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ASX ANNOUNCEMENT

Bowen Coking Coal announces a partially-underwritten ~A\$70 million Equity Raising

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- **Equity Raising is comprised of a ~A\$70 million 2.66 for 1 pro rata renounceable entitlement offer with 1 free attaching unlisted option for every 2 shares subscribed**
 - **Bowen has received ~A\$40.5 million in commitments from major shareholders Crocodile Capital 1 Global Focus Fund, Crocodile Capital Offshore Fund, Crocodile Capital Partners GmbH as well as new investors Square Resources Holdings Pty Ltd or its nominee and Taurus Mining Finance Fund No. 2, L.P. (existing senior debt provider)¹**
 - **Use of proceeds to fund the Plumtree North mine development costs, pre-payments, guarantees and general working capital requirements**
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Bowen Coking Coal Ltd (ASX: **BCB**, **Bowen** or **Company**) announces a partially-underwritten ~A\$70 million renounceable entitlement offer to provide Bowen with balance sheet flexibility to fund the Plumtree North mine development costs at the Company's Burton Mine Complex, pre-payments, guarantees and general working capital requirements.

Bowen Coking Coal Executive Chairman, Nick Jorss, said "The Board is pleased to invite Bowen's shareholders to participate in an entitlement offer which is planned to strengthen our balance sheet following the successful debt renegotiation."

"A tremendous amount of work has been undertaken by the team to reduce costs and achieve Bowen's current positive operating performance in the face of multiple challenges including ongoing cost inflation, a decline in coal prices, rail and port delays, and the imposition of onerous Queensland State royalties. The Burton operations are now performing strongly, having achieved steady state production levels at Ellensfield South."

¹ The Crocodile Capital 1 Global Focus Fund, Crocodile Capital Offshore Fund, Crocodile Capital Partners GmbH, Square Resources Holdings Pty Ltd or its nominee and Taurus Mining Finance Fund No. 2, L.P. (together, the Committed Investors) will receive a fee from the Underwriters based on their commitment. As the Committed Investors' investment could be reduced below their commitment due to take-up under the Entitlement Offer, subject to receipt of any required shareholder or other approvals, they will be offered the opportunity to subscribe for Bowen shares following close of the offer up to the value of their commitment (inclusive of any amount underwritten in the Entitlement Offer).



“Record levels of ROM coal are being mined at the Burton Complex and greater than 60% of our coal sales are now coking coal in line with our target. Stockpiles are healthy and rail and port congestion has eased leading to a record five Bowen cargos leaving the Port of Mackay in September with four more planned for October. Strip ratios at the Burton Complex have improved markedly from over 15 to 1 (BCM/t) in the September quarter last year to 6.7 to 1 (BCM/t) in the recent June quarter, which is driving down mining costs. Under our mine plan the operating outlook for the Burton complex is strong with the next five years planned at sub 7 to 1 strip ratio as we transition to the Plumtree North Pit.”

“We are encouraged by the recent rebound in coking coal prices which if maintained, will boost projected cash flows. The entitlement offer is intended to build on recent operational success and strengthen the Company’s balance sheet”.

Equity Raising

The entitlement offer (**Entitlement Offer**) comprises a 2.66 for 1 pro rata renounceable entitlement offer to raise ~A\$70 million at a price of A\$0.009 per new share (**Offer Price**), with retail rights trading. Every 2 new shares subscribed for will be accompanied by 1 free attaching unlisted new option with an exercise price of A\$0.009 expiring 6 months from the date of issue.

The Offer Price for the Entitlement Offer represents a:

- 25.0% discount to Bowen’s last closing price of A\$0.012 on 13 September 2024;
- 8.3% discount to the theoretical ex-rights price of A\$0.0098 (**TERP**).²

Eligible shareholders will be allotted entitlements (**Entitlements**) which can be traded on ASX. If eligible shareholders do not take up their entitlements by close of the Entitlement Offer, they may sell all or part of their Entitlements on ASX from 9 October 2024 to 17 October 2024, or transfer all or part of their Entitlements directly to another eligible person. The assignment, transfer and exercise of Entitlements is restricted to persons meeting certain eligibility criteria as set out in the Prospectus. If holders of Entitlements at the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the Entitlements and, as a result, they may receive no value for them. There is no guarantee that there will be a liquid market in traded Entitlements.

