BOWEN COKING COAL

Half Year Report

For the half year ended 31 December 2022

bowencokingcoal.com

Highlights

- Completion of the transformational acquisition of the Burton Mine and Lenton Project;
- First cash inflows from the Bluff PCI Mine;
- First coal sold from Broadmeadow East;
- Refurbishment of Burton infrastructure fast-tracked. Mallawa Train Load Out Facility in operation;
- Phase 2A drilling completed at Hillalong and studies commenced to prove up the deposit as a satellite pit of Burton;
- A$85 million capital raising for infrastructure, project development and working capital through placements to Institutions and Sophisticated Investors;
- Strong coal pricing continues to support the rapid development of Bowen's operations.

Post period end

- First BME coal export on a capesize vessel (154Kt) from Dalrymple Bay Coal Terminal after significant wet weather impacts at Mackay.
- 82Kt of BME coal shipped mid-March 2023.
- 39Kt shipped in January 2023, 38Kt shipped in February 2023 and 34Kt shipped in early March 2023 from the Bluff Mine;
- Broadmeadow East achieving steady-state production.
- Module 1 of the Burton CHPP refurbishment completed, commissioning underway.

CEO Statement

Gerhard Redelinghuys, Chief Executive Officer and Managing Director

“This period has seen the completion of many major milestones for Bowen Coking Coal as we consolidate our position as one of Queensland’s new independent metallurgical coal producers.

We completed the transformational acquisition of the Burton Mine and Lenton Project early in the financial year and continued the refurbishment process which commenced under an early works arrangement in the previous period. A successful A$85 million capital raising, and strong coal prices support the rapid development of infrastructure at all locations.

The Bluff PCI Mine continued its ramp-up to a targeted steady-state of production of 80Kt to 100Kt ROM coal per month. First Broadmeadow East coal was mined early in the period with first sales materialising on a train-by-train basis in October 2022. First coal was railed through the Lenton Joint Venture’s refurbished Mallawa Train Load Out late in the year to aggregate product for the maiden capesize vessel exported out of the Dalrymple Bay Coal Terminal near Mackay early in 2023. The company has worked tirelessly throughout this period to accomplish these significant milestones. Unprecedented wet weather impacted production at both operations whilst operator shortages remain a key constraint for our contractors.

Coal prices remain strong despite disruptions from the impact of global inflationary pressures, supply chain disruptions and government royalties. Long-term demand will be aided by rising steel output and the industrialisation of South-East Asia, and India, so it is expected that the supply will remain tight going forwards.

The near-term future goals for Bowen Coking Coal will be to complete the Burton refurbishment, open the Ellensfield South pit at Burton, finalise the Isaac River permits whilst continuing to deliver coal to market as we deliver on our production targets.”

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)

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. The coal is processed through the nearby Cook CHPP under an agreement with the QCoal Group.

Production at Bluff was impacted by extraordinary wet weather in the last part of the year. Bowen's third shipment of 39Kt tonnes of high quality, Ultra Low Volatile PCI (ULVPCI) to a tier one North Asian steel mill took place post period-end in January 2023. Further shipments followed in February and March 2023 of 38kt and 34Kt respectively.

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

Bluff's ULVPCI coal remains in high demand for its low ash, high-energy and high coke replacement ratio. 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.

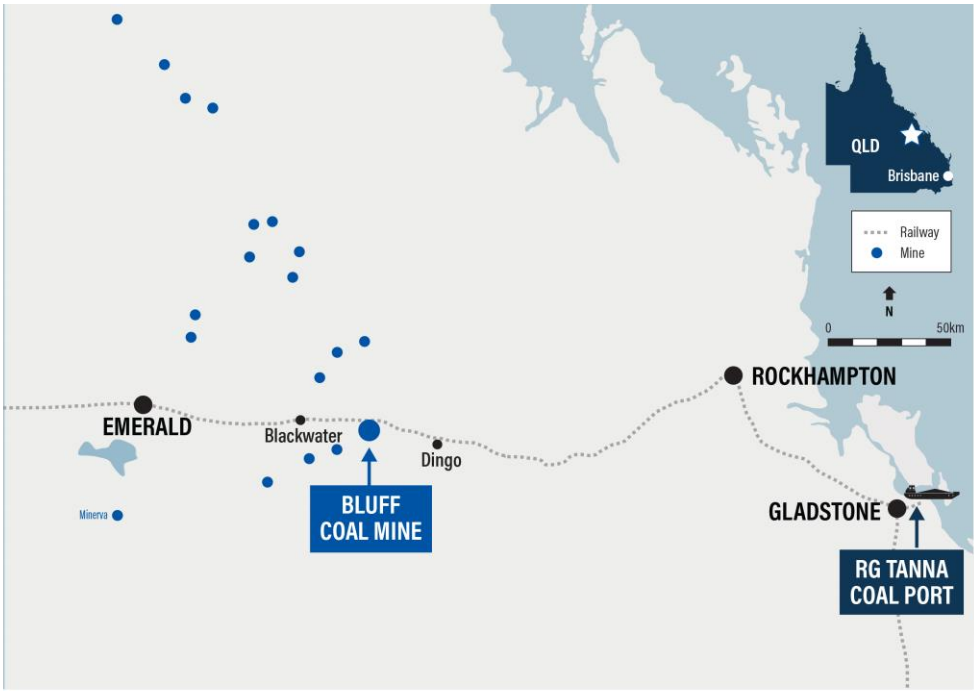

Figure 1. Bluff location

Burton Complex

Location: 42km north-east of Moranbah, Bowen Basin, Queensland

Tenements: ML 700053, ML 70337, ML 700054, ML 70109, ML 70260, ML 70257, EPC 766, EPC 1675, EPC 865, EPC 857, MDL 349, MDL 315

Coal Type: Coking coal and secondary thermal coal

Ownership: 90% Burton and Lenton pits | 100% Broadmeadow East Pit

The Burton Complex is located in the northern Bowen Basin, around 42km north-east of Moranbah and around 25km south-west of Bowen's Hillalong Project. The Burton Complex includes the Burton and Lenton Pits and the Broadmeadow East Pit which is located 25km to the south of the Burton main infrastructure area.

