



# Quarterly Report

For the quarter ending 31 December 2022

[bowencokingcoal.com.au](http://bowencokingcoal.com.au)

Bowen Coking Coal is a Queensland based coking coal company with two mines in production, a third in development and a number of advanced exploration assets. The company is targeting over 5 million tonnes ROM coal production by 2024.

## Highlights

- First coal sold from Broadmeadow East
- First coal railed from Broadmeadow East through Bowen's refurbished Mallowa Train Load Out at Burton.
- A\$85 million capital raising for infrastructure, project development and working capital
- Strong coal pricing continues to support the rapid development of Bowen operations
- Wet weather impacts reduced by proactive mitigation strategies
- 186kt of product stock at mines and port at the quarter's end

### Post Quarter

- First export shipment on a Cape Sized vessel from Dalrymple Bay Coal Terminal after significant wet weather impacts at Port
- 39Kt shipped from Bluff with 41Kt ready at Port for the next vessel which is delayed by a third party till mid-February

# Burton Complex

**Location:** 50km north-east of Moranbah, Bowen Basin, Queensland

**Tenements:** ML 700053, ML 70337, ML 700054, ML 70109, ML 70260, EPC 766, EPC 1675, EPC 865, EPC 857, MDL 349, MDL 315, ML70257

**Coal Type:** Coking coal and secondary thermal coal

**Total JORC Resource:** Burton Pit 64Mt | Lenton Pit 140Mt | Broadmeadow East 33Mt

**Ownership:** 90% (100% BME)

The Burton Complex is located in the northern Bowen Basin, around 42 km northeast of Moranbah and around 25km southwest of Bowen's Hillalong Project. The Burton Complex includes the Burton and Lenton deposits and the Broadmeadow East Mine 25km to the south of the Burton main infrastructure area.

## Broadmeadow East Mine (BME)

BME is the first producing pit in the company's greater Burton Complex which also comprises the Burton and Lenton pits, 20 km to the north of BME. First coal was mined in July 2022 and, during the quarter, the first washed shipments of coal were railed to Dalrymple Bay Coal Terminal (DBCT), near Mackay.

First coal sales of four trains totalling over 41Kt were sold and railed from BME in late October from the nearby Carborough Downs Coal Handling and Preparation Plant (CHPP) and Train Load Out (TLO) facility under a coal washing and infrastructure sharing arrangement with Fitzroy Australia.

Late December 2022 saw the first unwashed bypass BME coal railed from Bowen's newly refurbished Mallowa TLO, located at the Burton Complex.

A significant wet weather event delayed Bowen's plans to ship its maiden export shipment on a Cape size vessel from DBCT. Operations at the Dalrymple Bay Coal Terminal ("DBCT, Port") have been impacted to the extent where the Port issued a force majeure ("FM") notice to customers. The exceptional deluge in Mackay has increased the total moisture of the coal, impacted the stockpile profiles and resulted in minor stockpile losses which required some time for moisture drainage and to reshape the stockpiles. On 31 January 2023 the vessel sailed from DBCT loaded with 154Kt of high quality energy coal for North Asian power generators. BME coal for this vessel is a combination of coal processed through the Carborough Downs CHPP and TLO and some unwashed / bypass product, loaded through the Mallowa TLO.

Despite wet weather impacts, production from BME was still adequate to fulfil its sales obligations and set up the pit for accelerated production once the Burton CHPP refurbishment is complete. In the interim, bypass coal is continuing to be delivered to the Mallowa TLO for future shipments planned in the March quarter.

BUMA Australia Pty Ltd is the mining contractor for BME which is targeting steady state ROM production of 0.8Mtpa to 1.1Mtpa over a five-to-seven-year period. Coal sales were completed through the company's 50:50 Marketing Joint Venture with M Resources.

## Burton Mine

Burton is an open-cut coal mine which contains three unmined open pit deposits with total coal resources of 64 Mt and substantial infrastructure. Lenton is an adjacent undeveloped open-cut project with total coal resources of 140 Mt.

The acquisition of Bowen's 90% interest in the Burton Complex, which completed in July 2022, included a 5.5mtpa Coal Handling and Preparation Plant (CHPP), a Train Load Out (TLO) and a 350 plus person accommodation village. Refurbishment of the accommodation village is complete and is now fully operational to capacity. Works on the updates to the Mallowa TLO are now complete with first coal railed from the nearby Broadmeadow East Mine (BME) in late December 2022. Subsequent to the first commissioning train, several other trains were successfully loaded through the facility.