If eligible shareholders choose to do nothing in respect of all or part of their Entitlements, part or all (as applicable) of their Entitlements, and Entitlements that would have been issued to ineligible shareholders had they been eligible to participate, will be offered (**Shortfall Offer**) for sale to certain institutional investors through a fixed price shortfall bookbuild to be conducted at the Offer Price following close of rights trading under the Entitlement Offer (currently 28 October 2024), or acquired by eligible shareholders under a top up facility.

² The TERP is the theoretical price at which Bowen’s shares should trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which New Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP.

³ See note 1.



Approximately 7.8 billion New Shares may be issued under the Equity Raising, representing ~266% of Bowen's existing shares on issue. The new shares will rank equally with existing shares on issue.

The Offer is underwritten by Shaw and Partners and Morgans to the value of A\$40.5 million provided a \$60 million minimum subscription (**Minimum Subscription**) is reached under the Offer and consent of MPC Lenton is obtained in relation to the in-house sales and marketing appointment discussed further below and is supported by the following commitments:³

- A\$10.5 million sub-underwriting commitment made by Bowen shareholders Crocodile Capital 1 Global Focus Fund, Crocodile Capital Offshore Fund and Crocodile Capital Partners GmbH, pursuant to binding agreements with the Underwriters; and
- A\$30 million sub-underwriting commitment made by incoming investors Square Resources Holdings Pty Ltd or its nominee (**Square**) and Taurus Mining Finance Fund No. 2, L.P. (**Taurus**)³, pursuant to binding agreements with the Underwriters.

To the extent the Minimum Subscription is reached and a Committed Investor is not required to subscribe for new Bowen shares to the value of the full amount that it has agreed with the Underwriters to sub-underwrite the Offers for, it will be offered the opportunity by the Company, to subscribe for the remaining amount of new Bowen shares at the same issue price as under the Entitlement Offer, subject to any required approvals.

If a A\$60 million minimum subscription (**Minimum Subscription**) is not reached under the Entitlement Offer and the Shortfall Offer (together, **Offer**), the Offer will not be underwritten, Bowen will not proceed with the Entitlement Offer and no new shares or new options will be issued. The Board will also not proceed with the Offer in the event the MPC Lenton consent is not forthcoming, unless such requirement is waived by the Underwriters under the Underwriting Agreement.

In those circumstances, given the company's funding requirements, there will be an urgent need for alternate sources of liquidity and capital spending constraints. Such measures may include:

- ceasing all mine development boxcut activities at the Plumtree North Mine and continue mining activities at Ellensfield South Mine only;
- selling down a portion of the Company's 90% interest in the Lenton Joint Venture;
- securing a strategic partnership;
- sale of additional assets in the portfolio;
- further State royalty deferrals;
- seeking bonding facilities to release existing cash backed rehabilitation bonds;
- further debt and equity capital initiatives; and
- sale of the assets or the business.

There is no assurance that the Company would be able to identify and obtain sufficient alternate sources of liquidity within the time required, in which case the company may not be able to continue as a going concern.

Strategic Investment

³ The underwritten amount will be reduced to the extent that any allocation to the Committed Investors would result in a Regulatory Event.



Square has committed to a A\$20 million sub-underwriting investment in Bowen in return for the appointment of Square Marketing Pty Ltd (**Square Marketing**) as exclusive in-house sales and marketing manager for a seven year period provided that certain consents are received and the Minimum Subscription is met. Square Marketing would act in this role for the sale of coal produced from all existing and future mining areas owned or operated by Bowen, other than the Bluff Mine and the Isaac River Project. Square is expected to become a substantial shareholder following completion of the equity raising.

Equity issuance to Debt Financiers

Up to approximately 956 million new shares are expected to be issued to existing Debt Financiers at the Offer Price. These new Bowen shares will not be eligible to participate in the Entitlement Offer.

However, as noted above Taurus has agreed to sub-underwrite the Offer as to A\$10 million, provided the Minimum Subscription is met, and its cash payment obligation for any New Shares will be set-off against the 31 March 2025 scheduled repayment obligation by the issue of new fully-paid ordinary shares to Taurus priced at \$0.009 per share. To the extent the shortfall Taurus is required to cover is less than A\$10 million it will be placed shares to reach the A\$10 million commitment, subject to receipt of any required shareholder and Australian Foreign Investment Review Board approvals.