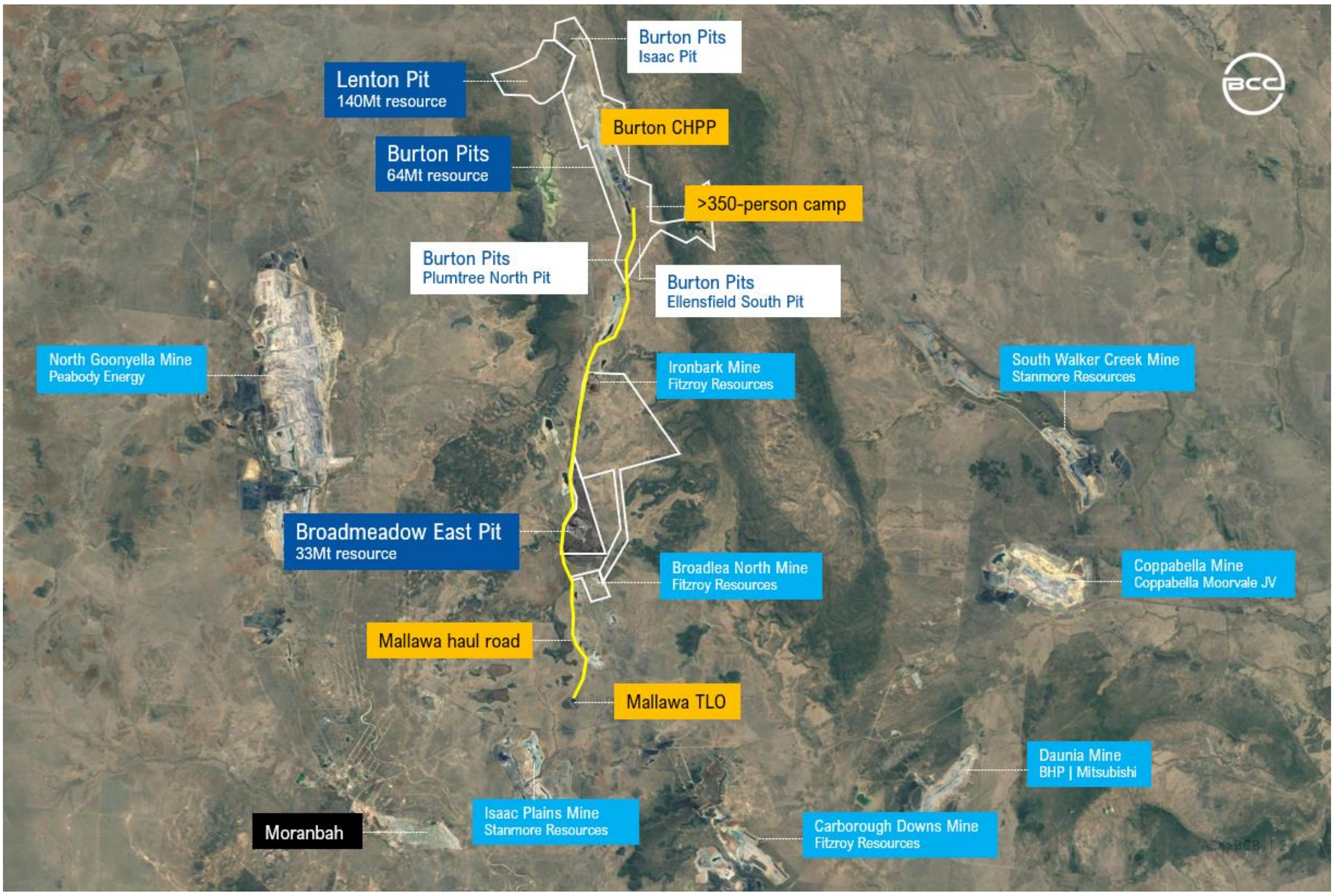

__Figure 2:__ Burton Complex location showing Lenton, Burton and Broadmeadow Pits

Broadmeadow East Pit

Broadmeadow East (BME) is the first producing pit in the company's greater Burton Complex which also comprises the Burton and Lenton pits, 20km to the north of BME. Studies indicate a Run of Mine (ROM) production target of 0.8 million tonnes per annum (mtpa) to 1.1 mtpa over a five-to-seven-year period.

First coal was mined in July 2022 and the first washed shipments of coal was railed to Dalrymple Bay Coal Terminal (DBCT) in late October 2022 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 the Lenton Joint Venture's newly refurbished Mallawa TLO.

A significant wet weather event delayed Bowen's plans to ship its maiden export shipment on a capesize vessel from DBCT. At the end of January, post period end, the vessel sailed from DBCT loaded with 154Kt of high-quality energy coal for North Asian power generators. A further 82Kt of product was shipped in mid-March 2023.

Despite wet weather impacts during the period, production from BME was still adequate to fulfil its sales obligations and set up the pit for accelerated production to coincide with refurbishment completion of module 1 at the Burton CHPP. The BME pit achieved steady-state production post period end.

BUMA Australia Pty Ltd is the mining contractor for BME. Coal sales were completed through the company's 50:50 Marketing Joint Venture with M Resources.

Figure 3: *First coal was mined at the Broadmeadow East Pit, part of the Burton Complex, in July 2022.*

Burton Pits

Burton is an open-cut coal mine currently in care and maintenance which contains three unmined open pit deposits with total coal resources of 64Mt and substantial infrastructure. Lenton is an adjacent undeveloped open-cut project with total coal resources of 140 million tonnes (Mt).

The acquisition of Bowen's 90% interest in the Burton Complex, which completed in July 2022, included a 5.5mtpa CHPP, a TLO and a 350 plus person accommodation village. Refurbishment of the accommodation village is complete and is now fully operational to capacity. Work on the refurbishment of the Mallawa TLO was also completed during the period, with first coal railed from the nearby Broadmeadow East pit (BME) in late December 2022.

Refurbishment of module 1 of the two-module CHPP continued throughout the period and all major refurbishment work was completed in early March 2023. Commissioning of the CHPP is underway with first coal targeted to be washed late in March 2023.

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

Figure 4: *First coal being loaded through the Mallawa Train Loadout Facility, part of the Lenton Joint Venture.*

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

Ownership: 85%

The Hillalong Coking Coal Project is located in the northern Bowen Basin approximately 105 km south-west of Mackay and 10km north of Burton.

Hillalong is owned 85% by Bowen and 15% by Japanese conglomerate, Sumitomo, who 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 during the period and coal quality analysis is 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 and areas south of Hillalong North whilst Hillalong South drilling intersected the targeted seams at targeted thickness and depth, making that area the most attractive for future development.

Figure 5. *Mining studies have commenced to guide decisions on preferred mining domains at Hillalong.*

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

Ownership: 100%

Isaac River covers an area of 14km^2 in the Bowen Basin in Central Queensland, approximately 30 km south-east 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 period end which yielded no objections to the project. Landholder negotiations have recommenced to support a mining license application once the EPBC approval is obtained, which is expected in the coming months.

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.

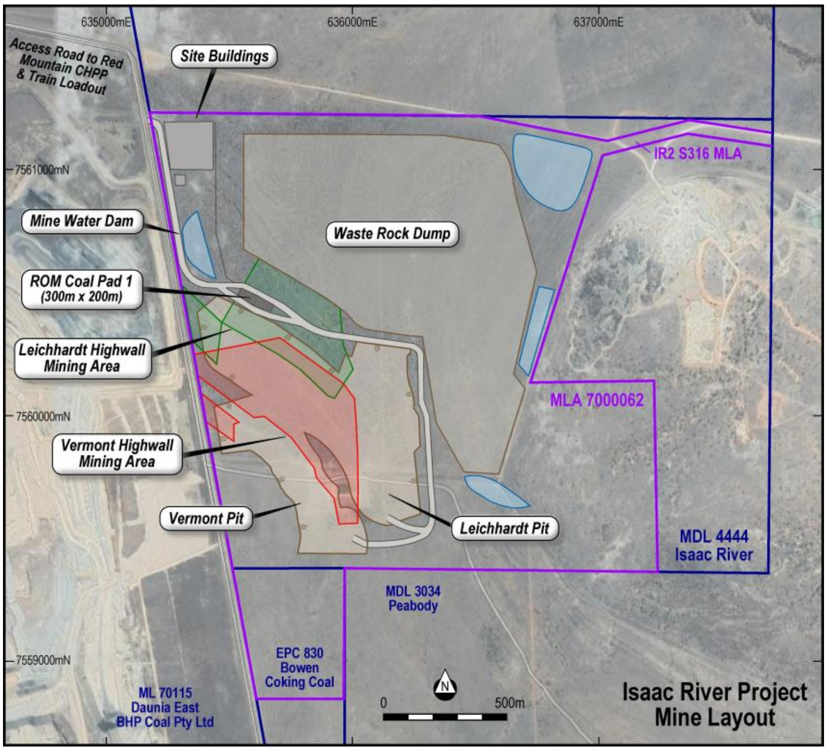

Figure 6. *Isaac River mine layout.*

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

For further information contact:

