be agreed between the Company and Latimore Family.
Business plans and budgets	As soon as is reasonable practicable after the Effective Date, Marketing Co. will prepare and submit for approval to each shareholder a draft business plan and budget for operations. The business plan and budget must be prepared not less than 30 days and not more than 90 days before the commencement of each financial year.
Dividends	Marketing Co. must, unless the Board determines otherwise, pay a dividend every financial year out of the funds of Marketing Co. available for distribution under the Corporations Act less certain allowances for budgeted expenditure,

	working capital and other operational requirements of Marketing Co.
Funding	The Board may require the shareholders to provide additional debt or equity funding on terms resolved by the Board, provided that: (a) the terms of any shareholder loan to be advanced must not be inconsistent with the laws of any jurisdiction which bind a shareholder and which the shareholder has notified to Marketing Co.; and (b) the terms of any loan will be the same for all shareholders.
Defaults	Where a shareholder is in default of its obligations under the shareholders' agreement, the shareholder and its appointee director/s will not have the right to vote at shareholder or board meetings and the non-defaulting shareholder/s may acquire the shareholding of the defaulting shareholder at a price to be agreed or determined by an expert. If there is a change in control of a shareholder or a holding company of a shareholder without consent of the other shareholder/s, then the shareholder will be deemed to be in default.
Deadlocks	In the case of a deadlock at board or shareholder level, each shareholder is to negotiate in good faith to seek to resolve the deadlock and if not resolved then an independent expert is to be appointed to issue a non-binding opinion regarding the deadlock. If this process does not resolve the deadlock process, the Company will have the option of acquiring the shareholdings of all other shareholders (ie. Latimore Family).
Transfer of shares	Other than as permitted by the shareholders' agreement, a shareholder must not encumber or dispose of any of its shares in Marketing Co. A shareholder (as long as it is not a defaulting shareholder) may sell its shares, provided that the shares are first offered to the other shareholder/s in accordance with the pre-emption process in the shareholders' agreement. A shareholder is permitted to transfer its shares to another company which controls it or which it controls. If there is a change in control of a shareholder which has not been consented to by the other shareholder, that shareholder will be deemed to have triggered the pre-emptive transfer process in respect of its shares.

Annexure B – Summary of terms of Exclusive Marketing Agreement

Parties	Company and Marketing Co. The Company enters into the agreement on its own behalf and as agent for each of its wholly owned subsidiaries for its wholly owned projects (being, as at the date of the agreement, the Isaac River project, the Carborough project and the Cooroorah project) (each a BCB Company).
Term	The Exclusive Marketing Agreement commences on the Commencement Date and continues until terminated.
Commencement Date	Date of execution
Marketing Services	Marketing Co. must, at its cost, provide all personnel and resources to carry out the marketing services described in the Exclusive Marketing Agreement. This appointment by the Company is exclusive. The marketing services include: (a) preparation of strategies for the marketing and sale of saleable product (coal) mined from the Company's projects (Product); (b) identifying markets and prospective purchasers for the sale of Product; (c) providing advice relating to the long and short term planning of the marketing and sale of Product; (d) purchasing Product from the relevant BCB Company and negotiating and entering sales contracts for the on-sale of the Product; and (e) arranging for the delivery of Product to buyers. Marketing Co. is obliged to endeavour to obtain the best price it can for the on-sale of the Product and act in the best interests of the Company and each relevant BCB Company in the utmost good faith and Marketing Co. must not act in a manner which prefers the interests of Marketing Co or M Resources of related entity of M Resources over the interests of any BCB Company. Marketing Co. must prepare a draft annual marketing plan for each financial year which will be approved by the Company.
Sale and purchase of coal	Each BCB Company agrees to sell to Marketing Co. and Marketing Co. agrees to purchase from each BCB Company all Product mined from BCB Company projects, for on-sale by Marketing Co (either as blended or non-blended product). However, Marketing Co is not required to purchase any Product unless there is a corresponding sales contract with a purchaser for that Product. Where Marketing Co. enters into a sales contract for Product with a third-party purchaser (BCB Sales Contract), the relevant BCB Company and Marketing Co. will be deemed to have entered into a contract for the sale of that Product. Such Product must not be sold to M Resources or a related entity of M Resources (without consent of the Company in respect of blended product) and the terms of sale must be consistent with the sales terms and minimum sales price set as part of the annual plan (refer below). Marketing Co. can also give notice to the Company requesting that the relevant BCB Company sell Product to Marketing Co to enable Marketing Co. to blend that with other coal to produce saleable product coal (Blended Product). Marketing Co. and the relevant BCB Company must agree to the terms of such sale.
Payments under BCB Sale Contracts	The sales price payable by Marketing Co. to the relevant BCB Company for Product, will be an amount equal to: (a) for Product which is not Blended Product - the total amount received by Marketing Co. from the third party purchaser (excluding GST) for the delivery of Product under the BCB Sales Contract taking into