*Figure 1. First train loaded from the Mallowa TLO at Burton*

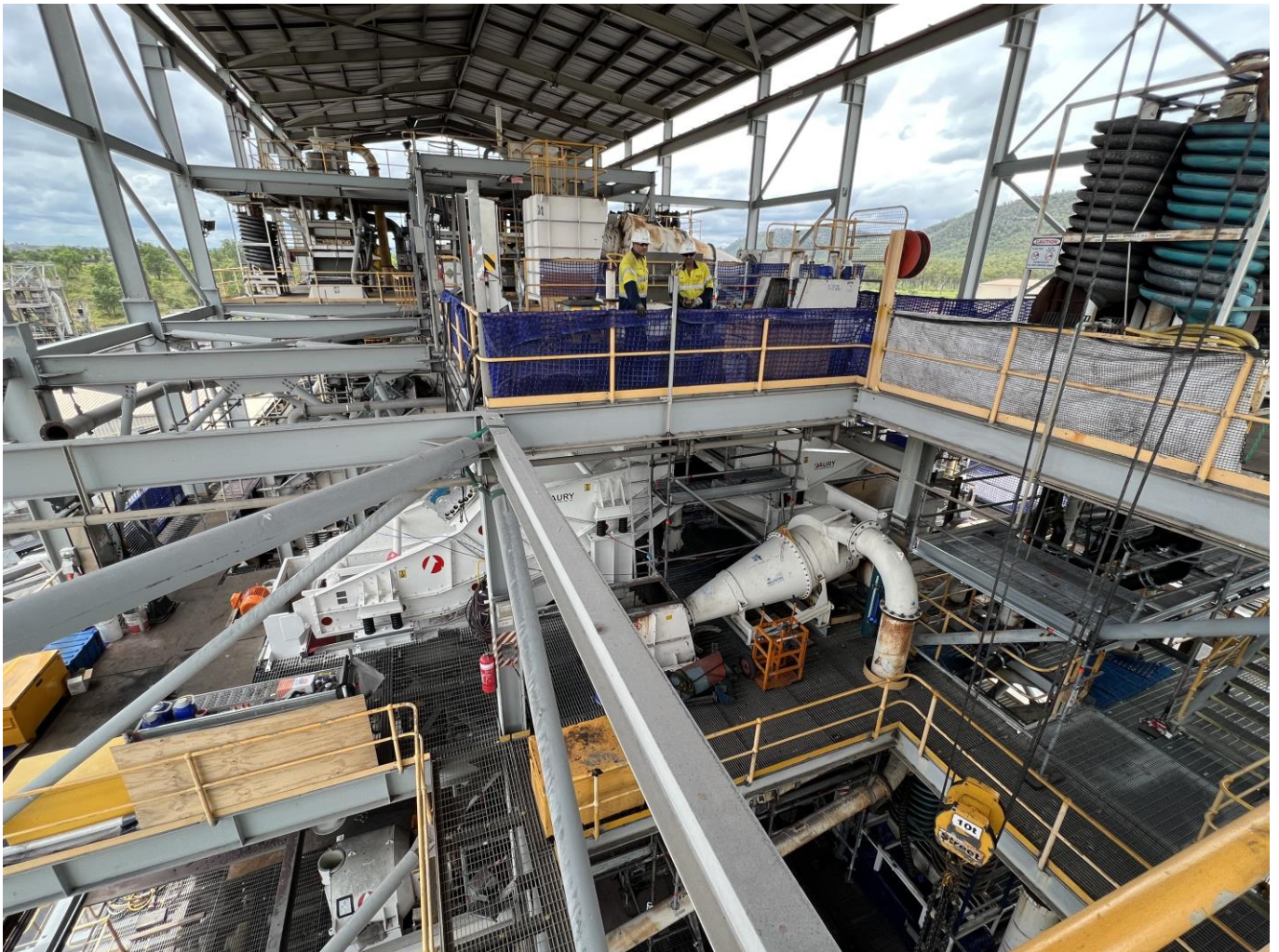


The Burton CHPP consists of a crushing circuit with Primary, Secondary and Tertiary crushers which feeds into two separate CHPP modules (Module 1 and 2) which can operate independent of each other. The feeder and all three crushers have been refurbished and will be recommissioned first.