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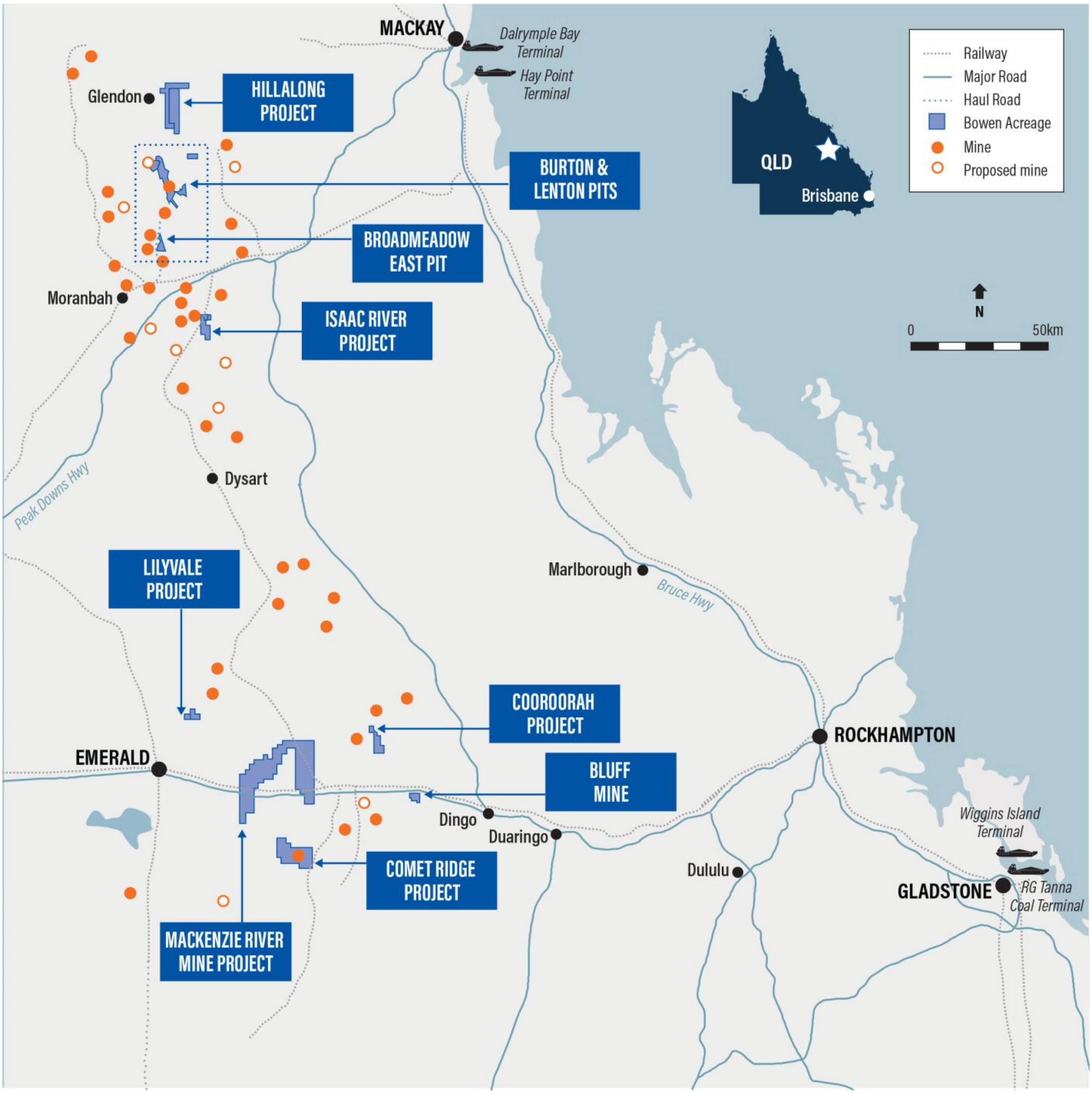
Project Locations



Bowen Coking Coal Limited

ABN 72 064 874 620

Interim Financial Report - 31 December 2022

General information

These financial statements are the consolidated financial statements of the consolidated entity consisting of Bowen Coking Coal Limited and the entities it controlled at the end of, or during, the half-year.

The financial statements are presented in Australian dollars, which is Bowen Coking Coal Limited's functional and presentation currency.

Bowen Coking Coal Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Level 4, 167 Eagle Street Brisbane QLD 4000	Level 4, 167 Eagle Street Brisbane QLD 4000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 March 2023.

Directors	Nicholas Jorss (Executive Chairman) Gerhard Redelinghuys (Managing Director) Matthew Latimore (Non-Executive Director) Neville Sneddon (Non-Executive Director) Stephen Downs (Alternate Director)
Company secretary	Duncan Cornish
Principal place of business	Level 4, 167 Eagle Street Brisbane QLD 4000 Tel: +61 7 3191 8413
Share register	Link Market Services Limited Level 21, 10 Eagle Street Brisbane QLD 4000 Tel: 1300 544 474
Auditor	Ernst & Young Level 51, 111 Eagle Street Brisbane QLD 4000 Tel: +61 7 3011 3333
Stock exchange listing	Australian Securities Exchange (ASX code: BCB)
Website	www.bowencokingcoal.com

The Directors of Bowen Coking Coal Limited (the **Company**) present their Report together with the financial statements of the Consolidated Entity (the **Group**), being the Company and the entities it controlled, for the period ended 31 December 2022.

Directors

The following persons were directors of Bowen Coking Coal Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Nicholas Jorss	Executive Chairman
Gerhard Redelinghuys	Managing Director
Matthew Latimore	Non-Executive Director
Neville Sneddon	Non-Executive Director
Stephen Downs	Alternative Director for Matthew Latimore (appointed on 4 November 2022)

Company Secretary

Duncan Cornish

Principal activities

During the period, the principal continuing activities of the Group consisted of the exploration, development, production and sale of coal in Queensland, Australia, with a primary focus on metallurgical coal.

Review of Financial Results

The loss for the Group after providing for income tax amounted to $61,167,153 (31 December 2021: $5,470,040).

The higher loss after tax during the period is primarily driven by:

- Ramp up of mining activities and re-establishment of the terrace profile at the Bluff Mine;
- Moving excess waste at the Bluff Mine, over and above the mine plan as a result of effective water management and excess rainfall mitigation;
- Increased operational costs associated with the Broadmeadow East Pit ramping up to steady-state production and startup operational costs associated with the Lenton Joint Venture;
- Delayed coal sales revenue planned in December 2022 for the maiden Broadmeadow East capesize vessel, which resulted in a January 2023 shipment;
- Additional administrative costs to support the expanding multi-mine operations; and
- Finance charges on debt finance facilities, which have previously not been significant in the business.

Financial performance

	Consolidated	
	31 Dec 2022 $	31 Dec 2021 $
Revenue from contracts with customers	27,240,184	-
Other income	83,344	
Other expenses	(80,892,532)	(5,440,311)
Operating loss	(53,569,004)	(5,440,311)
Finance income	2,423,565	271
Finance expense	(10,126,955)	-
Share of profit/(loss) from joint ventures	105,241	(30,000)
	(7,598,149)	(29,729)
Income tax expense	-	-
Loss after income tax for the half-year	(61,167,153)	(5,470,040)

Review of Operations

Bowen Coking Coal Limited achieved a number of significant milestones during the period, including transitioning from explorer to multi-mine producer, while continuing to progress exploration activities at the Hillalong Coking Coal Project.

Highlights of the Group's operations:

- Acquisition of 90% interest in the Lenton Joint Venture, which was completed in July 2022;
- Re-commissioning of the Lenton Joint Venture's Mallawa Train Load Out Facility, from which the first train railed on 28 December 2022;
- First production and coal sales from the Broadmeadow East Pit;
- Second metallurgical coal shipment from the Bluff Mine;
- Re-establishment of the terrace profile and ramp up towards steady-state mining activities at the Bluff Mine;
- Completion of Phase 2A drilling program at Hillalong and commencement of studies to prove up the deposit further.

Lenton Joint Venture (LJV)

Bowen Coking Coal Limited acquired 100% of the shares in New Lenton Coal Pty Ltd which owns a 90% interest in the Lenton Joint Venture (Burton Mine and New Lenton Project) on 1 July 2022. Total consideration payable included a cash payment of $20,738,000 including completion payment adjustments as well as up to $7.5m in payments based on the achievement of production or time based milestone payments, whichever occurs earlier. The acquisition also includes a royalty arrangement with New Hope Corporation on the Group's share of the coal sold by the LJV.

The assets in the Lenton Joint Venture include the Burton Mine and the New Lenton Project. MPC Lenton Pty Ltd, a subsidiary of The Formosa Plastics Group, holds the remaining 10% ownership. The LJV owns a 5.5mtpa Coal Handling and Preparation Plant (CHPP), a Train Loadout Facility (TLO) and a 350 plus person accommodation village. Refurbishment of the accommodation village is complete and is now fully operational. Work on the refurbishment of the Mallawa TLO was mostly completed during the period with first coal railed in late December 2022.

The Burton Mine which was under care and maintenance at the completion date of the acquisition, is an open-cut coal mine containing three unmined open-cut deposits with total coal resources of 64 million tonnes (Mt)*. Lenton is an adjacent undeveloped open-cut project with total coal resources of 140 Mt*. During the period, the Company invested significant capital to fast-track the refurbishment of the camp accommodation, CHPP, TLO and other associated infrastructure.

Refurbishment of module 1 of the two module CHPP continued during the period and is currently in the commissioning phase.

* Refer announcement dated 4 August 2021: *Transformational acquisition of the Burton Mine and Lenton Project*.

