



22 June 2022

ASX ANNOUNCEMENT

## Amendment to Queensland Coal Royalty Regime

Bowen Coking Coal Ltd (“Bowen” or “Company”) noted that the Queensland Government yesterday announced significant changes to its coal royalty regime to be implemented on 1 July 2022.

The existing State royalty makes provision as follows, on a progressive basis:

- 7% of revenue for prices up to A\$100 per tonne;
- 12.5% for prices above A\$100 per tonne; and
- 15% for prices above A\$150 per tonne.

Three new progressive royalty tiers will now come into effect on top of the existing royalty. The new tiers are:

- 20% for prices above A\$175 per tonne;
- 30% for prices above A\$225 per tonne; and
- 40% for prices above A\$300 per tonne.

The change represents a significant increase on top of an already high royalty regime, making Queensland coal royalties the highest in the world. We understand these new royalty levels are designed to increase the Government’s revenue in the higher price environment such as the very high prices we have seen during the last year. The impact on the business will be substantially less in a more moderate price environment, such as the price assumptions that underpin the Company’s production targets. However, the Company believes this large hike in royalties will negatively impact investment appetite for future mining projects in Queensland. While the Company has yet to assess the full impact of the increases in coal royalties, at present, the Company intends to continue implementing its stated strategy for its projects. However, it may be harder to secure investment in future.

Executive Chairman Nick Jorss said *“We are extremely disappointed in the way this massive royalty hike has been implemented without any consultation upon an industry that already pays billions of dollars annually in taxes and royalties to fund schools, hospitals and services for all Queenslanders. Bowen is a local Queensland business built from scratch, not an international mining house. We are creating over 500 Central Queensland jobs as we open three metallurgical coal mines this year to supply the global steel industry. This proposed tax grab would permanently bake in Queensland as*



*the regime with the highest royalties in the world, ostensibly to solve a near term Government funding issue. This raises substantial risks to further investment in Queensland mining and regional Queensland jobs. I believe it is important that the Government now sits down with the industry to try and find a workable and equitable solution.”*

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

**For further information please contact:**

Gerhard Redelinghuys  
Managing Director  
+61 (07) 3191 8413

Sam Aarons  
Investor Relations  
+61 418 906 621

**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 Bluff PCI Mine, Broadmeadow East Mine (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 is also a joint venture partner with Stanmore Coal Limited in the Lilyvale (15% interest) and Mackenzie (5% interest) coking coal projects. The Company is currently in the process of acquiring 90% of the Lenton Joint Venture which owns the Lenton Project and the Burton Mine in the northern Bowen Basin. 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.