Level 19, Waterfront Place
1 Eagle Street Brisbane 4000
ACN : 064 874 620

T. +61 (0)7 3360 0837
F. +61 (0)7 3360 0222
E. info@bowencokingcoal.com

Enquiries regarding this announcement can be directed to
Duncan Cornish
T. +61 (7) 3212 6299

Quarterly Activities Report

For the quarter: 1st April 2020 – 30th June 2020

HIGHLIGHTS:

- **Acquisition of the 33mt Broadmeadow East Coking Coal project and associated $2.25m capital raising**
- **Sumitomo elects to proceed with Hillalong JV post successful completion of Phase 1 Farm-In**
- **Issuance of maiden JORC Resource of 43Mt at Hillalong North**
- **Matt Latimore joins the Board as a Non-Executive Director**

Bowen Coking Coal Ltd **("BCB" or "the Company")** is pleased to provide shareholders the following update in respect of the Company's activities carried out across its portfolio of projects located in Queensland's Bowen Basin, for the quarter ended 30 June 2020.

PROJECTS

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

In a significant milestone, on the 24 June 2020, the Company announced that it had executed binding agreements with Peabody (Burton Coal) Pty Ltd ("Peabody"), a wholly owned subsidiary of US headquartered Peabody Energy Corporation, whereby BCB will acquire the Broadmeadow East coking coal project, located within undeveloped Mining Lease 70257 ("Project" or "Broadmeadow East"). The Company's independent consultants, Xenith Consulting, were commissioned to review all available and relevant data and have completed a Resource Estimate of 33Mt, in accordance with the JORC Code (2012), as per Table 1 below.

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

Table 1. Summary of the Resource Estimate for Broadmeadow East

SEAM	RESOURCE CATEGORY (MT)			
	MEASURED	INDICATED	INFERRED	TOTAL
< 100m	6.4	1.9	3	11
> 100m	0.1	2.2	20	22
TOTAL RESOURCES	**6.5**	**4.1**	**26**	**33**

**Note – Some rounding to the nearest significant figure has occurred and this may reflect in minor differences in the overall reported resource.*

Location

Broadmeadow East is covered by ML 70257 and is located about 25km northeast of the township of Moranbah, within the Central Bowen Basin in Queensland. It is approximately 30km north west of BCB's Isaac River project and 45km south of the Company's Hillalong Coking Coal Project. The Project is abutting Fitzroy's Ironbark No 1 project in the North East, Broadlea pit in the South and Peabody's Broadmeadow West mine to the West – see Figure 1.

Infrastructure Access

As part of the transaction, the Company has secured access to the New Lenton Joint Venture CHPP and associated TLO. The CHPP is located approximately 20km north of Broadmeadow East, whereas the TLO is located 10km to the south. The CHPP is currently on care and maintenance, however the re-commissioning process is well understood. The TLO links into the Goonyella to Hay Point railway line, which is approximately 10km to the south and is about 200 km by rail from the Dalrymple Bay Coal Terminal – see Figure 2.

Coal Quality

The Leichhardt seam is amenable to two-stage washing to produce a semi-hard coking product with a secondary thermal product.

Peabody provided a coal quality database for the Broadmeadow East mining lease with raw coal qualities, simulated primary coking and secondary thermal products (ash and yield) and clean coal composite qualities. The outcomes of this analysis are presented below in Table 2.

