



1 September 2021

ASX ANNOUNCEMENT

In Principal Agreement with Fitzroy for Access and Sharing of Infrastructure

TRANSACTION HIGHLIGHTS

- Bowen Coking Coal Limited (“Bowen”) and Fitzroy (CQ) Pty Ltd (“Fitzroy”) have entered into an infrastructure sharing and cooperation Term Sheet which provides agreement in principle (subject to formal documents and approvals) allowing Bowen early infrastructure access to allow for the commencement of initial coal exports while mining approvals and infrastructure refurbishment are underway at Burton
- Fitzroy to transfer 1Mtpa of permanent Dalrymple Bay Coal Terminal (“DBCT”) port access to Bowen
- Fitzroy to provide Bowen with access up to 1Mt for calendar year 2022, to the Carborough Downs coal handling and preparation plant (“CHPP”) matched with existing port and rail capacity
- Fitzroy to grant Bowen a first right of refusal to excess CHPP capacity at Carborough Downs, if available, for up to 1Mtpa from calendar year 2023 onwards
- Bowen to provide Fitzroy with access to the excess capacity at the Mallowa haul road, accommodation camp, surface infrastructure and water supply at Burton Mine
- Agreement in principle to extend Bowen’s Broadmeadow East open cut area to the south, into a designated portion of Fitzroy’s adjacent tenement in return for a royalty payment and allowing Fitzroy to mine under the Mallowa haul Road under similar terms
- Potentially accelerates BCB’s transition from an explorer to a near term producer targeting initial production from the Burton complex (including Broadmeadow East) within 6 months (subject to approvals) and without significant capital expenditure
- Transaction subject to Bowen completing the acquisition of New Hope’s 90% stake in the New Lenton Joint Venture (“NLJV”), NLJV approval as well as various other stakeholder consents.

Bowen Coking Coal Ltd (ASX: BCB) has taken another significant stride in its transition from an explorer to producer signing a term sheet with an agreement with Bowen Basin coking coal producer Fitzroy to share infrastructure and capacity.

Bowen Executive Chairman Nick Jorss said the agreement with Fitzroy was a great outcome. “While we set about recommissioning the CHPP, train load out facility, and haul road at the Burton Mine, the upside for



Bowen is that we can connect our high-quality coking coal from Broadmeadow East, Burton and Isaac River to strengthening global markets ahead of schedule without any large upfront expenditure.”

“Following on from our proposed Lenton JV acquisition, this deal accelerates our strategy to create the next independent coking coal producer in the Bowen Basin. We are working hard to supply global steel markets with our high-quality coking coal as quickly as possible, noting steel prices are at record levels and coking coal prices are very attractive at present. This is a win-win outcome as it unlocks considerable value for both parties in otherwise underutilised infrastructure. We welcome the opportunity to work closely together with Fitzroy in the future.” Mr Jorss said.

Close on the heels of announcing its pending acquisition of New Hope Coal’s 90% interest in the New Lenton Joint Venture, which owns the Burton Mine and New Lenton Project in the northern Bowen Basin, Bowen has agreed to provide Fitzroy with access to surplus capacity of the haul road, accommodation camp, surface infrastructure and water supply at Burton Mine for its future development projects. In return, Fitzroy will transfer 1Mt of its DBCT port access to Bowen on a permanent basis, provide Bowen with short term access to its port and rail capacity, as well as up to 1Mtpa access to its Carborough Downs CHPP.

Fitzroy has also agreed in principle to grant Bowen access to its Broadlea Mine surface infrastructure (abutting Broadmeadow East) including the office and laydown area, in reciprocation for access to Bowen’s Burton infrastructure including the workshop, office, communications and power infrastructure. This will significantly reduce the need for infrastructure related capital expenditure at Broadmeadow East.

Additionally, Fitzroy has agreed in principle to allow Bowen to extend the Broadmeadow East Project into a small part in the northern area of the contiguous exploration permit (EPC667)¹, and allow for the mining lease ML70257 to be extended over that area in exchange for an agreed royalty payment. In addition, Fitzroy will be permitted to mine underground, below the Mallowa Haul Road from the adjacent Ironbark no 1 Mine, under a matching/similar royalty structure.

This proposed agreement will be subject to Bowen completing the Burton Mine and Lenton Project acquisition² from New Hope Corporation, approval from the New Lenton Joint Venture, various other stakeholder consents, as well as the execution of formal transaction documents. In the interest of timing for both parties, provision has been made for early access to some of the infrastructure prior to the completion of the Burton transaction, subject to approval by all relevant stakeholders.