	account any price adjustments under that contract; or (b) for Blended Product – the sales price agreed between BCB and Marketing Co. under the BCB Sales Contract taking into account any Blended Product price adjustments which occur under that contract; less (c) the Marketing Fee in respect of that Product.
Marketing Fee	Marketing Co. will be paid a Marketing Fee for Product it sells under a BCB Sales Contract, calculated as 1.75% of the “free on board” (FOB) sales revenue from delivery of Product under a BCB Sales Contract. The FOB sales revenue is: (a) where the Product is sold on an FOB basis, the amount of the sales price under the relevant sale contract; or (b) where the Product is not sold on an FOB basis, the amount of the sales price plus the deemed equivalent of any FOB costs and less the equivalent of any non-FOB costs. All payments are GST exclusive.
Annual Plans and forecasts	The Company and Marketing Co. must set annual plans which provide for a detailed plan for marketing services, the credit policy to apply and the sales terms and minimum prices to be set for the financial year. The Company must also provide annual rolling production forecasts.
Termination	The Company may terminate the Exclusive Marketing Agreement: (a) immediately, if Marketing Co. breaches a material obligation and does not remedy such default within 30 Business Days after receipt of a notice from the Company requiring it do so or where the default is incapable of remedy, has not paid reasonable compensation to the Company; (b) immediately, where an insolvency event occurs in respect of Marketing Co; or (c) without cause, by giving at least 90 Business Days' notice to Marketing Co (provided all amounts under the Loan Facility Agreement have been repaid). The Company must terminate the Exclusive Marketing Agreement partially, in respect of a project, where the project ceases to be wholly owned. It may also partially terminate on 90 Business Days' notice to Marketing Co. Marketing Co. may also terminate the Exclusive Marketing Agreement where the Company breaches a material obligation and does not remedy such default within 30 Business Days or without cause on 180 days' notice to the Company. The Company must pay Marketing Co. a post-termination fee for: (a) partial termination by the Company in respect of a project (and where Marketing Co. has not entered into another exclusive marketing agreement for the project as contemplated under the Umbrella Agreement) (b) termination by the Company without cause; or (c) termination for a breach by the Company. The post-termination fee is the amount of the Marketing Fee that would have been payable to Marketing Co applying certain assumptions. For Product which is not Blended Product, the purchase price will be the agreed sales price and for Blended Product, the purchase price will be the fair market price. The post-termination fee is payable for 12 months from termination (unless, in respect of a partial termination for a particular project, another exclusive marketing agreement is entered into) in respect of Product sold to an purchaser introduced to a BCB Company by Marketing Co. prior to termination

	of the agreement.
Limitation of liability	Except for amounts expressly payable under the Exclusive Marketing Agreement or a BCB Sales Contract, the parties are not liable to one another for any special or consequential loss or loss of profits.

Annexure C – Summary of terms of Marketing Support Services Agreement

Parties	Marketing Co. and M Resources
Term	The Marketing Support Services Agreement commences on the Commencement Date and continues until terminated.
Commencement Date	Date of execution
Appointment and Services	During the Term, Marketing Co. appoints M Resources to carry out the Services. Services is defined as any services or activities which Marketing Co requires MRT to perform, from time to time, to enable Marketing Co. to comply with its obligations under an exclusive marketing agreement (including the Exclusive Marketing Agreement with the Company the subject of Resolution 1). M Resources must act in the best interests of Marketing Co and the Company with utmost good faith and not act in a manner which prefers the interests of Marketing Co. or the Company.
Service Fee	The Service Fee is: (a) in respect of any period during the Term prior to the first sale of Product (as defined in Annexure B) by Marketing Co. under the terms of the Exclusive Marketing Agreement – the aggregate of: (i) \$10,000 per month, to be adjusted pro rata if that period is less than a month based on the number of days in the period divided by the number of days in the month; and (ii) the amount of any expenses incurred by M Resources in performing the services during that period; and (b) in respect of any period commencing on or after the date of the first sale of Product by Marketing Co under the terms of any exclusive marketing agreement, the amount which is equal to 42.86% of the aggregate of the Marketing Fee payable by the relevant BCB Company to Marketing Co. under any exclusive marketing agreement (refer to Annexure B for further details of such Marketing Fee). The Service Fee is payable monthly during the Term. The Company and Marketing Co. may also agree to pay M Resources a performance based incentive fee in respect of the Services as party of the annual plan. All payments are GST exclusive.
Termination	Marketing Co. may terminate the Marketing Support Services Agreement: (a) without cause, upon 30 Business Days' prior written notice to M Resources; or (b) if M Resources breaches a material obligation under the Marketing Support Services Agreement and does not remedy such default within 5 Business Days after Marketing Co. gives a notice to M Resources requiring the default to be remedied – immediately upon written notice to M Resources. If, at any time, an exclusive marketing agreement is terminated in respect of a Company project, then M Resources will cease to be obliged to provide services under the Marketing Support Services Agreement in respect of that project. M Resources may terminate the Marketing Support Services Agreement: (a) without cause, upon 180 days' prior written notice to Marketing Co.; or (b) if Marketing Co. breaches a material obligation under the Marketing Support Services Agreement and does not remedy such default within

5 Business Days after M Resources gives a notice to Marketing Co. requiring the default to be remedied – immediately upon written notice to Marketing Co.