Figure 1. Regional Location

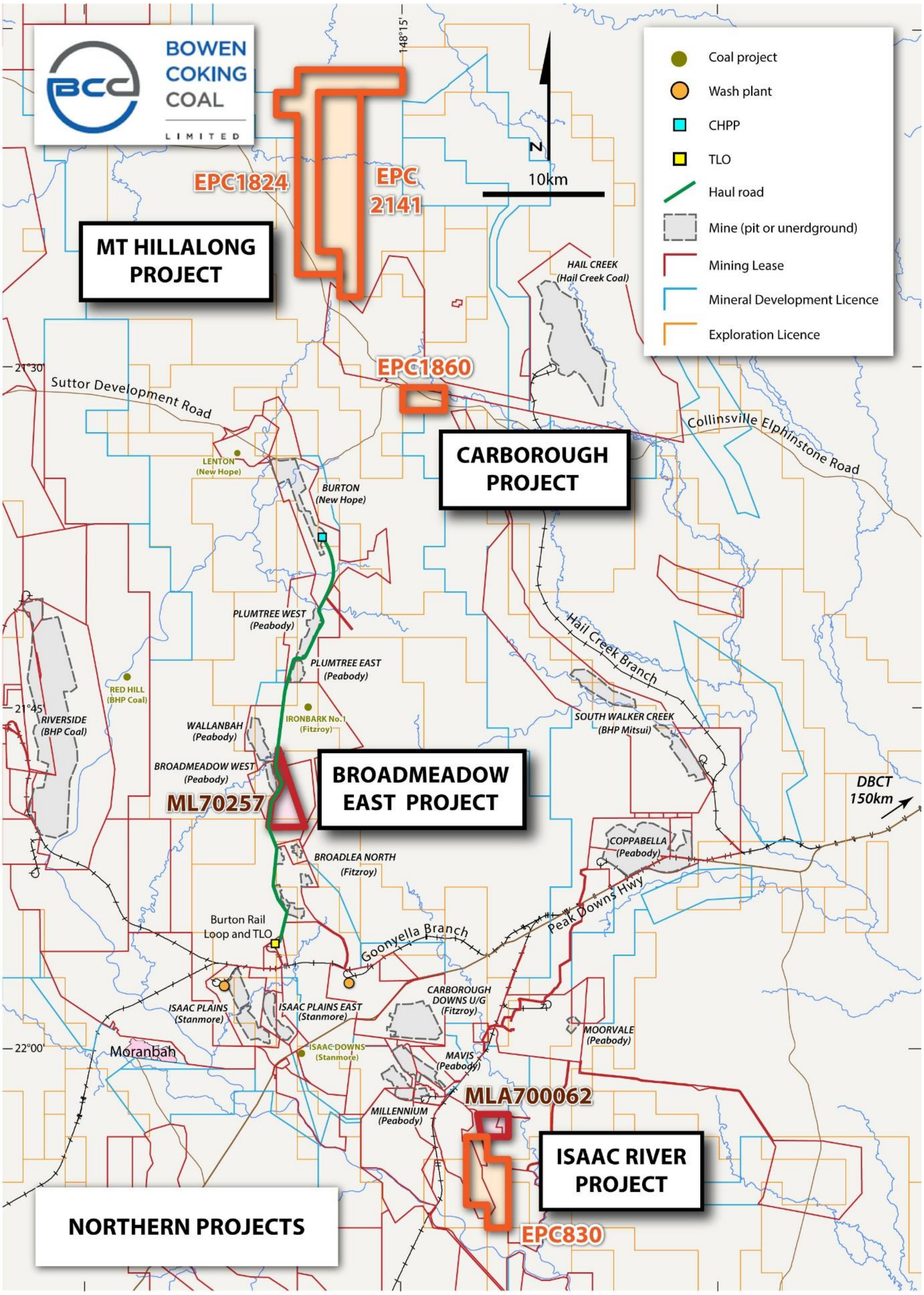


Figure 2. Project and Infrastructure Location

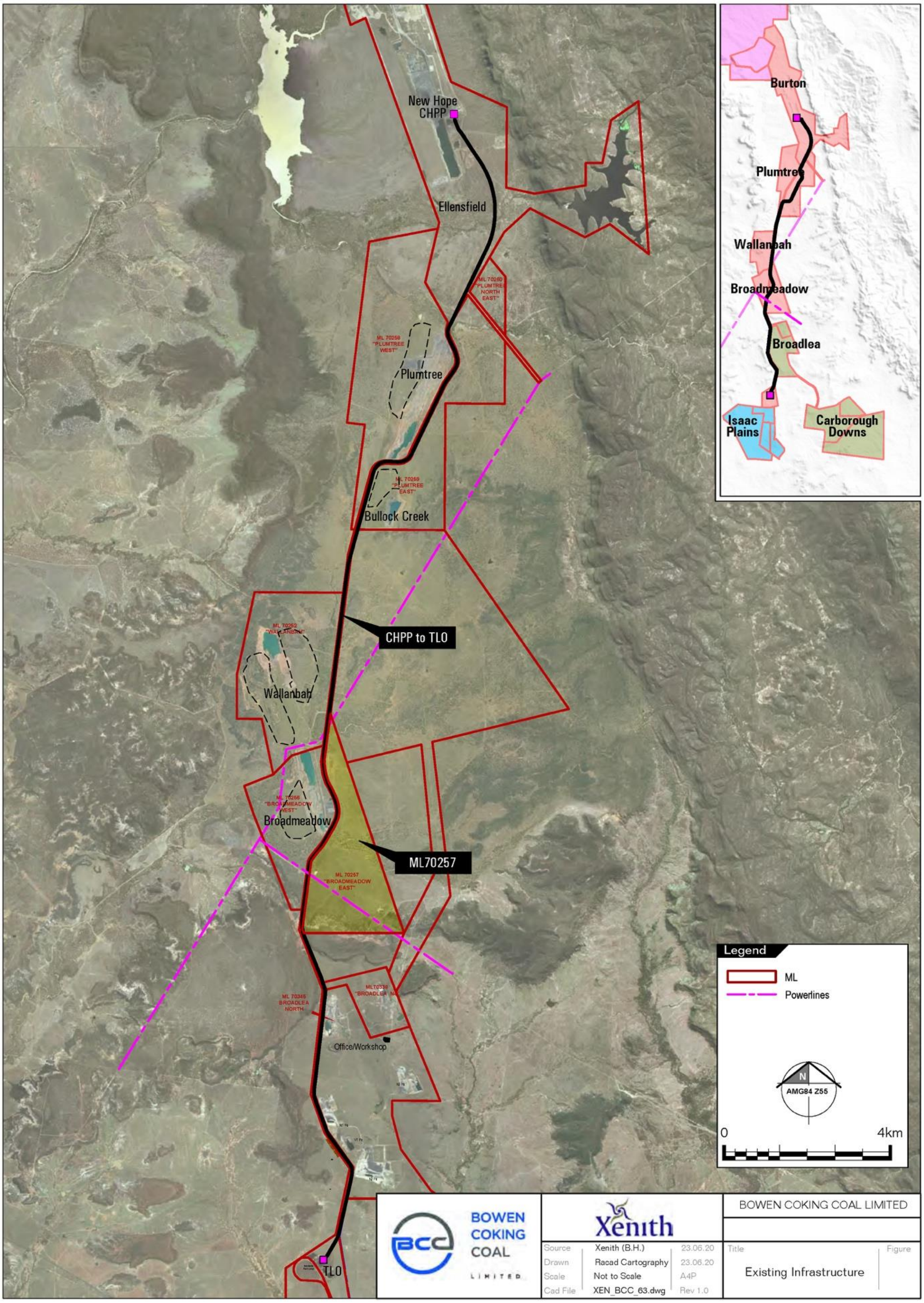


Table 2 – Average Raw Coal Quality Summary by Resource Category (air dried basis)

RAW COAL QUALITY – BY RESOURCE CATEGORY						
Category	Relative Density in situ g/cm3	Inherent Moisture % ad	Ash % ad	Volatile Matter % ad	Fixed Carbon % ad	Total Sulphur % ad
Measured	1.52	2.0	25.4	23.7	48.9	0.53
Indicated	1.54	1.9	26.5	23.7	48.0	0.57
Inferred	1.50	1.8	21.0	23.2	54.5	0.58
TOTAL	**1.52**	**2.0**	**25.2**	**23.6**	**49.2**	**0.55**

The Company has commenced analysing the washability data and has determined that the coal can be washed at lower density levels (albeit at lower primary yields) to create a higher quality coking coal at ~8.7% ash with CSN as high as 7 whilst still producing a high energy secondary thermal coal.

Key Terms and Conditions of the Acquisition

Assets being acquired

BCB has agreed to acquire and assume the following from Peabody:

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

Consideration

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

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

Conditions Precedent

The above-mentioned Acquisition is subject to the following conditions precedent:

1. Indicative Approval to transfer from the Minister of Mines, any conditions attached subject to BCB's approval, acting reasonably;
2. Entering into the Deeds of Covenant relating to CHPP, Haul Road and TLO tolling/access with the consent of New Lenton Joint Venture; and

3. The De-amalgamation of ML 70257 from the Burton Mine Environmental Authority.

Satisfaction of the above-mentioned conditions precedent, and therefore Completion, is expected to take between 3 and 6 months.

Next steps

The Company will work with Peabody to complete the transaction as soon as possible and thereafter all efforts will be made to have the project 'shovel ready' at the earliest possible time. The project has a low capital intensity and short development timeframe due to the availability of existing regional infrastructure. Commencing immediately, the Company will evaluate several mine operation options to determine the best value proposition. The selected option will inform environmental impact assessments undertaken by specialist environmental consultants engaged by the Company. Although ML 70257 will come with certain Environmental Authorisations, it is planned to apply for an Environmental Authority ("EA") amendment when the project is de-amalgamated. Application will then be made for a site-specific EA after environmental impact assessments have been completed, reflecting the optimal mine plan as referred to above.