The refurbishment of Module 1 is progressing to schedule and budget. Washing of first coal at Module 1 is expected within the March quarter. ROM not used for crushing and screening bypass coal at BME is currently being hauled to the CHPP and stockpiled for commissioning of the plant.

**Figure 2.** Refurbished cyclones and screens for Module 1 being fitted in the Burton CHPP





*Figure 3. Refurbished floatation cells refitted in the Burton CHPP*



Buma Australia Pty Ltd has been awarded the contract for mining operations at Burton and has commenced mobilisation of equipment to site.

# Bluff Mine

**Location:** 20km east of Blackwater, Bowen Basin, Queensland

**Tenements:** ML 80194, EPC 1175, EPC 1999

**Coal Type:** Ultra-low volatile pulverised coal injection (UVPCI)

**Total JORC Resource:** 13.5Mt

**Ownership:** 100%

**The Bluff Mine is an open cut mine located in the southern Bowen Basin, near the township of Bluff and 20km east of Blackwater. The mine is adjacent to the Blackwater rail line which connects it to the Port of Gladstone.**

Bluff is a contract mining operation with HSE Mining appointed as contractor. Bluff coal is processed under an agreement with the QCoal Group to wash through its nearby Cook Coal Handling and Preparation Plant.

Production at Bluff has been impacted by extraordinary wet weather. Downtime was reduced through the pumping of water to a number of pre-strip voids which were excavated for this purpose and proved to be an excellent investment. During the quarter Bowen planned its third shipment of 38Kt tonnes of high quality, Ultra Low Volatile PCI (ULVPCI) to a tier one North Asian steel mill. The sale was scheduled on a shared vessel with other producers, and despite Bowen being ready to complete this sale, the vessel was delayed by one of those third parties until early January.

Bluff's fourth vessel of 40Kt tonnes was also delayed till mid-February despite having adequate coal for the vessel at the Port due to another third party delay. A fifth vessel of 34Kt is scheduled to follow later in February and a larger vessel in April.

Steady state production for Bluff targets Run-of-Mine (ROM) of 80Kt to 100Kt per month, representing an annualised production rate of between 1Mtpa and 1.2Mtpa ROM.

Demand for Bluff's ULVPCI coal remains strong for its low ash, high energy and high coke replacement ratio. On 28 January 2023, LVPCI was trading at over US\$310 per tonne.

Marketing of the Bluff product coal continues through the Company's 50:50 Marketing Joint Venture with M Resources, a specialist metallurgical coal trading company.



# Hillalong Project

**Location:** 105km south-west of Mackay, Bowen Basin, Queensland

**Tenements:** EPC 1824 | EPC 2141

**Coal Type:** Low ash coking coal and secondary thermal coal

**Total JORC Resource:** 87Mt

**Ownership:** 85%

**The Hillalong Coking Coal Project (Hillalong) is located in the northern Bowen Basin approximately 105 km west-southwest of Mackay and 25km north of Burton.**

Sumitomo have the option to earn an additional 5% of Hillalong by spending another \$2.5m on Phase 2b exploration, taking their total holding up to 20%.

Mining studies have commenced to guide decisions on preferred mining domains and early constraint studies are underway. Hillalong is planned to operate as a satellite pit within the Burton complex which would see its production processed through that infrastructure.

Exploration to test a possible extension/ redefining to the maiden resource estimate for Hillalong was completed in the previous quarter and coal quality analysis are underway. Early raw coal quality results are consistent with the previous programs for Hillalong South. The program did however encounter some seam thinning in the Elphinstone and Hynds seams an area south of Hillalong North.