Broadmeadow East Pit (BME)

A significant milestone achieved during the period was BME’s transition into production, with first coal mined in July 2022. The first washed shipments of coal were railed to Dalrymple Bay Coal Terminal (DBCT) in October 2022 from the nearby Carborough Downs CHPP TLO, under coal washing and infrastructure sharing arrangements with Fitzroy Australia. A second significant milestone occurred on 28 December 2022 with BME’s first bypass coal railed from the newly refurbished Mallawa TLO, operated by the LJV.

During the period, BME mined 407kt of ROM, produced 165kt of saleable coal, held 161kt of ROM coal stock for processing through the Burton CHPP and sold 41kt on a free-on-board basis. The mine’s maiden capesize vessel was scheduled to sail from DBCT during 2022, however was delayed into January 2023 due to significant weather impacts in Mackay.

Coal sales are completed through the company’s 50:50 Marketing Joint Venture with M Resources Pty Ltd, a specialist metallurgical coal trading company.

Bluff Mine

Production at the Bluff Mine was significantly impacted by extraordinary wet weather during the period. Downtime due to rain events was reduced through the pumping of water to a number of pre-strip voids which were excavated for this purpose.

During the period, Bluff mined 193kt of ROM, produced 87kt of saleable coal, held 71kt of ROM coal stock for processing through the Cook Colliery CHPP and shipped one vessel totalling 40kt. Bluff’s third shipment of 39kt tonnes of high quality, Ultra Low Volatile PCI (ULVPCI) to a tier one North Asian steel mill was scheduled to complete during 2022, however was delayed into January 2023, due to coal availability of a co-shipper on the nominated vessel. Bluff had 56kt of saleable coal at port at 31 December 2022 available for this cargo.

Hillalong Coking Coal Project

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 during the period and coal quality analysis is underway. Early raw coal quality results are consistent with the previous programs for Hillalong South.

Isaac River

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 Environment Protection and Biodiversity Act (EPBC), which is expected to be granted in the first half of 2023.

A second round of public consultation was completed in January 2023, which yielded no objections. Landholder negotiations have recommenced. The project aims to use third party processing and infrastructure facilities to fast track the development once all approvals have been obtained.

Corporate

In October 2022, the Company announced an A$85m (before transaction costs) two-tranche equity placement to sophisticated and institutional investors. The total placement of 283,333,334 Ordinary fully paid shares were issued at $0.30 per share in October and November 2022. The funds raised were for project development, general working capital as well as infrastructure guarantees and prepayments.

As at 30 June 2022 the Company had 1,542,124,952 ordinary shares, 13,300,000 performance rights, 43,000,000 options and 40,000,000 Convertible Notes on issue. Since 30 June 2022, the following securities were issued:

- 984,560 Ordinary fully paid shares and 2,165,913 performance rights were issued on 5 July 2022 to company employees (pursuant to the Company's Employee Equity Incentive Plan)
- 4,450,000 Ordinary fully paid shares following the exercise of performance rights (during August and September 2022)
- 765,357 performance rights were issued on 21 November 2022 to company employees (pursuant to the Company's Employee Equity Incentive Plan)
- 283,333,334 Ordinary fully paid shares following the placement note above.

As at 31 December 2022 the Company had 1,830,856,846 ordinary shares, 11,781,270 performance rights, 43,000,000 options and 40,000,000 Convertible Notes on issue.

During the period, the Company drew down an additional $61m (US$41m) of its senior secured debt facility with Taurus and repaid $16m (US$11m) in December 2022.

The Company drew $61.6m on its performance bonding facility with New Hope which was used to fund Bowen's share of the LJV mine rehabilitation guarantee to the Queensland Government for the Burton assets. An additional $3.6m of accrued interest was capitalised to the facility leaving a balance of $4.8m available on the facility at period end.

COVID-19 Impact
Consistent across the mining industry, the primary impacts of COVID-19 were higher absenteeism and resulting labour shortages during the period. The Company continues to work with its employees and contractors on protocols to minimize the impact on operations and does not anticipate any negative impacts to the financial statements at the reporting period or subsequently, as a result of the COVID-19 pandemic.

Matters subsequent to the end of the financial half-year
On 27 February 2023, the company announced a change in executive leadership with the appointment of Mr. Mark Ruston as Chief Executive Officer (CEO) of the Group commencing on 27 March 2023. The current Managing Director and CEO, Mr. Gerhard Redelinghuys will continue employment as an Executive Director.

Since 31 December 2022, the following shares were issued:

- 4,000,000 Ordinary fully paid shares on 11 January 2023 following the exercise of performance rights;
- 5,821,000 ordinary fully paid shares on 16 February 2023 following the exercise of unquoted options (exercisable at $0.10 each).

As at the date of this report the Company had 1,840,677,846 ordinary shares, 7,781,270 performance rights, 37,179,000 options and 40,000,000 Convertible Notes on issue.

No other matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of in future financial periods.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Gerhard Redelinghuys
Managing Director

15 March 2023

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Auditor's Independence Declaration to the Directors of Bowen Coking Coal Limited

As lead auditor for the review of Bowen Coking Coal Limited for the half-year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Bowen Coking Coal Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Tom du Preez
Partner
15 March 2023

	Note	Consolidated 31 Dec 2022 $	31 Dec 2021 $
Revenue			
Revenue from contracts with customers	2	27,240,184	-
Other income		83,344	-
		27,323,528	**-**
Expenses			
Employee benefits expense	3	(2,944,955)	(382,100)
Net inventory movements		67,074,108	-
Foreign exchange gains		1,057,203	-
Administration expenses		(16,168,995)	(2,891,122)
Depreciation and amortisation expense		(3,363,876)	(27,184)
Operating expenses		(118,842,947)	-
Royalties expense		(7,054,933)	-
Share based payments		(648,137)	(2,139,905)
Operating loss		**(53,569,004)**	**(5,440,311)**
Finance income	4,13	2,423,565	271
Finance expense	5	(10,126,955)	-
Share of profit /(loss) from joint ventures		105,241	(30,000)
Loss before income tax expense		**(61,167,153)**	**(5,470,040)**
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Bowen Coking Coal Limited		**(61,167,153)**	**(5,470,040)**
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Bowen Coking Coal Limited		**(61,167,153)**	**(5,470,040)**
		Cents	**Cents**
Basic earnings per share	22	(3.72)	(0.47)
Diluted earnings per share	22	(3.72)	(0.47)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

BOWEN COKING COAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		Consolidated	
	Note	**31 Dec 2022**	**30 Jun 2022 Restated**
		$	**$**
Assets			
Current assets			
Cash and cash equivalents	6	52,272,366	72,520,051
Trade and other receivables	7	13,314,984	15,088,758
Inventories	8	73,073,841	5,999,733
Other assets	9	10,805,891	2,505,614
Total current assets		149,467,082	96,114,156
Non-current assets			
Trade and other receivables	7	255,000	255,000
Property, plant and equipment	10	157,543,643	43,449,352
Investments accounted for using the equity method		51,431	-
Exploration and evaluation assets	11	12,723,042	10,250,911
Other assets	9	85,511,313	22,632,803
Total non-current assets		256,084,429	76,588,066
Total assets		**405,551,511**	**172,702,222**
Liabilities			
Current liabilities			
Trade and other payables	12	65,147,417	31,871,292
Deferred consideration	21	2,500,000	-
Interest-bearing loans and borrowings	13,28	61,197,487	48,726,924
Lease liability		82,458	53,596
Provisions	14	364,586	135,818
Total current liabilities		129,291,948	80,787,630
Non-current liabilities			
Deferred consideration	21	3,771,623	-
Interest-bearing loans and borrowings	13	103,623,278	5,817,949
Lease liability		147,786	29,201
Provisions	14	77,402,899	15,777,762
Investments accounted for using the equity method		-	53,810
Total non-current liabilities		184,945,586	21,678,722
Total liabilities		**314,237,534**	**102,466,352**
Net assets		**91,313,977**	**70,235,870**
Equity			
Issued capital	15	216,398,052	134,113,511
Reserves	16	4,109,893	4,149,174
Accumulated losses		(129,193,968)	(68,026,815)
Total equity		**91,313,977**	**70,235,870**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

BOWEN COKING COAL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Consolidated	Issued capital $	Share based payment reserve $	Convertible note reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2021	63,917,409	755,943	-	(49,724,401)	14,948,951
Loss after income tax expense for the half-year	-	-	-	(5,470,040)	(5,470,040)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(5,470,040)	(5,470,040)
Equity issues	31,623,186	(200,000)	-	-	31,423,186
Share-based payments	-	2,139,905	-	-	2,139,905
Equity issue expenses	(3,046,698)	1,489,422	-	-	(1,557,276)
Balance at 31 December 2021	92,493,897	4,185,270	-	(55,194,441)	41,484,726