Coal washability optimisation in terms of quality, yield and final product specifications will be undertaken, aiming to support an optimal configuration to maximise financial value

Hillalong Coking Coal Project (EPC 1824 & EPC 2141) ("Hillalong")

The Hillalong Coking Coal Project is located in the northern Bowen Basin approximately 105 km west-southwest of Mackay. The tenement comprises 31 sub-blocks (approximately 99km^2) located to the west of the Mount Hillalong Anticline and is approximately 16 km northwest of the Hail Creek mine, owned by Glencore, Marubeni and Sumitomo. The tenement contains the Moranbah, Rangal and Fort Cooper Coal Measures commencing near surface – refer Figure 3.

Following the completion of the $2.5m Phase 1 exploration program at Hillalong, Japanese conglomerate Sumitomo Corporation ("Sumitomo") elected to proceed with the Hillalong Joint Venture ("Hillalong JV"), resulting in Sumitomo solidifying a 10% interest in the Project. Under the terms of the original Sumitomo Farm-In:

- Sumitomo agreed to fund $2.5m of pre-defined exploration expenditure, being the entire Phase 1 exploration program for both Hillalong North and Hillalong South, to earn an initial 10% interest in Hillalong, which is now complete;
- Sumitomo also has the right to then earn an additional 10% interest, post a further $5m funding of agreed exploration and study activities at Hillalong ("Phase 2");
- BCB and Sumitomo are now formalising the unincorporated Hillalong JV, to be managed by BCB, post Sumitomo having elected to proceed as referred to above; and
- Sumitomo will provide support to BCB to secure future Hillalong development funding.

Sumitomo's decision to proceed with the Hillalong JV, reflects the success of the maiden drilling programmes undertaken by BCB at both Hillalong North and Hillalong South, culminating in the maiden JORC Resource of 43Mt at Hillalong North, as announced on 9 June 2020.

Xenith Consulting has estimated a total resource of 43 Mt in accordance with the JORC Code, of which 19.5 Mt is shallower than 150 m deep, a typical depth cut-off for open cut resources. (See Table 3 below). Importantly, the resource area remains open in both directions (East and South West), providing opportunities to expand on this maiden resource estimate. Raw coal quality data is extremely positive in terms of coking coal indicators for both the Elphinstone and Hynds seams as can be seen in Table 4 below.

Table 3. Summary of the resource estimate for Hillalong North

DEPTH	SEAM	RESOURCE CATEGORY (MT)			
		MEASURED	INDICATED	INFERRED	TOTAL
<150m	**Elphinstone**		4.0	4.5	8.5
	Hynds Upper		9.1	1.9	11.0
	Subtotal		**13.1**	**6.4**	**19.5**
>150m	**Hynds Upper**		7.7	15.9	23.7
	Subtotal		**7.7**	**15.9**	**23.7**
TOTAL			**21**	**22**	**43**