*Figure 4. Hillalong South core.*



# Isaac River Project

**Location:** 30km south-east of Moranbah, Bowen Basin, Queensland

**Tenements:** MDL 444 | EPC 830 | MLA 7000062

**Coal Type:** Coking coal and secondary PCI

**Total JORC Resource:** 8.7Mt

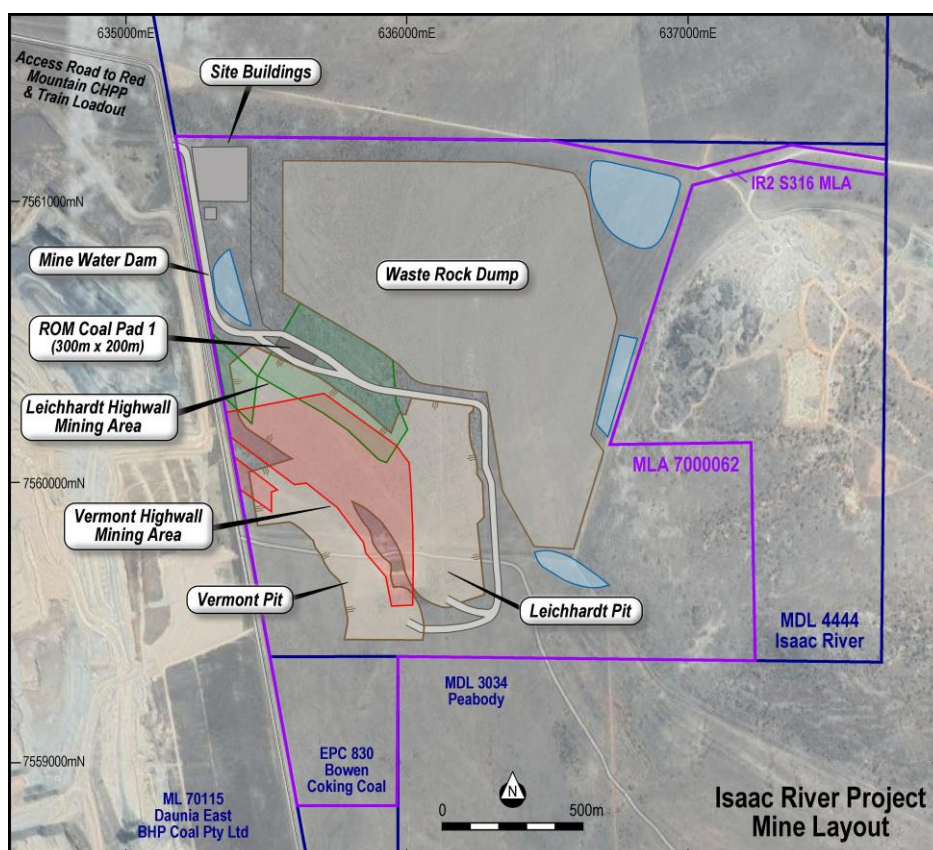
**Ownership:** 100%

Isaac River covers an area of 14 km<sup>2</sup> in the Bowen Basin in Central Queensland, approximately 30 km west of Moranbah. The project is in close proximity to BMA's (BHP Mitsubishi Alliance) Daunia Mine, and Peabody's Moorvale South and Moorvale West resources.

Isaac River has been granted a site-specific Environmental Authority (EA) from the Queensland government and holds an approved Progressive Rehabilitation and Closure Plan. The only outstanding item for the Mining License is Federal Environmental approval under the EPBC act, which is expected to be granted in the first half of 2023.

A second round of public consultation was completed in January post the quarter's end which yielded no objections to the project. Landholder negotiations has recommenced.

Similar to Broadmeadow East and Bluff, the project aims to use third party processing and infrastructure facilities to fast track the development of the project once all approvals have been obtained.



**Figure 5.** Isaac River mine layout.



# Corporate

## Capital Raising

In October 2022, Bowen completed a A\$85 million (before costs) two-tranche placement to sophisticated and professional investors. A total of 283,333,334 ordinary shares were issued at \$0.30 per share. Funds raised will be directed to infrastructure guarantees and prepayments, project development and general working capital.

## Corporate funding facility

During the Quarter, US\$25 (A\$36.9m) was drawn down under the Taurus facility and the first capital repayment of US\$11.0m (A\$16.2m) was made against the principal balance. Of the US\$25 million, US\$1.5m was only received by the Company on 3 January 2023.

At the end of the current quarter, the Taurus loan balance was US\$44 million (A\$64.9 million).

## New Hope performance bonding facility

At 31 December 2022, Bowen had drawn \$61.6 million and together with accrued interest of \$3.6m, the balance of \$4.8 million remained available for capitalised interest charges on the facility.

## Convertible loan note issuance

No conversion of the Convertible Loan Notes occurred during the Quarter.

## Cash Position

At 31 December 2022, the Company held \$52.3m of cash at bank.

## ASX Listing Rule Disclosure

Cash receipts of \$8.2m reflected under “1.1 Receipts from customers” are attributable to coal sales from the Broadmeadow East Mine of \$13.6 million less a price adjustment for the Bluff Mine coal sales. The final price adjustment of \$5.4 million related to cash received in 1Q FY 2023 for sales from the Bluff Mine which were originally based on a provisional sales price which is adjusted after the quarter’s end with the actual prices for the quarter in which the sale took place.