Consolidated	Issued capital $	Share based payment reserve $	Convertible note reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2022 - as previously stated	134,113,511	4,149,174	13,210,888	(68,026,815)	83,446,758
Adjustment for correction of error (note 28)	-	-	(13,210,888)	-	(13,210,888)
Balance at 1 July 2022 - restated	134,113,511	4,149,174	-	(68,026,815)	70,235,870
Loss after income tax expense for the half-year	-	-	-	(61,167,153)	(61,167,153)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(61,167,153)	(61,167,153)
Issue of Shares	85,000,000	-	-	-	85,000,000
Conversion of performance shares	687,418	(687,418)	-	-	-
Share-based payments	-	648,137	-	-	648,137
Share issue costs	(3,402,877)	-	-	-	(3,402,877)
Balance at 31 December 2022	216,398,052	4,109,893	-	(129,193,968)	91,313,977

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 31 Dec 2022 $	31 Dec 2021 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		38,778,384	-
Payments to suppliers and employees (inclusive of GST)		(125,633,319)	(3,235,064)
Interest received		74,633	271
Interest and other finance costs paid		(2,843,937)	-
Net cash used in operating activities		**(89,624,239)**	**(3,234,793)**
Cash flows from investing activities			
Payments for property, plant and equipment	10	(28,792,671)	(422,335)
Payments for exploration and evaluation	11	(513,957)	(1,404,807)
Payments for asset acquisition	21	(22,479,435)	(500,000)
Payment for loans to joint venture		-	(24,500)
Payment for exploration costs recoverable from farmee		-	(365,665)
Receipt for exploration costs from farmee		-	1,036,790
Payments for security deposits		(5,603,308)	-
Net cash used in investing activities		**(57,389,371)**	**(1,680,517)**
Cash flows from financing activities			
Proceeds from issue of shares	15	85,000,000	26,673,185
Share issue transaction costs	15	(3,402,877)	(1,557,275)
Proceeds from borrowings		61,448,603	-
Repayment of borrowings		(16,236,162)	-
Repayment of lease liabilities		(43,639)	(27,014)
Net cash from financing activities		**126,765,925**	**25,088,896**
Net increase/(decrease) in cash and cash equivalents		(20,247,685)	20,173,586
Cash and cash equivalents at the beginning of the financial half-year		72,520,051	2,997,030
Cash and cash equivalents at the end of the financial half-year		**52,272,366**	**23,170,616**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information and significant accounting policies

During the period the Group has changed the presentation of its statement of profit or loss and other comprehensive income to categorise costs by nature, rather than function, on the basis that it provides reliable and more relevant representation of the Group's operating expenditure incurred given the Group’s transition to production during the period. The Group regard this revised presentation as more relevant as it better aligns and enhances comparability with its industry peers.

These consolidated financial statements for half-year reporting period ended 31 December 2022 are condensed general purpose financial statements prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

The consolidated financial statements are for the Group consisting of Bowen Coking Coal Ltd and its Controlled Entities. Bowen Coking Coal Ltd is a listed public company, incorporated and domiciled in Australia. The financial statements have been prepared on an accruals basis and are based on historical cost, modified by the measurement at fair value of certain financial assets and liabilities.

These consolidated financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There is no material impact on the Group result of the adoption of these standards.

The Group early adopted AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments in the prior financial year. The impact of this adoption is that the Group now recognises the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset.

Any other new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The consolidated financial statements for the half year ended 31 December 2022 have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

For the period ended 31 December 2022 the Group generated a consolidated loss of $61,167,153 (2021: $5,470,040) and incurred operating cash outflows of $89,624,239 (2021: $3,234,793). As at 31 December 2022 the Group has cash and cash equivalents of $52,272,366 (30 June 2022: $72,520,051) and net assets of $91,313,977 (30 June 2022: $70,235,870).

The Group’s ability to continue to generate operational cash flows to meet its financial obligations is based on the performance of its operations and those of the mining contractors, as well as the timing and price received for coal sales shipments. The Directors, in their consideration of the appropriateness of the going concern basis for the preparation of the financial statements, have prepared a cash flow forecast through to 31 March 2024 which indicates the Group will have sufficient cash to continue as a going concern. However, should there be significant delays to coal presentation or the planned performance from the mining assets, due to significant weather or market supply shortages in labour or equipment, this may impact the timing of coal shipments and consequently the Group’s available cash to meet its ongoing commitments. In addition, volatility in coal prices realised for coal sales in the forecast may cause operating margins to be constrained. In the event, one or a combination of these events occur, the Group may be required to seek funding assistance through debt, equity or farm out/sell down to ensure the Group can continue as a going concern and meet its debts as and when they fall due.

Note 1. General information and significant accounting policies (continued)

There is no guarantee that additional funding through debt will be available, or if it is, there is no guarantee that such new funding will be on terms acceptable to the Group. Global credit markets have been severely constrained in the past, and the ability to obtain new funding or refinance may in the future be significantly reduced. If the Group is unable to obtain sufficient funding, either due to banking and capital market conditions generally, or due to factors specific to the coal sector, the Group may not have sufficient cash to meet its ongoing capital requirements or the ability to expand its business.

Taking into account, the current strong net assets position of the Group, as well as the Group's ability to raise further capital, the Directors have a reasonable expectation that the Group will have adequate resources to fund its future operational requirements.

Should the Group be unsuccessful in achieving the matters set out above, a material uncertainty would exist that may cast significant doubt on the ability of the Group to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities other than in the ordinary course of business. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

Note 2. Revenue from contracts with customers

	Consolidated	
	31 Dec 2022 $	31 Dec 2021 $
Sale of coal	27,240,184	-

Sale of coal is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract.

Note 3. Employee benefits expense

	Consolidated	
	31 Dec 2022 $	31 Dec 2021 $
Salaries & wages	1,785,537	-
Superannuation	193,798	-
Directors and senior management fees	553,336	382,100
Other employee benefits	412,284	-
	2,944,955	382,100

Note 4. Finance income

	Consolidated	
	31 Dec 2022 $	31 Dec 2021 $
Interest income	74,633	271
Convertible note, derivative liability fair value adjustment	2,348,932	-
	2,423,565	271

Note 5. Finance expense

	Consolidated	
	31 Dec 2022	**31 Dec 2021**
	$	**$**
Convertible note - Interest expense	855,036	-
Interest expense	8,107,908	-
Rehabilitation provision unwinding of discount	1,164,011	-
	10,126,955	-

Note 6. Cash and cash equivalents

	Consolidated	
	31 Dec 2022	**30 Jun 2022**
	$	**$**
Current assets		
Cash at bank	52,226,310	72,474,044
Short term security deposit	46,056	46,007
	52,272,366	72,520,051

Note 7. Trade and other receivables

	Consolidated	
	31 Dec 2022	**30 Jun 2022**
	$	**$**
Current assets		
Trade receivables	49,500	-
Receivable from joint venture entities / partner	3,168,607	11,587,700
GST receivable	10,096,877	3,501,058
	13,314,984	15,088,758
Non-current assets		
Receivable from joint venture entities	255,000	255,000

Note 8. Inventories

Coal Stocks are valued at the lower of cost and net realisable value on a 'first in first out' basis. The cost of coal inventories comprises direct cost (including blasting, overburden removal, coal mining, processing and transport costs), direct labour and an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

	Consolidated	
	31 Dec 2022	**30 Jun 2022**
	$	**$**
Current assets		
Run-of-mine (ROM) stockpiles (Mine)	14,862,249	1,744,908
Run-of-mine (ROM) stockpiles (Wash plant)	19,188,452	805,384
Coal product stockpiles	39,023,140	3,449,441
	73,073,841	5,999,733

Note 9. Other assets

	Consolidated	
	31 Dec 2022	**30 Jun 2022**
	$	**$**
Current assets		
Prepayments	8,591,869	2,505,614
Other deposits	2,214,022	-
	10,805,891	2,505,614
Non-current assets		
Rental bonds	51,422	5,500
Rehabilitation bonds	78,435,921	15,209,225
Security deposits	7,023,970	3,107,500
Other receivable	-	4,310,578
	85,511,313	22,632,803