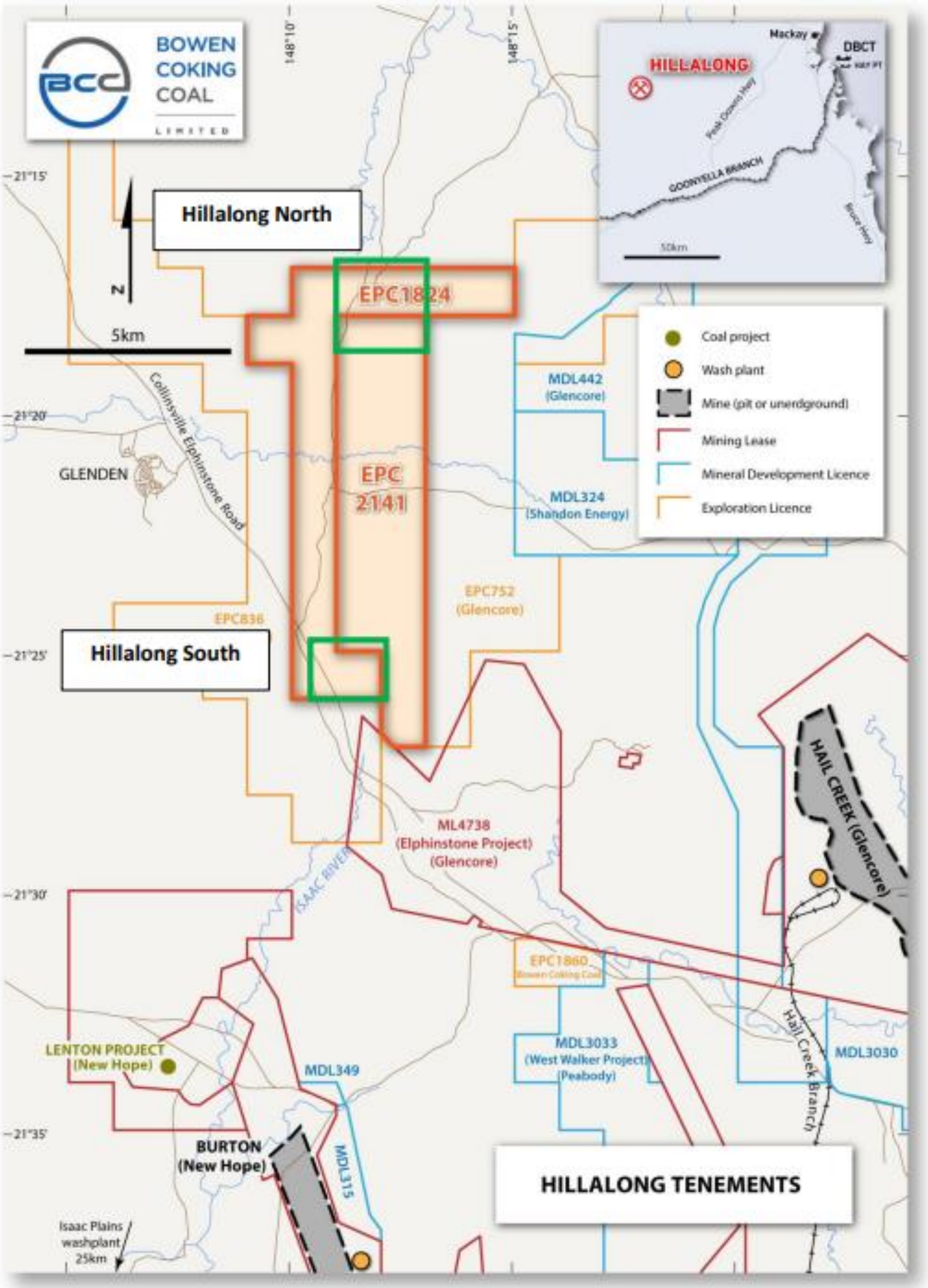
Note – Some rounding to the nearest significant figure has occurred and this may reflect in minor differences in the overall reported resource. Tonnes were calculated for an in situ Relative Density (RD). No total moisture or moisture holding capacity analysis results were available to use as in situ moisture.

Fast float laboratory testing, a procedure designed to test the expected product coal after washing at a density of 1.375, which provides a first indication of coking properties and yields for a primary coking product, indicated the potential to wash to a high quality coking coal from both the Elphinstone and Hynds Upper seams in all 3 boreholes of which the results have been received to date. CSN results as high as 8.5 (average of 7 for all seams) and fluidity as high as 1500ddpm (average of 822ddpm for all seams) were observed at an average ash of 8.1% (air dried) at yields ranging between 44% and 80% for a primary product only. Further detail will be released to the market once the washability tests has been completed and all the data has been received.

Table 4. Average raw coal quality per seam and resource category (Air Dried Basis)

CATEGORY	MT	Relative Density g/cm^3	Inherent Moisture %	Ash %	Volatile Matter %	Fixed Carbon %	Total Sulphur %	Calorific Value MJ/kg	CSN
INDICATED									
Elphinstone	4.0	1.45	2.7	19.0	27.3	52.4	0.39	26.8	5
Hynds Upper	16.8	1.49	1.9	21.3	25.9	53.9	0.35	27.8	4.5
INFERRED									
Elphinstone	4.5	1.46	2.6	19.8	27.0	51.7	0.39	26.6	5
Hynds Upper	17.8	1.49	1.9	20.6	26.3	54.4	0.37	27.8	4.5
TOTAL	**43**	**1.48**	**2.0**	**20.7**	**26.3**	**53.7**	**0.36**	**27.6**	**4.5**