The \$3.1m reflected in “1.2(b) payments for development” relates to Burton mine development including camp operating and fuel costs, re-commissioning costs, legal and consulting fees for rail and port arrangements.

\$68.0m was expended on production costs for contract mining and associated services relating to the Bluff Mine and Broadmeadow East Mine. Prepaid port costs of \$6.9m were incurred and will be offset against port invoices over the next three quarters. A security deposit \$1.4m was paid to secure temporary rail access.

“2.1 (c) Property Plant and Equipment” includes \$10.8m of expenditure on the Burton CHPP and related infrastructure refurbishment.

“1.2 (e) Administration and corporate costs” of \$2.1m includes corporate advisory fees relating to the corporate financing facility, legal costs in relation to the Burton acquisition, annual insurance, legal and corporate consulting costs.

A capital raising realised A\$85m from which A\$3.7m was offset in relation to capital raising costs.

\$528,554 was spent during the Quarter on Related Parties, as reported in clause 6.1 of the ASX Appendix 5B (Cash Flow Report). This comprises directors' fees, directors' consulting fees (inclusive of GST) & associated superannuation totalling \$370,750 as well as \$157,804 for marketing fees on coal sales to a company associated with a director.



# Metallurgical Coal Markets

The initial part of the October to December 2022 quarter was characterised by tension between tight coal supply resulting from production issues and limitations in multiple regions, versus weakening demand. There were isolated heavy rainfall events through the quarter that impacted supply availability at several Australian mines. European mills were making decisions to reduce output and in some circumstances idle blast furnaces. Through November, blast furnace profitability deteriorated and decisions to reduce production or idle blast furnaces escalated through South East and North Asia. This in turn improved met coal availability as committed coal was made available to the market which triggered a market price decrease.

During the period, thermal markets started to deteriorate as supply concerns eased in Europe, and Russian supply of metallurgical coal was able to continue into selected seaborne importers. By late November, market pricing reached a level of approximately US\$250 per tonne FOB Australia, representing a level that was attractive both to end users in India, as well as market intermediaries who saw strong purchasing demand re-emerge. Policy changes to reverse steel export tariffs were viewed as net positive for Indian metallurgical import demand, as well as ratification of the FTA between Australia and India through December.

Expectations in early December of the imminent emergence of Chinese import demand for Australian coal started to drive buying interest and position taking. This, alongside the severe impacts on throughput at North Queensland coal terminals from wet weather in January has pushed the market price to its current level above \$330 FOB Australia for prime material.

# Tenement Information

As at 31 December 2022, the company had interests in the following tenements (as required by Listing Rule 5.3.3).

	Project	Tenement	Location	Country	Current Interest	Change in holding
1	Cooroorah	MDL 453	Queensland	Australia	100%	-
2	Broadmeadow East	ML 70257	Queensland	Australia	100%	-
3	Hillalong	EPC 1824	Queensland	Australia	85%	-
4	Hillalong	EPC 2141	Queensland	Australia	85%	-
5	Carborough	EPC 1860	Queensland	Australia	100%	-
6	Lilyvale	EPC 1687	Queensland	Australia	15%	-
7	Lilyvale	EPC 2157	Queensland	Australia	15%	-
8	Mackenzie	EPC 2081	Queensland	Australia	5%	-
9	Comet Ridge	EPC 1230	Queensland	Australia	100%	-
10	Isaac River	MDL 444	Queensland	Australia	100%	-
11	Isaac River	MDL 830	Queensland	Australia	100%	-
12	Isaac River	ML 7000062	Queensland	Australia	100%	-
13	Bluff	EPC 1175	Queensland	Australia	100%	-
14	Bluff	EPC 1999	Queensland	Australia	100%	-
15	Bluff	ML 90194	Queensland	Australia	100%	-
16	Lenton	EPC 766	Queensland	Australia	90%	90%
17	Lenton North	EPC 865	Queensland	Australia	90%	90%
18	Lenton West	EPC 1675	Queensland	Australia	90%	90%
19	New Lenton	ML 70337	Queensland	Australia	90%	90%
20	New Lenton	ML 700053	Queensland	Australia	90%	90%
21	New Lenton	ML 70054	Queensland	Australia	90%	90%
22	Burton	EPC 857	Queensland	Australia	90%	90%
23	Burton	MDL 315	Queensland	Australia	90%	90%
24	Burton	MDL 349	Queensland	Australia	90%	90%
25	Burton	ML 70109	Queensland	Australia	90%	90%
26	Burton	ML 70260	Queensland	Australia	90%	90%