Subject to no insolvency of Bowen, compliance with law, Bowen undertaking a minimum A\$25 million equity raise and Bowen obtaining shareholder approval for the share issuances noted below, Bowen may elect to extinguish in full the Acquisition Royalties and Deferred Consideration milestone payments under the Burton mine acquisition agreements (**Milestone Payments**) in cash or by the issue of new fully paid ordinary shares as follows:

- i. in respect of all Acquisition Royalties, by issuing up to A\$3 million in new fully-paid ordinary shares to New Hope priced at the anticipated price for the conditional equity capital raising (the New Equity Offer Price) (or some combination of cash and new fully-paid ordinary shares provided that the total value provided is equal to A\$3 million) on or before the date that is 18 months after the date of the revised debt terms. At the end of the 18-month period after the date of the revised debt terms, New Hope will subscribe for such number of additional new shares as is equal to the remaining balance of the A\$3 million not settled in cash or scrip divided by the New Equity Offer Price in consideration for extinguishing Bowen's liabilities in respect of the Acquisition Royalties in full; and
- ii. in respect of all Deferred Consideration milestone payments, by issuing up to A\$5 million in new fully-paid ordinary shares to New Hope priced at the New Equity Offer Price (or some combination of cash and new fully-paid ordinary shares provided that the total value provided is equal to A\$5 million) on or before the date that is 12 months after the revised debt terms. At the end of the 12-month period after the date of the revised debt terms, New Hope will subscribe for such number of additional new shares as is equal to the remaining balance of the A\$5 million not settled in cash or scrip



divided by the New Equity Offer Price in consideration for extinguishing Bowen's liabilities in respect of the Deferred Consideration milestone payments in full,

provided that Bowen is not permitted to issue shares to satisfy Milestone Payments to the extent that the issue or receipt of the shares by New Hope cannot be made in compliance with law, would result in New Hope's relevant interest in Bowen voting shares exceeding 19.9% or might otherwise oblige New Hope to make a takeover offer for Bowen.

New Hope Corporation exercised approximately 81.3 million existing warrants on 27 September 2024 at the exercise price calculated in accordance with the definition of Exercise Price in the Warrant Deed between New Hope and Bowen dated 28 September 2023. The exercise of these warrants will fully offset the capitalised interest and all redemption premiums associated with the junior facility (without reducing the prevailing principal balance owing).

Update and use of funds

As announced to the ASX on 19 September 2024, in FY24 Bowen achieved a number of significant milestones:

- Operations performing strongly having achieved steady state production at Ellensfield South Pit, with record ROM coal mined in Q4 FY24 at the Burton Complex and greater than 60% coking coal sales;
- Improved strip ratio at the Burton Complex to 6.7:1 (BCM/t) (down from 15.1:1 (BCM/t) in Q1 FY24); and
- Signing of a Heads of Agreement with the Company's senior and subordinated lenders which, amongst other things, provides for extended maturities to provide headroom for the business debt repayment while the Company considers further options to relieve working capital constraints and provide balance sheet strength to take advantage of Bowen's current positive operating performance, significant cost reduction initiatives and improved operational outlook.

These milestones have been achieved in the face of major operational and cash flow challenges, including a decline in coal prices, wet weather impacts, labour shortages, poor equipment availability, rail and shipping delays and the imposition of extremely high State royalty rates. The Company went into voluntary suspension on 18 September 2024 pending completion of its debt financing and launch of its equity financing.

The funds raised from the Entitlement Offer (assuming they are fully subscribed), together with existing cash reserves of the Company, are planned to be used in accordance with the table set out below.

Uses of funds (Assuming Full Subscription)

	Amount (\$ million)	Percentage of proceeds from Offer
Plumtree Capex (net of revenue)	43.5	62%



Port Prepayments and Rail Guarantees	10.0	14%
Cash to balance sheet (liquidity)	11.6	17%
Transaction Costs	5.0	7%
Total	70.0	100%

The table above is a statement of the Company's current intentions as at the Announcement Date. To the extent there is a shortfall in the Entitlement Offer and Taurus is called upon to sub-underwrite part of the shortfall, the cash obligations for new shares issued by Bowen will be set-off against the March 2025 principal repayment by A\$10 million (subject to shareholder vote to the extent required). As with any budget, new circumstances and a range of other factors have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

Recent Sources of Cash

On 30 September 2024 Bowen obtained an A\$11 million short term loan from Square so as to receive, in effect, an early receipt of sales proceeds for the recent sale of a specific coal shipment. The short term loan is secured against a portion of a coal stockpile having a value of A\$12 million. Bowen shall repay the loan to Square at the earlier of:

- Immediately on receipt of its share of sale proceeds from the specific coal shipment;
- The date on which Bowen completes the Offer for a raise of at least \$60 million, where repayment at Square's election may be satisfied by setting off against its payment obligations to subscribe for new shares in the Offer; and
- Within 30 days of the Loan Date (dated 30 September 2024).