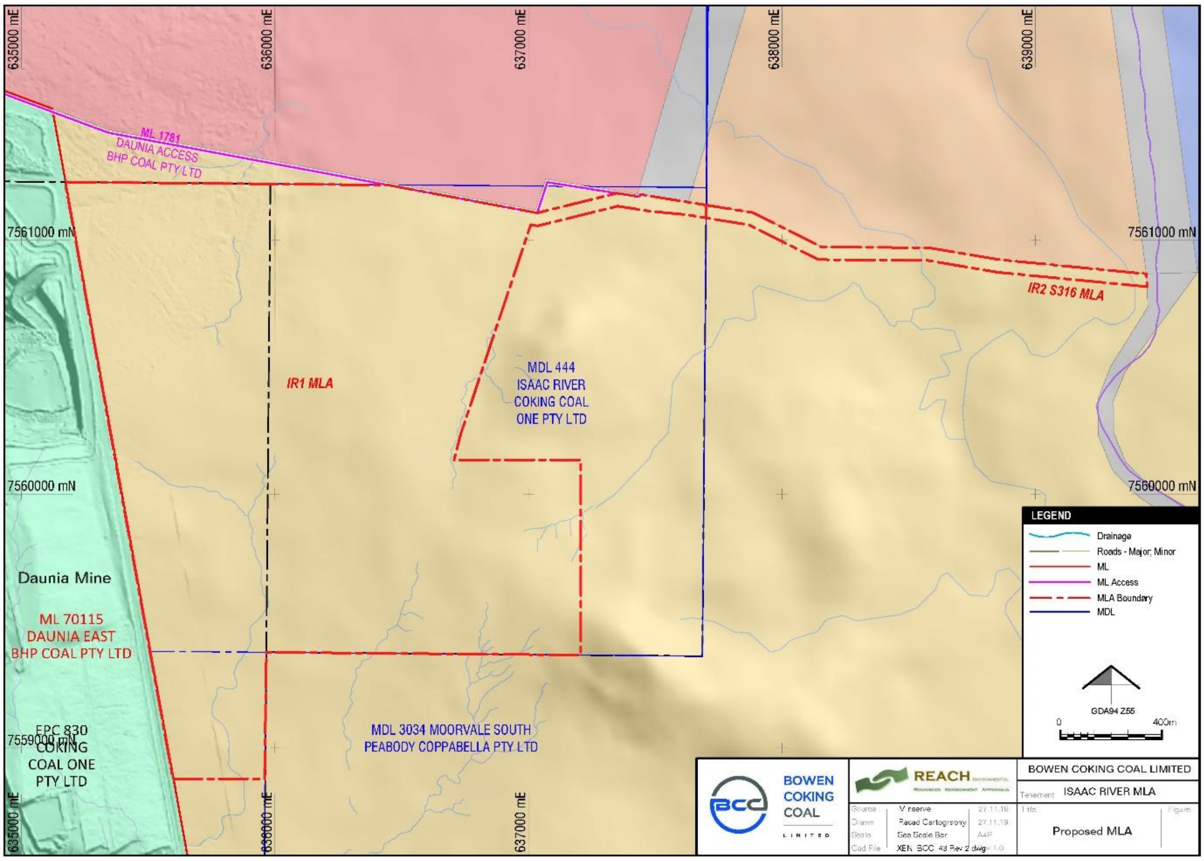
Figure 3: Location of Hillalong North and Hillalong South within the Hillalong Coking Coal Project (EPC 2141 & EPC 1824)



Isaac River Coking Coal Project (MDL 444 & EPC 830)

The Company had anticipated lodging the necessary site-specific Environmental Authority Application for the Project during the quarter, however, suffered some unanticipated delays in that regard due to delayed land access during the wet season. Instead, the Company completed further environmental assessments during the quatrter to ensure adequate coverage of the post wet season conditions. The Company now anticipates to lodge the application during the forthcoming September quarter.

Figure 4 – Isaac River Mine Licence Application area



Carborough (EPC 1860)

The Company undertook a study of the regional geology proximate to the Carborough Project. Furthermore, the Company lodged a tender to the Department of Natural Resources, Mines for an exploration area abutting the Project. Outcome of the tender process is expected later in the next quarter.

CORPORATE

Appointment of Matt Latimore

Following the finalisation of all formal agreements to give effect to the proposed Marketing Joint Venture and Finance Facility with M Resources Trading Pty Ltd ("**M Resources**") and receipt of Shareholder Approval at an Extraordinary General Meeting of Shareholders held on 17 June 2020, Mr Matt Latimore was appointed as a Non-Executive Director to the Board of the Company.