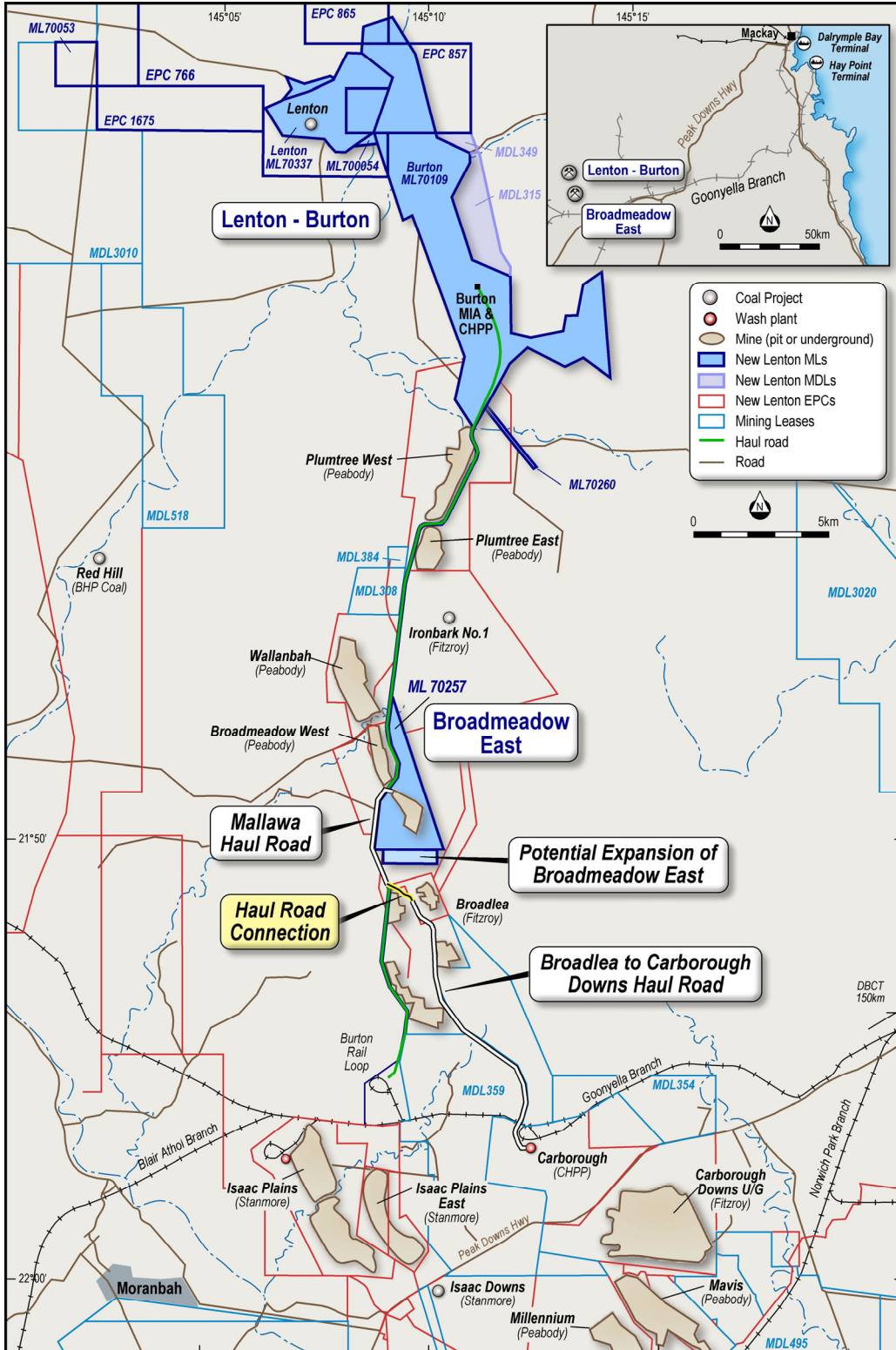
The key transaction terms are summarised in Appendix A

¹ Fitzroy’s EPC667 is subject to a pre-existing royalty and production bonus arrangement with the former owners which would be transferred to Bowen upon acquisition.

² See ASX Release 4 August 2021



Figure 1. Bowens' Burton Complex (incl Broadmeadow East) and Fitzroy's Carborough Downs Mine





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

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About Bowen Coking Coal

Bowen Coking Coal Ltd is a Queensland based coking coal exploration company with advanced exploration and development assets. The Company owns the Broadmeadow East (100%), Isaac River (100%), Cooroorah (100%), Hillalong (90%) and Comet Ridge (100%) 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 underpins the business strategy.

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 Company, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this statement and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this statement or any error or omission. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the Corporations Act and ASX Listing Rules. Accordingly, you should not place undue reliance on any forward-looking statement.



APPENDIX A

Key Transaction Terms

Infrastructure agreement with Fitzroy

On Completion of the Burton Acquisition Transaction, Bowen (either itself or through one or more related body corporates) will be the majority holder and manager of the New Lenton Joint Venture and will enter into the transaction documents in that capacity, subject to the Conditions Precedent.

A. Conditions Precedent:

- Bowen completes the acquisition of New Hope's stake in the New Lenton Joint Venture
- The Parties obtain approval from the New Lenton Joint Venture
- The parties entering into formal transaction documents, including tolling and access agreements

B. Fitzroy will provide Bowen:

- Access to its infrastructure at the neighbouring Broadlea Mine
- Access to the Broadlea haul road and Broadlea bridge to cross the Goonyella rail line
- Short term access to the Carborough Downs CHPP of between 0.75Mt and 1Mt in 2022, including Port and Rail Access and CHPP Services
- Subject to availability, a first right to a further 1Mtpa access to CHPP services from 2023 onwards
- The permanent transfer of 1Mtpa Port capacity at DBCT.
- Access to an area abutting the open pit of the Broadmeadow East project which could potentially provide an extension to the Broadmeadow East open pit, subject to a royalty

C. Bowen will provide to Fitzroy:

- Access of up to 10Mtpa on the Mallowa Haul Road
- Access to surplus capacity at the Kerlong accommodation village, Burton office and storage area
- Subject to availability, access to water from the Teviot dam or water stored in old voids
- Access to telecommunication infrastructure
- A right to mine under the Mallowa Haul Road without causing any subsidence. Bowen will be remunerated with a royalty for every tonne mined from that area to match the royalty agreement on the Broadmeadow East extension.

D. The Parties have agreed in general (and in their own absolute discretion) to cooperate on granting access of surplus infrastructure to each other