If the agreement is terminated by Marketing Co without cause or by M Resources due to breach by Marketing Co., then M Resources will continue to be paid the Service Fee on the basis that:

- (a) the Service Fee for each month in that period is the “Marketing Fee” used to calculate the Service Fee only including the portion of the Marketing Fee for sales to a purchaser who was introduced to Marketing Co. by M Resources during the Term; and
- (b) to the extent an exclusive marketing agreement does not apply to coal mined from a project, the Service Fee will be calculated on the basis that is an amount equal to 0.75% of the “free on board” sales revenue for all coal sold to purchasers introduced to Marketing Co. by M Resources during the post-termination period.

This will continue for a period of 12 months after termination. However, in the event that a loan has been drawn down under the Loan Facility Agreement for one of the Company’s other wholly owned projects and has not repaid, this fee will continue to be payable in respect of Product from the other project on the basis set out in (a) and (b) above until the end of a period of 12 months after repayment of the loan.

If, at the time of termination under paragraph (a) or (b) above, a loan for another project has been drawn down under the Loan Facility Agreement, then the Service Fee will be paid from termination until 12 months after the repayment of such loan in respect of the other project.

Annexure D – Summary of terms of Loan Facility Agreement

Parties	Company (as borrower) and Latimore Finance (as lender)
Amount available	Up to \$15,000,000 (at the discretion of Latimore Finance)
Purpose	The Company is obliged to apply all amounts borrowed by it towards the payment of capital costs associated with the construction, development and commissioning of an approved project. A project must be approved by Latimore Finance (in its sole discretion) as a project which is to be funded by the Finance Facility (Funded Project).
Commencement Date	Date of execution
Drawdowns	The Company may issue a drawdown request to Latimore Finance at any time during the term of the Loan Facility Agreement. The drawdown request must specify the Funded Project to which the funds will be applied. The minimum drawdown is \$200,000 and there is no limit on the number of drawdowns subject to the maximum facility limit.
Conditions Precedent	The right of the Company to deliver a drawdown request and the obligation of Latimore Finance to fund a drawdown are subject to certain conditions precedent being satisfied in the sole and unfettered discretion of Latimore Finance. The key conditions precedent for the delivery of the drawdown request are: (a) agreement by the Company and Latimore Finance of the Maturity Date; (b) the execution of all relevant finance documents, including any security documents (refer below); and (c) if the borrower is not the Company, but another entity within the Company's group, the execution of a deed of accession agreeing to be bound by the Loan Facility Agreement. Further, Latimore Finance will only be obliged to make loan funds available if a number of further conditions precedent are satisfied in its sole discretion including: (a) Latimore Finance receiving to its satisfaction: (i) a board resolution of the entity which owns the Funded Project, evidencing that a "decision to mine" has been made; (ii) any feasibility studies that have been prepared in respect of the Funded Project which enable Latimore Finance to determine if the Funded Project will support repayment and constitute sound commercial risk; and (iii) signed security documents in respect of the drawdown and if requested, any other security document to ensure that the aggregate value of all secured assets is sufficient to cover the amount of the proposed drawdown; (b) shareholder approval under Listing Rule 10.1 or an ASX waiver from Listing Rule 10.1, if required; (c) any marketing agreement or other document or agreement that Latimore Finance determines is material to developing the Funded Project or affects Latimore Finance's ability to take security over the project assets; (d) the completion of various matters relating to the Funded Project, including technical, environmental and legal due diligence on the Funded Project to the satisfaction of Latimore Finance, a life of mine