Note 10. Property, plant and equipment

	Consolidated	
	31 Dec 2022	**30 Jun 2022**
	$	**$**
Non-current assets		
Plant and equipment - at cost	23,101,999	288,133
Less: Accumulated depreciation	(61,659)	(15,992)
	23,040,340	272,141
Right of use assets	262,792	150,867
Less: Accumulated depreciation	(36,685)	(75,227)
	226,107	75,640
Office equipment - at cost	141,706	41,520
Less: Accumulated depreciation	(16,323)	(4,832)
	125,383	36,688
Mine development assets	94,356,963	20,862,235
Mining assets	43,623,886	22,761,651
Less: Accumulated depreciation	(3,829,036)	(559,003)
	39,794,850	22,202,648
	157,543,643	43,449,352

Note 10. Property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Plant and equipment $	Right of use asset $	Office equipment $	Mine development assets $	Mining assets $	Total $
Balance at 1 July 2022	272,141	75,640	36,688	20,862,235	22,202,648	43,449,352
Additions	332,322	-	100,186	28,360,163	-	28,792,671
Additions through asset acquisition (note 21)	22,481,544	-	-	-	-	22,481,544
Early settlement of lease / new lease addition	-	187,152	-	-	-	187,152
Transfer from exploration and evaluation assets to mine development assets (note 11)	-	-	-	65,996,800	-	65,996,800
Transfer from mine development assets to mining assets	-	-	-	(20,862,235)	20,862,235	-
Depreciation expense	(45,667)	(36,685)	(11,491)	-	(3,270,033)	(3,363,876)
Balance at 31 December 2022	23,040,340	226,107	125,383	94,356,963	39,794,850	157,543,643

Consolidated	Plant and equipment $	Right of use asset $	Office equipment $	Mine development assets $	Mining assets $	Total $
Balance at 1 July 2021	-	125,930	8,758	-	-	134,688
Additions	288,133	-	31,987	9,961,506	7,243,255	17,524,881
Additions through asset acquisition	-	-	-	-	5,000,000	5,000,000
Transfer from exploration & evaluation assets to mine development assets	-	-	-	5,629,681	-	5,629,681
Additions through remeasurement of rehabilitation	-	-	-	5,271,048	10,518,396	15,789,444
Depreciation expense	(15,992)	(50,290)	(4,057)	-	(559,003)	(629,342)
Balance at 30 June 2022	272,141	75,640	36,688	20,862,235	22,202,648	43,449,352

Mine development assets and mining assets have been reclassified during the period and are now included in property, plant and equipment to better reflect the nature of these assets. Comparatives have been restated.

Note 11. Exploration and evaluation assets

	Consolidated	
	31 Dec 2022 $	**30 Jun 2022 $**
Non-current assets		
Exploration and evaluation assets	12,723,042	10,250,911

Note 11. Exploration and evaluation assets (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Exploration and evaluation assets $
Balance at 1 July 2022	10,250,911
Additions	513,957
Additions through asset acquisition (note 21)	67,954,974
Transfer from exploration and evaluation assets to mine development assets (note 10)	(65,996,800)
Balance at 31 December 2022	12,723,042

Note 12. Trade and other payables

	Consolidated	
	31 Dec 2022 $	**30 Jun 2022 $**
Current liabilities		
Trade payables	34,247,918	12,553,732
Accrued expenses	30,851,821	18,390,007
Other payables	47,678	927,553
	65,147,417	31,871,292

Note 13. Interest bearing loans & borrowings

	Consolidated	
	31 Dec 2022 $	**30 Jun 2022 $**
Current liabilities		
Taurus facility		
- Loan at amortised cost	61,197,487	8,726,924
Convertible Notes		
- Host debt contract at amortised cost	-	19,471,637
- Derivative liability (conversion rights) at fair value though profit and loss	-	20,528,363
	61,197,487	48,726,924
Non-current liabilities		
Taurus facility		
- Loan at amortised cost	-	5,817,949
New Hope facility		
- Loan at amortised cost	65,117,174	-
Convertible Notes		
- Host debt contract at amortised cost	20,326,673	-
- Derivative liability (conversion rights) at fair value though profit and loss	18,179,431	-
	103,623,278	5,817,949

Taurus Facility
At 31 December 2022, $64,944,649 (US$44,000,000) was drawn down on the Taurus facility and $3,747,163 of transaction costs comprising establishment, corporate and legal advisory fees have been offset.

Note 13. Interest bearing loans & borrowings (continued)

The Taurus Mining Finance Fund No.2, L.P. ("Taurus facility") is senior secured with an aggregate limit of US$55 million with the use of proceeds for capital expenditure, general working capital and expenses incurred in recommissioning the Burton coal handling and preparation plant, developing the Burton and Broadmeadow East projects and operating the Bluff Mine. The Taurus facility is structured as an amortisable term loan comprising five equal quarterly repayments over its term of 18 months. The first principal payment was made on 30 December 2022. The Taurus facility has a front-end fee of 2% of the facility limit and a coupon rate of 8% per annum.

Security over the debt facilities involve first ranking security over assets, including charges over movable and immovable property and mining leases, development licences and exploration permits.

New Hope facility
The Company entered into a new bilateral facility agreement with New Hope Corporation Limited ("New Hope facility"). The New Hope facility is secured on a second ranking basis to the Taurus facility. The New Hope facility has an aggregate limit of A$70 million with funds drawn accreting by 8.0% per annum up to repayment as a redemption premium and a maximum term of 24 months. The New Hope facility has an interest rate of three-month BBSY plus an initial margin of 8% per annum for the first twelve months of the facility and 10% per annum for the remainder of its term, in each case payable quarterly or capitalised in certain circumstances.

The New Hope facility was used to provide a bank guarantee under the Queensland financial provisioning regime. The Company's share of the bond for the Lenton/Burton Mine rehabilitation cost is A$61.6 million.

At 31 December 2022, $61.6m was drawn down on the New Hope facility and $3.6m of accrued interest was capitalised.

The Taurus and New Hope facilities contains warranties, indemnities and covenants (including cross default provisions) that are usual for a facility of this nature.

Convertible Notes
On 20 June 2022, the Company achieved financial close on a convertible note deed for the issuance of A$40 million convertible loan notes (Convertible Notes) with the Crocodile Capital 1 Global Focus Fund and the Crocodile Capital Offshore Fund.

The Convertible Notes are convertible into fully paid ordinary shares in Bowen Coking Coal Ltd and have a maturity of five years unless earlier redeemed or converted in accordance with their terms and conditions.

The Convertible Notes carry an interest rate of 3.0% per annum and have an initial conversion price of A$0.325 per share. The Company has the ability to capitalise interest to the outstanding convertible loan note balance in lieu of cash at an interest rate of 4.0% per annum. Adjustments to the conversion price include an increase of $0.005 per share every six months, a proportionate reduction should the Company issue shares at a lower price and other adjustments for dividends, capital reductions and other corporate actions.

At the date of recognition of the convertible note, a derivative liability was recognised at fair value (Refer to note 28). The fair value was determined utilising a Monte Carlo simulation which utilised Level 2 inputs. At 31 December 2022 the remeasurement of the fair value resulted in the recognition of a fair value adjustment of $2,348,932, included in finance income (refer note 4).

Note 14. Provisions

	Consolidated	
	31 Dec 2022	**30 Jun 2022**
	$	**$**
Current liabilities		
Annual leave	364,586	135,818
Non-current liabilities		
Rehabilitation provision	77,402,899	15,777,762

Note 14. Provisions (continued)

Rehabilitation provision
The Group assesses rehabilitation liabilities at each reporting date as there are numerous factors that may affect the ultimate liability payable. This includes the extent and nature of rehabilitation activity to be undertaken, changes in technology and techniques, changes in discount rates and regulatory impacts. There may be differences between the future actual expenditure and the assessment made at the balance date. The provisions at balance date represent management's best estimate of the present value of rehabilitation costs to completely rehabilitate the site.

During the period $60,461,126 of rehabilitation provisions were recognised upon the acquisition of New Lenton Coal Pty Ltd on 1 July 2022.

