

31 March 2023

ASX ANNOUNCEMENT

Burton Wash Plant and Boxcut Underway

- Boxcut mine development at Bowen's third open cut mine (Ellensfield South pit) is underway;
- Commissioning of the first module of the Coal Handling and Processing Plant (CHPP) is complete and washing of Broadmeadow East coal has commenced;
- Board approval received for refurbishment of second module of the CHPP, which will increase name plate processing capacity to 5.5Mtpa;
- Amendment of the Taurus financing documents to fund the capital program.

[Bowen Coking Coal Ltd's \(ASX:BCB\)](#) emergence as a significant independent Queensland metallurgical coal producer continues to gather pace with the company marking the commencement of production from the greenfield Ellensfield South pit, part of its recent acquired Burton Complex, with clearing and grubbing underway.

In addition to the Burton CHPP and Mallowa Train Load Out (TLO), the Burton Complex includes the Lenton pits, Broadmeadow East (BME) pit and Burton pits consisting of three unmined open-cut deposits; Ellensfield South, Plumtree North and Isaac. Bowen is also exploring further several potential historic pit extensions and additional unmined areas for mining potential in light of the strong metallurgical coal price outlook.

An additional excavator fleet from Bowen's contractor, BUMA Australia, has been mobilised at BME to increase coal production from that pit in the short term, whilst a further truck/excavator fleet will be deployed at Ellensfield South from next week. A third new fleet is planned to be mobilised at Ellensfield South during the third quarter of CY2023, once sufficient pit-room is made available from boxcut development activities. At that point the Burton Complex will be supported by five large excavator fleets across the initial two pits.

The first Run-of-Mine (ROM) production from the Ellensfield South pit is expected in Q3 CY2023 and is planned to ramp up to a steady-state production rate of between 2Mtpa and 2.4Mtpa for a period of approximately 3 years, after which the mining fleets are expected to relocate into the larger Plumtree North pit.

The first module of the two-stage Burton CHPP has now been refurbished providing a nameplate ROM capacity level of 2.7Mtpa¹. This program included essential work on the TLO facility, accommodation facilities, haul road and the first module of the CHPP. The program was delivered within budget estimates and re-commissioning of the CHPP is well underway. Coal processing has commenced and is expected to ramp up over a period of 3 months, initially washing the significant ROM stockpiles of



Broadmeadow East coal which the company has built up in advance of the CHPP re-opening. Refurbishment of the second module of the CHPP, as well as the skyline conveyor system at the TLO will now commence, lead by Bowen’s experienced site team of employees and contractors. Completion of this work is targeted by the end of this calendar year, after which the nameplate capacity of the CHPP will reach 5.5Mtpa.



Figure 1. Turning of the sod at the Ellensfield South Pit in the Burton Complex are (L to R) Burton Complex General Manger: Johan Pretorius, Bowen Executive Director: Gerhard Redelinghuys and Bowen Executive Chairman: Nick Jorss.

Coal production commenced at Broadmeadow East in July last year and has now reached a steady-state production rate of between 0.8 million tonnes per annum (Mtpa) and 1.1Mtpa ROM², which is expected to be increased to an annualised rate of between 1.5Mtpa and 1.7Mtpa on a short-term basis through the allocation of the additional truck/excavator fleet. Commencement of phase 1 of the transmission line relocation to the tenement boundary has commenced as envisaged in the base case mine plan². In January 2023, Bowen loaded its first capesize bulk carrier at the Dalrymple Bay Coal Terminal (DBCT) with 154,000 tonnes of coal. On 14 March 2023 a second shipment of 82,500t sailed from DBCT with regular shipments now planned from April onwards.

Bowen CEO, Mr Mark Ruston said: *“Turning on the first stage of the Burton wash plant is a very significant milestone for the company. I would like to personally thank Bowen’s site team and our local suppliers who have worked tirelessly to complete this project within budget estimates and accuracies previously announced to the market. A remarkable outcome in these times of rampant cost inflation. We will roll straight into the refurbishment of the second CHPP module and the skyline conveyor at the*



TLO, which will take the total Burton processing capacity to a nameplate of 5.5Mtpa.

Bowen is making great strides at the Burton Complex and delivering on the first phase of our growth strategy to become a significant producer of high-quality, low-ash, and low-sulphur coking coal for global steel production. The opening of the Ellensfield South pit is another major milestone for Bowen following first coal sales from the Broadmeadow East pit and Bluff Mine in the southern Bowen Basin last year. Committing to the expansion of Burton capacity demonstrates Bowen's firm belief in a robust, long-term future for high quality Australian metallurgical coal exports".



Figure 2. Product coal from Module 1 of the refurbished Burton CHPP. (Left two conveyor belts)



Funding of the stage two CHPP refurbishment (estimated at \$18 million) and significant working capital support during the ramp- up of the Ellensfield South pit will be provided through operating cashflows, supported by an amendment to the existing debt financing facility with Taurus Mining Finance Fund No. 2 L.P. (Taurus)³. The key terms of the amendments are as follows:

- Two of the scheduled quarterly repayments due on 31 March 2023 and 30 June 2023 of US\$11 million each have been postponed to 31 December 2023 and 31 March 2024 respectively; and
- Additional liquidity of a further US\$7 million, subject to satisfaction of conditions precedent; and
- A 0.1% increase in the royalty payable on the BME and Burton pits.

The additional liquidity attracts a fee of 2%, commitment fees of 2% per annum and a coupon rate of 10% per annum (if utilised).

Coking coal prices remain elevated with premium hard coking coal trading at US\$321 per tonne on 27 March 2023.

“At a time when Bowen is significantly ramping up production, we believe that strong coking coal prices will be here for some time to come” Mr Ruston said. “The expected re-entry of China, the world's largest steel producer, is likely to make up lost ground this year after ending its strict zero-COVID policy, which has previously dampened growth and its associated steel and metallurgical coal demand.”

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

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¹ refer ASX Release 4 August 2021: *Transformational Acquisition of the Burton Mine and Lenton Project.*

² refer ASX Release 28 July 2021: *Production targets for Broadmeadow East and Isaac River.*
BCB confirms in accordance with Listing Rule 5.19.2 that all material assumptions underpinning the production target and corresponding forecast financial information continue to apply and have not materially changed.

³ refer ASX Release 21 June 2022 : *Execution of new funding arrangements to fast track Burton Mine.*



About Bowen Coking Coal

Bowen Coking Coal is a Queensland based coking coal company which operates the Burton and Bluff metallurgical coal mines, with the Isaac River mine 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 team 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.

Competent Person Statement

The information in this announcement that relates to the Broadmeadow East deposit (ML70257), are based on information compiled and reviewed by Mr Troy Turner, who is a Member of the Australian Institute of Mining & Metallurgy. Mr Turner, Managing Director and a fulltime employee of Xenith Consulting Pty Ltd, has sufficient experience that is relevant to the styles of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Turner consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

Certain statements made during or in connection with this statement contain or comprise certain forward-looking statements regarding the Company's Mineral Resources, exploration operations and other economic performance and financial conditions as well as general market outlook. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such expectations are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward-looking statements and no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, delays or changes in project development, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in coal prices and exchange rates and business and operational risk management. Except for statutory liability which cannot be excluded, each of the Company, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this statement and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this statement or any error or omission. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the Corporations Act and ASX Listing Rules. Accordingly, you should not place undue reliance on any forward-looking statement.