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) 3191 8413



# Company Profile

Bowen Coking Coal is a Queensland based coking coal company with two mines in production, a third in development and a number of advanced exploration assets. Bowen fully owns the Bluff PCI and Broadmeadow East mines as well as the Isaac River, Cooroorah, Hillalong (85%) and Comet Ridge coking coal projects in the world renowned Bowen Basin in Queensland, Australia. The Company also holds a 90% interest in the Lenton Joint Venture which owns the Burton Mine and Lenton Project in the northern Bowen Basin, currently under mine development and recommissioning. Bowen 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. An aggressive exploration, development and growth focussed approach underpins the business strategy.

## Directors:

Executive Chairman – Nick Jorss  
Managing Director & CEO – Gerhard Redelinghuys  
Non-Executive Director – Neville Sneddon  
Non-Executive Director – Matt Lattimore

## Company Secretary

Duncan Cornish

ACN 064 874 620

ASX CODE BCB

## Office location:

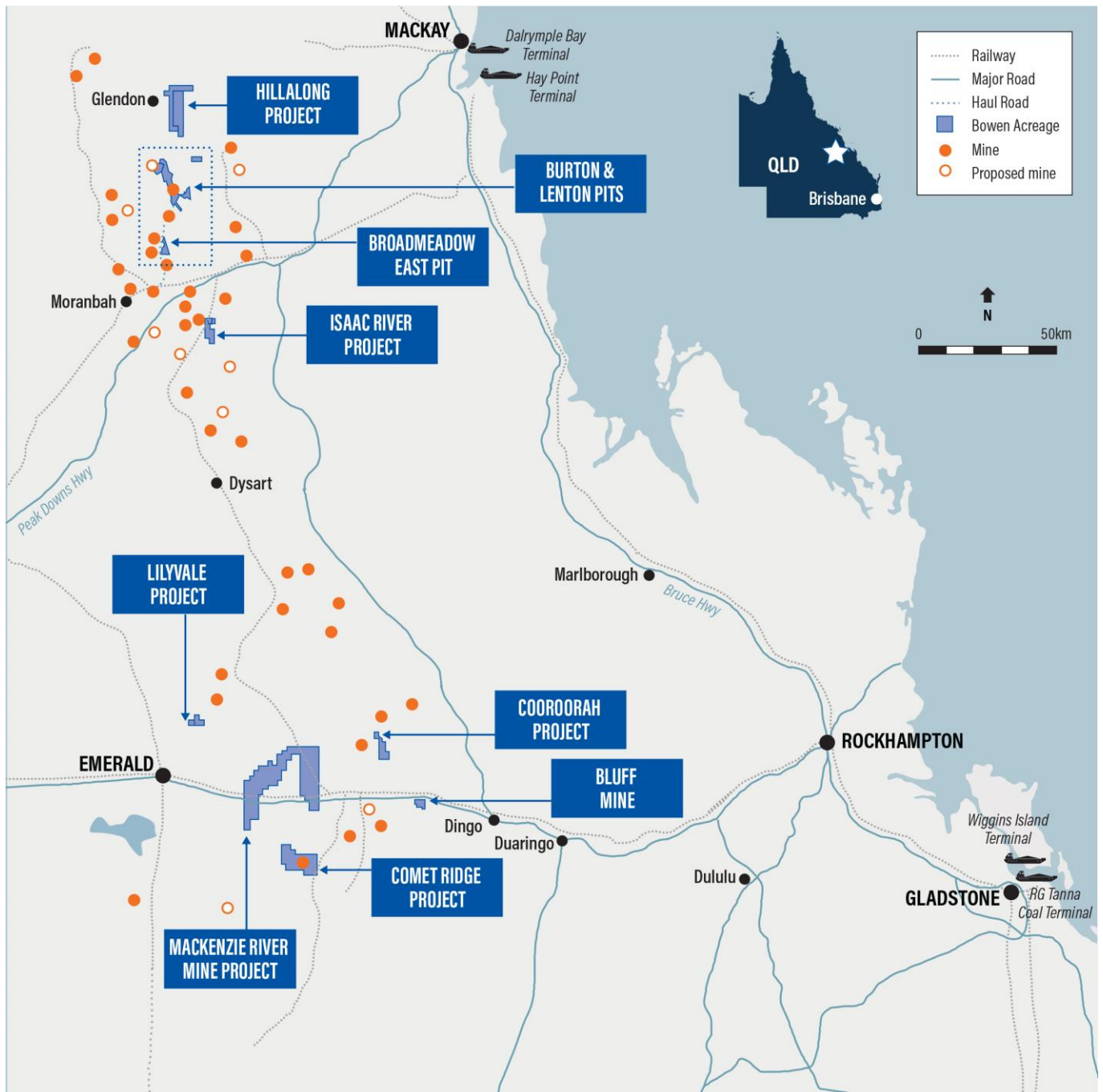
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## Listing Rule 5.23 Statement