Movements in provisions
Movements in each class of provision during the current financial half-year, other than employee benefits, are set out below:

Consolidated - 31 Dec 2022	Rehabilitation provision $
Carrying amount at the start of the half-year	15,777,762
Additions through asset acquisition (note 21)	60,461,126
Unwinding of discount	1,164,011
Carrying amount at the end of the half-year	77,402,899

Note 15. Issued capital

	Consolidated			
	31 Dec 2022 Shares	30 Jun 2022 Shares	31 Dec 2022 $	30 Jun 2022 $
Ordinary shares - fully paid	1,830,856,846	1,542,124,952	216,398,052	134,113,511

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2022	1,542,124,952		134,113,511
Issue of employee shares	5 July 2022	948,560	$0.23	218,168
Performance rights conversion	9 Aug 2022	4,000,000	$0.08	332,000
Performance rights conversion	5 Sep 2022	450,000	$0.31	137,250
Placement	27 Oct 2022	253,547,544	$0.30	76,064,263
Placement	30 Nov 2022	29,785,790	$0.30	8,935,737
Transaction costs associated with share issues		-	$0.00	(3,402,877)
Balance	31 December 2022	1,830,856,846		216,398,052

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

Note 16. Reserves

	Consolidated	
	31 Dec 2022	30 Jun 2022
	$	$
Share based payment reserve	4,109,893	4,149,174

Note 17. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 18. Contingent assets

There were no contingent assets as at 31 December 2022.

Note 19. Contingent liabilities

Broadmeadow East Project (ML 70257)
The Company completed the acquisition of the Broadmeadow East Project (ML 70257) from Peabody (Burton Coal) Pty Ltd in 2020. The consideration payable for the acquisition included a contingent item being a royalty arrangement of $1/tonne which is payable on all coal produced and sold from ML 70257, capped at a maximum of 1.5Mt, being $1.5m and not applicable to the first 500,000 tonnes produced and sold.

Bluff PCI Coal Project (ML 80194, EPC 1175, EPC 1999)
The Company acquired the Bluff PCI Coal Project from MACA Ltd (who were the appointed receivers for Carabella Resources Pty Ltd) in 2021. The acquisition comprised the Bluff Coal mine (ML 80194) and coal exploration permits EPC 1175 and EPC 1999. The consideration payable for the acquisition included the following contingent consideration items:

a) Base Royalty payable: if Benchmark price for the quarter is more than USD$120/tonne, the royalty applicable is $2/tonne on all coal produced and sold from ML 80194, EPC 1175 and EPC 1999, subject to a maximum amount payable of $10m;

b) Super Royalty payable: if Benchmark price for the quarter is more than USD$150/tonne, the uncapped royalty is $5/tonne on all coal produced and sold from ML 80194, EPC 1175 and EPC 1999, and if benchmark price for the quarter is more than USD$200, the uncapped royalty is $10/tonne.

New Lenton Coal Pty Ltd (which owns a 90% interest in the Lenton Joint Venture)
As part of the Company's acquisition of 100% of the shares in New Lenton Coal Pty Ltd from New Hope Corporation Limited in July 2022 (refer to note 21), consideration payable included a contingent item being payment of royalties as follows:

a) A non-indexed royalty of 90% of coal sold (expressed in metric tonnes) by or on behalf of the Lenton Joint Venture multiplied by a royalty rate of A$0.55 per metric tonne, capped at A$16m;

b) Average Price Royalty; A non-indexed royalty of 90% of coal sold (expressed in metric tonnes) by or on behalf of the Lenton Joint Venture multiplied by a royalty rate of A$0.00 per metric tonne where the Benchmark Price is equal to or less than USD$160 per metric tonne or multiplied by a royalty rate of A$1.65 per metric tonne where the Benchmark Price is more than USD$160 per metric tonne, capped at A$24m; and

c) High Price Royalty; A non-indexed royalty of 90% of coal sold (expressed in metric tonnes) by or on behalf of the Lenton Joint Venture multiplied by a royalty rate of A$0.00 per metric tonne where the Benchmark Price is equal to or less than USD$190 per metric tonne or multiplied by a royalty rate of A$3.30 per metric tonne where the Benchmark Price is more than USD$190 per metric tonne, capped at A$30m.

Consistent with the Group's accounting policy, contingent, production-based royalties are not recorded as part of the consideration in an asset acquisition, rather they are recognised as an expense in the period of the obligating event i.e. Sale of produced coal occurs.

Note 19. Contingent liabilities (continued)

Taurus Royalty Arrangement
A contingent item exists in relation to a royalty deed entered into in June 2022 between the Company and Taurus Mining Finance Fund No 2 LP. The contingent royalty rate is as follows:
- 1% in respect of the Bluff Tenement's monthly gross revenue
- 0.25% in respect of the Broadmeadow's East Tenement and the Burton Tenement's monthly gross revenue.

There were no other contingent liabilities at the end of the reporting period.

Note 20. Commitments

Exploration Commitments
The Group has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group. The following commitments exist at balance date but have not been brought to account. If the relevant option to acquire a mineral tenement is relinquished the expenditure commitment also ceases. The Group has the option to negotiate new terms or relinquish the tenements and also to meet expenditure requirements by joint venture or farm-in arrangements.

	Consolidated	
	31 Dec 2022	**30 Jun 2022**
	$	**$**
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	214,306	415,640
One to five years	781,000	967,900
More than five years	-	230,000
	995,306	1,613,540

Capital Commitments
At 31 December 2022 the Group had $13,485,194 in capital purchase commitments.

Note 21. Asset acquisition

The company acquired 100% of the shares in New Lenton Coal Pty Ltd (whose only significant asset is a 90% interest in the Lenton Joint Venture) on 1 July 2022.

The assets in the Lenton joint venture include the Burton Mine and the New Lenton Project. The Burton Mine was under care and maintenance, with numerous assets in an inoperable state as at 1 July 2022. The assets requiring the highest cost to cure investment included the coal handling processing plant as well as a number of supporting mining infrastructure items including the haul road, train load-out facility and accommodation facilities. The New Lenton Project is still in the exploration phase, and there are significant plant and infrastructure assets held at the mine site.

Classification as an asset acquisition
The transaction has been reflected as an acquisition of assets and liabilities as of 1 July 2022 under accounting standards as the Lenton Joint Venture did not meet the definition of a business. The processes acquired were not considered substantive by management as:

(i) the set of assets and activities transferred did not include an organised workforce critical to the ability to develop or convert the mine to production;
(ii) there were no strategic management or operational processes in place in relation to production given the mine was in care and maintenance phase only; and the existing mine and areas of exploration required significant investment in order to restart production.

Note 21. Asset acquisition (continued)

Consideration and royalties payable
Total consideration payable was as follows:

- Cash consideration of $20,738,000, including completion adjustments; and
- Up to $7.5 million in payments based on the achievement of production or time-based milestone payments, whichever occurs earlier.

Transaction costs incurred in relation to the acquisition were $2,965,769.

In addition there are royalties are payable (refer to note 19).

Cost of acquisition

The cost of acquiring the assets and liabilities that were recognised for accounting purposes was determined as follows:

	Amount $
Cash Consideration	20,738,000
Deferred Consideration*	6,271,623
Transaction Costs	2,965,769
	29,975,392

**Based on fair value of expected future consideration - at 31 December 2022 the current portion of the liability was $2,500,000 and the non current portion was $3,771,623.*

The future royalty payments entered into as part of the transaction are excluded from the cost of the transaction and only recognised when they are incurred given they relate to variable payments based on future sales.

Allocation of cost to assets and liabilities acquired

The cost of acquisition was allocated to the individual identifiable assets and liabilities on the basis of their related fair values at the date of purchase. An asset acquisition as distinct from a business combination does not give rise to goodwill under accounting standards.

The assets acquired by way of the transaction comprise of the following:

	Amount $
Property, plant and equipment	22,481,544
Mining information	1,958,174
Mining tenements	65,996,800
Rehabilitation provision	(60,461,126)
	29,975,392

Note 22. Earnings per share

	Consolidated	
	31 Dec 2022 $	31 Dec 2021 $
Loss after income tax attributable to the owners of Bowen Coking Coal Limited	(61,167,153)	(5,470,040)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	1,642,620,191	1,169,533,419
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,642,620,191	1,169,533,419
	Cents	**Cents**
Basic earnings per share	(3.72)	(0.47)
Diluted earnings per share	(3.72)	(0.47)

Note 23. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 31 Dec 2022 %	 30 Jun 2022 %
Bowen PCI Pty Ltd	Australia	100.00%	100.00%
Coking Coal One Pty Ltd	Australia	100.00%	100.00%
New Lenton Coal Pty Ltd	Australia	100.00%	-
Lenton Management and Marketing Pty Ltd	Australia	90.00%	-
Cabral Metais Ltd (dormant)	Brazil	100.00%	100.00%

Note 24. Interests in joint ventures

On 23 March 2020 the company entered into an Umbrella Deed with M Resources Trading Pty Ltd, Latimore Family Pty Ltd and Latimore Finance Pty Ltd (Latimore Parties) which sets out the terms of a 50/50 joint venture arrangement between the company and the Latimore Parties.