	plan and annual budget; and (e) any amendments requested by Latimore Finance (in its absolute discretion) to the Loan Facility Agreement being agreed by the Company. Once all conditions of a drawdown request have been met, Latimore Finance may (but is not obliged to) agree to make loan funds available to the Company.
Repayment	The Company is obliged to direct Marketing Co. to withhold at least US\$5 per metric tonne of the amounts to be paid by Marketing Co to the Company for sales of coal from the Funded Project, and pay the withheld amount to Latimore Finance in repayment of outstanding amounts under the Loan Facility Agreement. The Company must repay the Finance Facility on the maturity date which is to be agreed between the Company and Latimore Finance prior to the first drawdown request (Maturity Date). The Company may not reborrow any part of the Finance Facility which is repaid and the Commitment will be reduced by the amount repaid. The Company may also make voluntary repayments at any time subject to payment to Latimore Finance of a make whole amount such that Latimore Finance still receives the same interest and fees that it would have had the loan continued until the Maturity Date.
Security	Subject to the Company obtaining any required shareholder approval under ASX Listing Rule 10.1 or an ASX waiver from Listing Rule 10.1, the Company is to grant (and procure its subsidiaries to grant) to Latimore Finance the following security to secure the performance of all obligations under the Loan Facility Agreement: (a) any specific security deed in respect of all project assets of the Funded Project; (b) first-ranking real property mortgage over all real property that forms part of the project assets of the Funded Project; (c) first-ranking mortgage of all mining tenements forming part of the project assets of the Funded Project; and (d) any other document requested by Latimore Finance which creates a security in favour of Latimore Finance in respect of the obligations of the Company under the Loan Facility Agreement. The form of the abovementioned security documents has not as yet been determined but will need to be agreed by the parties and are expected to be on market standard terms for facility such as the Finance Facility.
Interest	9% per annum, payable in arrears on the Maturity Date and accruing daily. Interest will be charged at a rate of 13% on any overdue amounts and Latimore Finance may apply compounding, on a monthly basis.
Tax gross-up	The Company is obliged to make all payments to be made by it without any tax deduction, unless required by law. If a tax deduction is required by law, the Company must pay an amount equivalent to the deduction so that Latimore Finance receives the amount which would have been due if the deduction was not required.
Indemnities	The Loan Facility Agreement includes standard indemnities by the Company in favour of Latimore Finance as lender. The Company indemnifies Latimore Finance for any loss in respect of the occurrence of an Event of Default or failure to make repayments. The Company also indemnifies Latimore Finance in respect of tax incurred by it in respect of the Loan Facility Agreement.
Undertakings and	The Loan Facility Agreement includes usual undertakings and covenants on

covenants	the part of the Company for a loan agreement of this kind. This includes: (a) limits on incurring financial indebtedness (unless it is permitted under the Loan Facility Agreement) and the disposal of assets and granting of security; (b) obligations to maintain insurance and any secured property; (c) undertakings not to vary the mining tenements, change the general nature of the business conducted on the mining tenements or enter any farm-in agreements in relation to the mining tenements; (d) obligations to advise of cost overruns and annual budgets.
Events of Default	The Loan Facility Agreement includes usual events of default for a loan agreement of this kind. An event of default includes the following: (a) the Company fails to pay amounts payable when due; (b) the Company fails to remedy a breach of any provisions of the Loan Facility Agreement within 5 Business Days after receipt of notice of that breach from Latimore Finance; (c) there is change in control of the Company or a member of the Company's group without Latimore Finance's consent; (d) the Company suffers or a member of the Company's group is unable to pay its debts as they fall due or is the subject of insolvency proceedings; (e) there is an event (or series of events) which have or are likely to have a material adverse effect on the Company's ability to comply with the Loan Facility Agreement or the financial condition of the Company; and (f) the Company is in default of its obligations under the exclusive marketing agreement and fails to remedy such default within the permitted time. Where an event of default occurs, Latimore Finance may: (a) cancel its commitment to provide the Finance Facility; (b) declare that all or part of the drawdowns by the Company are immediately due and payable; (c) declare that all or part of the drawdowns by the Company be payable on demand; (d) exercise all of its rights under the Loan Facility Agreement and security documents. Further, if it becomes unlawful or impossible in any applicable jurisdiction for Latimore Finance to perform its obligations under the Loan Facility Agreement, the Company must repay the loan and the balance of the Finance Facility will be cancelled. If any event of default occurs and is continuing, Latimore Finance may set off any obligation due from the Company to it against any obligation owed by Latimore Finance to the Company.
Termination	The Loan Facility Agreement terminates on the second anniversary of execution if a drawdown has not been made by that date, unless otherwise agreed. In addition, Latimore Finance can unilaterally terminate the Loan Facility Agreement at any time prior to the conditions precedent being satisfied.

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Bowen Coking Coal Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474

PROXY FORM

I/We being a member(s) of Bowen Coking Coal Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY



the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **10:00am (AEST) on Wednesday, 17 June 2020 at Level 8, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in: Online at <https://agmlive.link/BCB20> (refer to details in the Virtual Meeting Online Guide).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

- Approval of transactions with M Resources Trading Pty Ltd (and associated entities) under Chapter 2E of the Corporations Act
- Amendment of Constitution

For Against Abstain*

☐	☐	☐
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☐	☐	☐
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* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. If you leave this section blank, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (AEST) on Monday, 15 June 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MAIL

Bowen Coking Coal Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* in business hours (Monday to Friday, 9:00am–5:00pm)