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.

# Project Locations





## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

BOWEN COKING COAL LIMITED

ABN

72 064 874 620

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	8,198	39,323
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(3,139)	(9,787)
(c) production	(68,042)	(129,084)
(d) staff costs	(1,506)	(2,346)
(e) administration and corporate costs	(2,072)	(5,779)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	64	72
1.5 Interest and other costs of finance paid	(1,902)	(3,035)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (GST Refunds)	3,484	9,089
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(64,915)</b>	<b>(101,547)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(10,856)	(16,438)
(d) exploration & evaluation	(332)	(704)
(e) investments	-	-
(f) other non-current assets	-	(24,256)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	(a) Exploration & evaluation on farmin project	(736)	(1,266)
	(b) Cash received from farmee	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(11,924)</b>	<b>(42,664)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	85,000	85,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(3,658)	(3,658)
3.5	Proceeds from borrowings	36,236	59,451
3.6	Repayment of borrowings	(16,236)	(16,236)
3.7	Transaction costs related to loans and borrowings	-	(653)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>101,342</b>	<b>123,904</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	29,174	72,520
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(64,915)	(101,547)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(11,924)	(42,664)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	101,342	123,904
4.5	Effect of movement in exchange rates on cash held	(1,405)	59
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>52,272</b>	<b>52,272</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	52,226	29,129
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – Bank Guarantee	46	46
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>52,272</b>	<b>29,175</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	529
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: * 6.1 comprises directors' fees &amp; associated superannuation totalling \$195k. A further \$532k was paid for marketing fees on coal sales to a company associated with a director.</i>		



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	<b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	151,181	144,141
7.2	Credit standby arrangements	-	-
7.3	Other (Convertible Notes)	40,000	40,000
7.4	<b>Total financing facilities</b>	<b>191,181</b>	<b>184,141</b>
7.5	<b>Unused financing facilities available at quarter end</b>		<b>7,040</b>
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Refer to the 30 June 2022 Appendix 5B for details relating to the Taurus Senior Secured Debt Facility, New Hope performance bonding facility and the Convertible Loan Notes.		
	<b>Taurus Senior Secured Debt Facility</b>		
	The unused Taurus facility of US\$1.5 million was drawn 31 December 2022 but only received by the Company on 3 January 2023.		
	<b>New Hope performance bonding facility</b>		
	The unused New Hope performance bonding facility of \$4.8m remains available for the capitalisation of interest on the facility during the term.		
	<b>Convertible loan note issuance</b>		
	No conversion of the Convertible Loan Notes occurred during the Quarter.		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(64,915)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(332)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(65,247)
8.4	Cash and cash equivalents at quarter end (item 4.6)	52,272
8.5	Unused finance facilities available at quarter end (item 7.5)	7,040
8.6	Total available funding (item 8.4 + item 8.5)	59,312
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>0.9</b>
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: No, the entity expects positive net operating cash in the next Quarter as a result of cash receipts from coal sales. Production costs are expected to be consistent with the level reflected in the current Quarter.
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer: Not at this time as the entity is anticipating positive net operating cash flows for the following Quarter.
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: Yes, the entity expects positive net operating cash flows for the following Quarter.
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

By the Board  
Duncan Cornish  
Company Secretary  
31 January 2023

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
6. "Payments for development" (1.2 (b)) relate to pre-production costs in relation to mine development costs incurred up to and including the point of steady-state or mine design levels of production. Once steady-state or mine design levels of production are attained, costs incurred in the production of saleable coal will be reported under "Payments for production" (1.2 (c)).