In accordance with the Umbrella Deed the parties have registered Bowen Coking Coal Marketing Pty Ltd (Marketing Co) as a joint venture coal marketing vehicle, of which the company and the Latimore Parties are shareholders in equal proportion. Marketing Co. will market, promote and sell, all coal produced by and from any of the company's existing wholly owned portfolio as well as third party coal for blending purposes. M Resources Trading Pty Ltd will provide marketing support services to Marketing Co.

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the Group are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 31 Dec 2022 %	 30 Jun 2022 %
Bowen Coking Coal Marketing Pty Ltd	Australia	50.00%	50.00%

Note 25. Interests in joint operations

The Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications. Information relating to joint operations that are material to the Group are set out below:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**31 Dec 2022 %**	**30 Jun 2022 %**
New Lenton Joint Venture (un-incorporated)	Australia	90.00%	-

Note 26. Operating segments

Identification of reportable operating segments
The Group operates in one geographical location being Australia and its operations are organised into two business units from which the Group's expenses are incurred and revenues are earned, being (1) for the exploration and development of coal and (2) mining and sale of coal.

The non-current assets relating to the capitalisation expenditure associated with the coal projects are located in Australia. All corporate expenditure, assets and liabilities relate to incidental operations carried out in Australia.

For the period ended 31 December 2022	Mining and sale of coal $	Exploration and development of coal $	Corporate (Unallocated) $	Total $
Revenue from contracts with customers	27,240,184	-	-	27,240,184
Other income	83,344	-	-	83,344
Total Revenue	**27,323,528**	-	-	**27,323,528**
Total Expenses	(66,191,809)	(9,435,512)	(12,863,360)	(88,490,681)
Loss for the period	(38,868,281)	(9,435,512)	(12,863,360)	(61,167,153)
Total non-current assets	129,199,364	126,345,431	539,634	256,084,429
Total assets	229,960,710	142,145,522	33,445,249	405,551,481
Total liabilities	(65,146,382)	(82,331,484)	(166,759,668)	(314,237,534)

For the period ended 31 December 2021	Mining and sale of coal $	Exploration and development of coal $	Corporate (Unallocated) $	Total $
Revenue from contracts with customers	-	-	-	-
Other income	-	-	-	-
Total Revenue	-	-	-	-
Total Expenses	(3,323)	(334,635)	(5,132,082)	(5,470,040)
Loss of the period	(3,323)	(334,635)	(5,132,082)	(5,470,040)

Note 26. Operating segments (continued)

For the period ended 30 June 2022	Mining and sale of coal $	Exploration and development of coal $	Corporate (Unallocated) $	Total $
Total non-current assts	35,523,934	36,386,096	4,678,036	76,588,066
Total assets	63,956,565	37,438,516	71,307,141	172,702,222
Total liabilities	(30,058,902)	(15,394,165)	(57,013,285)	(102,466,352)

Note 27. Events after the reporting period

On 27 February 2023, the company announced a change in executive leadership with the appointment of Mr. Mark Ruston as Chief Executive Officer (CEO) of the Group commencing on 27 March 2023. The current Managing Director and CEO, Mr. Gerhard Redelinghuys will continue employment as an Executive Director.

Since 31 December 2022, the following shares were issued:

- 4,000,000 Ordinary fully paid shares on 11 January 2023 following the exercise of performance rights;
- 5,821,000 ordinary fully paid shares on 16 February 2023 following the exercise of unquoted options (exercisable at $0.10 each).

As at the date of this report the Company had 1,840,677,846 ordinary shares, 7,781,270 performance rights, 37,179,000 options and 40,000,000 Convertible Notes on issue.

No other matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of in future financial periods.

Note 28. Restatement of prior period

In June 2022 the Company achieved financial close on a convertible note deed (the "Deed") for the issuance of A$40m convertibles loan notes ("Convertible Notes"). The Convertible Notes are convertible into fully paid ordinary shares of the Company and have a maturity of five years, unless redeemed or converted earlier in accordance with the terms of issue (see note 13). In accordance with the Deed, maturity of the Convertible Notes would accelerate to 15 July 2022 in the event the acquisition of the Burton Mine and Lenton Project did not reach completion by 5 July 2022. The acquisition of the Burton Mine and Lenton projected was completed on 1 July 2022. The Convertible Notes have an initial conversion price of $0.325 per note. Adjustments to the conversion price arise for dividends, capital reductions and other corporate actions (hereinafter referred to as 'anti-dilution' clauses). In the consolidated financial statements for the year ended 30 June 2022, the Group accounted for the conversion right as a separate equity instrument and classified the host debt contract as a non-current liability.

During the half year ended 31 December 2022 the Group reviewed the accounting applied to the Convertible Notes recognised at 30 June 2022. Following this review, it was determined that the holder's conversion right did not meet the definition of an equity instrument due to the impact of the anti-dilution clauses and as a result, the conversion right should have been accounted for as a derivative liability at fair value through profit or loss. Furthermore, as the Group did not have the unconditional right to defer settlement of the Convertible Notes for at least twelve months after the balance sheet date, the Convertible Notes should have been classified as a current liability as at 30 June 2022. Transaction cost associated with the Convertible Notes were not material. The error has been corrected by restating each of the affected financial statement line items in the comparative period.

The impact on previously reported amounts is summarised in the tables below, with the restatement only having a significant impact on amounts presented in the Consolidated Statement of Financial Position as at 30 June 2022 and Statement of Changes in Equity for the year ended 30 June 2022.

Note 28. Restatement of prior period (continued)

Statement of financial position at the end of the earliest comparative period

	Consolidated		
	30 Jun 2022 $ as previously reported	$ Restatement	30 Jun 2022 $ Restated
Assets			
Current assets			
Total current assets	96,114,156	-	96,114,156
Non-current assets			
Total non-current assets	76,588,066	-	76,588,066
Total assets	172,702,222	-	172,702,222
Liabilities			
Current liabilities			
Trade and other payables	31,871,292	-	31,871,292
Interest-bearing loans and borrowings	8,726,924	40,000,000	48,726,924
Lease liability	53,596	-	53,596
Provisions	135,818	-	135,818
Total current liabilities	40,787,630	40,000,000	80,787,630
Non-current liabilities			
Interest-bearing loans and borrowings	32,607,061	(26,789,112)	5,817,949
Lease liability	29,201	-	29,201
Provisions	15,777,762	-	15,777,762
Investments accounted for using the equity method	53,810	-	53,810
Total non-current liabilities	48,467,834	(26,789,112)	21,678,722
Total liabilities	89,255,464	13,210,888	102,466,352
Net assets	83,446,758	(13,210,888)	70,235,870
Equity			
Issued capital	134,113,511	-	134,113,511
Reserves	4,149,174	-	4,149,174
Convertible note reserve	13,210,888	(13,210,888)	-
Accumulated losses	(68,026,815)	-	(68,026,815)
Total equity	83,446,758	(13,210,888)	70,235,870

The decrease in net assets at 30 June 2022 is due to the de-recognition of conversion right previously recognised as an equity instrument. The conversion right is now recognised as a financial liability. Notwithstanding the fact that the acquisition the Burton Mine and Lenton projected was completed on 1 July 2022, the Convertible notes were classified as a current liability at 30 June 2022.

The restatement did not have a significant impact on the Consolidated Statement of Profit and Loss and Other Comprehensive Income or the Consolidated Statement of Cashflows of the Group for the year ended 30 June 2022.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Gerhard Redelinghuys
Managing Director

15 March 2023

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Independent Auditor's Review report to the Members of Bowen Coking Coal Limited

Conclusion

We have reviewed the accompanying half-year financial report of Bowen Coking Coal Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 31 December 2022, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the Corporations Act 2001, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity (ASRE 2410). Our responsibilities are further described in the Auditor's responsibilities for the review of the half-year financial report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 of the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Building a better working world

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

Tom du Preez
Partner
Brisbane
15 March 2023