Matt's appointment represents the last step in formalizing the Marketing JV between the Company and M Resources, a related entity of Mr Latimore (a substantial holder of BCB with 15.93%), whereby the Marketing JV will 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. In addition, and as previously announced, M Resources has 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.

Placement

Simultaneous with the previously mentioned acquisition of Broadmeadow East, the Company completed a capital raising pursuant to an offer made to unrelated sophisticated and professional investors, of 45,000,000 ordinary fully paid shares at an issue price of $0.05 per share, to raise a total of $2.25m before costs (the "**Placement")**. The Placement was well supported by two European Funds and by local investors, including Mr Stephen Bizzell, former founding director of Stanmore Coal Ltd. Bizzell Capital Partners, of which Mr Bizzell is Chairman, acted as Lead Manager to the Placement.

The Company intends to apply the funds raised towards the acquisition and transaction cost of the Broadmeadow East project, related environmental and mining studies, costs of the Placement and to supplement working capital.

Cash Position

As at 30 June 2020, the Company held $2.4m cash at bank. This figure included $0.5m from the July Placement. A further $1.75m of Placement funds were received by 3 July 2020.

ASX Listing Rule 5.4 disclosure

$159,000 was spent during the quarter to Related Parties, as reported in Item 6.1 of the ASX Appedix 5B (Quarterly Cash Flow Report). This comprises directors' fees, directors' consulting fees (inclusive of GST) & associated superannuation.

METALLURGICAL COAL MARKETS

Metallurgical coal is a key ingredient in the manufacturing of steel. One tonne of steel made in a blast furnace uses approximately 780 kilograms of coal, and therefore steel market dynamics have a big impact on metallurgical coal demand.

Global steel consumption has been impacted due to COVID-19 during the quarter creating uncertainty on short term demand for metallurgical coal. However, World steel usage has improved in June 2020 on the back of demand from the construction, manufacturing and other steel-intensive sectors and was up 3% on the prior month and is expected to recover by 5% in 2021 and 4% in 2022 as the global economy recovers.

During the quarter Metallurgical coal prices dipped due to lower demand and in the short-term prices are foreseen to remain in the range between US$110 to US$ 120 per metric tonne FOB though according to independent price forecasting institutions are generally expected to recover in the medium to long term to around US$145 – US$150 in 2021 (real terms) on the back of increased demand.

*Source: World Steel Accociation and Department of Industry, Innovation and Science

KEY UPCOMING ACTIVITIES

Broadmeadow East (ML 70257)

Actions are underway to complete the transaction which is expected to take between 3 – 6 months from the announcement of the transaction. Mine planning and operation options are being evaluated to determine the best value proposition. The selected option will inform environmental impact assessments undertaken by specialist environmental consultants to get the project "shovel ready" as soon as possible.

Hillalong (EPC 1824 & EPC 2141)

The exploration program at Hillalong North, including site rehabilitation and fencing was completed during the quarter. Coal quality and washability analysis is advanced and is expected to be completed in coming weeks. Phase 2 exploration planning is underway with a balanced emphasis on advancing and expanding Hillalong North whilst also exploring other areas of the 99 square kilometre project.

Environmental approval for the 2D seismic program at Hillalong South has been received after the quarter's end which will contribute to part of the Phase 2 exploration program design. Discussions will commence with Sumitomo on their option to fund a further $5m of the second phase exploration program to earn an additional 10% in the Hillalong Joint Venture.

Isaac River (MDL 444 & EPC 830)

The key focus remains on permitting and access to infrastructure with studies now being competed. Further negotiations are advancing on infrastructure access, whilst the lodging of the Environmental Authority is expected to be completed within the quarter.

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	Carborough	EPC 1860	-	100%
Australia	Queensland	Lilyvale	EPC 1687	-	15%
Australia	Queensland	Lilyvale	EPC 2157	-	15%

Country	Location	Project	Tenement	Change in Holding (%)	Current Interest (%)
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%

The Board of the Company has authorised the release of this announcement to the market.

For further information contact:

Gerhard Redelinghuys
CEO/Managing Director
+61 (07) 3360 0837

Blair Sergeant
Executive Director – Corporate Development
+61 413 677 110
blair@bowencokingcoal.com

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.