On 1 October 2024 Bowen agreed with its 10% joint venturer in the Lenton Joint Venture, MPC Lenton Pty Ltd (**MPC Lenton**) for MPC Lenton to provide the joint venture's manager, for payment of joint venture expenses, A\$7.5 million on 4 October 2024 and A\$7.5 million on 8 October 2024. The funds are to be provided by MPC Lenton by way of payment of cash calls which otherwise would have been payable by Bowen. Bowen will be responsible for paying 100% of the forthcoming cash calls required by the manager until the accumulated contributions from the joint venturers equate to 90% Bowen and 10% MPC Lenton respectively.

Indicative Timetable

Event	Date
Announcement of the Equity Raising	Monday 7 October 2024
"Ex" date, rights are quoted on a deferred settlement basis from market open	Wednesday 9 October 2024
Record date to identify security holders entitled to participate in the offer	Thursday 10 October 2024



Send offer documents and personalised entitlement and acceptance forms

Last day for offer to open

Tuesday 15 October 2024

Deferred settlements trading in right ends on the close of trading on this day

Rights trading ends at close of trading

Thursday, 17 October 2024

If agreed by ASX, securities quoted on a deferred settlement basis from market open

Friday, 18 October 2024

Offer closes (5pm AEST)

Thursday 24 October 2024

Announcement of results of issue

Tuesday 29 October 2024

Settlement date

Wednesday 30 October 2024

Issue the securities taken up in the pro rata issue and lodge an Appendix 2A with ASX applying for quotation of the securities

Thursday 31 October 2024

These dates are indicative only and are subject to change by Bowen without notice with the consent of the Joint Underwriters (such consent not to be unreasonably withheld or delayed).

Shaw & Partners and Morgans are acting as Joint Lead Managers, Underwriters and Bookrunners to the Equity Raising. Grant Samuel acting as Financial Adviser to the Company and Herbert Smith Freehills as Legal Counsel.

Further Information

Further details of the Equity Raising are set out in the prospectus lodged with the ASX today. The investor prospectus also contains important information including key risks and foreign selling restrictions with respect to the Equity Raising.

Nothing in this announcement constitutes investment, legal, tax or other advice. You should seek appropriate professional advice before making any investment decision. All dollar amounts are in Australian dollars unless otherwise indicated.

The Board of the Company has authorised the release of this announcement to the market. For further information please contact:

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About Bowen Coking Coal

Bowen Coking Coal has established a strategic hard coking coal position in Queensland's world class Bowen Basin. The Company's flagship Burton Mine Complex (90% owned) near Moranbah encompasses multiple operations with the Ellensfield South and Broadmeadow East Mines serving a co-located Coal Handling and Preparation Plant and train load out facility connected by a haul road.

Additionally, Bowen fully owns the Bluff PCI Mine near Blackwater (in care and maintenance) and



holds the Isaac River (100%), Hillalong (85%) Cooroorah (100%), Carborough (100%) and Comet Ridge (100%) coking coal projects and is a joint venture partner in Lilyvale (15% interest) and Mackenzie (5% interest) with Stanmore Resources 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. A low-cost, cash flow positive Burton Mine Complex underpins the business strategy.

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This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer or solicitation would be illegal. Neither the entitlements nor the New Shares have been, nor will be, registered under the U.S. Securities Act of 1933 ("U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States. The entitlements may not be taken up by or offered or sold to, and the New Shares may not be offered or sold to, directly or indirectly, any person in the United States or any person that is, or is acting for the account or benefit of, any person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities law of any state or other jurisdiction of the United States.

This announcement may not be released or distributed in the United States.

Nothing contained in this announcement shall form the basis of any contract or commitment, or constitute investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action taken on the basis of the information.

Forward-Looking Statements

Certain statements made during or in connection with this statement contain or comprise certain forward-looking statements regarding the Company's Mineral Resources, exploration operations and other economic performance and financial conditions as well as general market outlook. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such expectations are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward-looking statements and no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, delays or changes in project development, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in coal prices and exchange rates and business and operational risk management. Except for statutory liability which cannot be excluded, each of the



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