



Quarterly Report

For the quarter ending 30 June 2023

Highlights

- Run-of-mine (ROM) coal production of 596Kt was up 27.3% on the prior comparative period (pcp).
- Total saleable coal production was up 85% and at Broadmeadow East was 154% higher than the pcp.
- Sales of produced coal was 15% higher at 364Kt compared to the pcp of 316kt.
- Saleable product stockpiles were 85% higher than the pcp which constrained operating cashflow for the quarter.
- Federal government environmental approval to develop the Isaac River Mine was granted.
- Module 1 of the Burton Coal Handling and Preparation Plant (CHPP) ramped up to name plate capacity ahead of schedule.
- Strategic review has commenced on the Bluff mine, to be completed in the next quarter.

Safety

The total recordable injury frequency rate (TRIFR) at the end of June was 7.7 on a 12-month rolling basis for employees and contractors. This result was a 30% improvement on the previous quarter.

CEO Statement

“During the June 2023 quarter, stronger operational performance at both our Broadmeadow East and Bluff mines saw a step change increase in ROM production, despite slower than expected production rates depleting Stage 1 at the Bluff Mine because of water issues and tight digging conditions.

\$31.4m of topline cash from coal sales was only received post-quarter following increased coal sales during June, with four vessels totalling 199Kt being shipped in the month. This is the shipping rate we have been aiming for and are looking to maintain from the two operations as an average per month for the current quarter.

We saw the price of coking coal hold strongly during the quarter however customer demand softened considerably for PCI and particularly for thermal coal. With the easing of the coal price, we continue to adopt a disciplined and balanced approach to capital allocation and have refocused our efforts on higher margin, low-cost mining initiatives.

The Company is continuing to lift underlying performance metrics quarter on quarter, as we remain focused on setting up Bowen Coking Coal to deliver sustainable long-term profitability to enhance shareholder value.”

Executive Summary

Operational performance improved (refer Operational Review) for both operating mines, especially Broadmeadow East, however Bluff ROM coal remains well below guidance.

ROM coal produced in the quarter was materially higher, whilst sales volumes were marginally higher (refer Coal Sales and Realised Pricing), and the quarter saw a significant increase in saleable coal stock which started to ease by quarter end with an increase in shipping numbers in June (expected to continue). Bowen has responded to a significant softening in coal prices by adjusting mine pit shells to lower operating costs at Broadmeadow East and Ellensfield South, whilst leaving flexibility to widen the pits again in response to any future improvement in coal prices. This pit optimisation will markedly improve the cash returns from the Burton projects over FY2024 compared to the previous mine development plan. Capital spend has also been tightened in the near-term (refer Market Update).

Product mix at BME was adversely affected by the previous sale of bottom seam coal as unwashed product whilst the CHPP refurbishment was being completed, leading to the sale of only thermal coal for the quarter. Shipments of coking coal from BME have now commenced (post quarter end) and are planned to continue and may be enhanced with the addition of a higher coking coal split once Ellensfield South is in production (expected by September 2023).

Cash costs (refer Corporate) are in line with guidance for Broadmeadow East but driven higher at Bluff by low saleable volumes. Bluff mine plan revised to remove high strip ratio / high-cost coal seam (multi-seam operation), and a strategic review of the asset has commenced to maximise shareholder value (refer Market Update).

Operational Review

The June 2023 quarter ROM production was up 27.3% on the previous quarter. ROM production was up approximately 27% at both the Broadmeadow East and Bluff mines underpinned by a stronger operating performance, easing labour constraints at Broadmeadow East (BME), and improved digging conditions at Bluff in the advancing terraces.

Saleable coal production for the Group was up 84.9% as Module 1 of the CHPP was rapidly commissioned and ramped up to name plate capacity during the quarter. In the previous quarter the company was reliant on unwashed coal to create the saleable product at Broadmeadow East.

Total quarterly coal sales were 5.3% higher than the previous quarter, with metallurgical coal sales 37% of overall coal sales. Broadmeadow East sales were predominately thermal coal due to the CHPP needing to wash large spilt seam ROM stockpiles of top coal (top section of the coal seam), which were created in the previous quarter to allow the purely bypassed (unwashed) bottom coal to meet the sales specification. Operations reverted to full seam mining in the June 2023 quarter. This will continue, producing a higher volume of metallurgical coal for sale from Broadmeadow East.

Bowen Coking Coal Production, Sales and Stock Volumes

Managed Production		Quarter	Quarter	Change	Total
		Jun-23	Mar-23	%	FY2023
ROM Coal Produced	Kt	596.3	468.5	27.3%	1,658.7
ROM Strip Ratio	Prime	12.4	9.0	37.7%	12.8
Saleable Coal Produced	Kt	465.3	251.7	84.9%	975.2
Sales of Produced Coal	Kt	363.7	316.0	15.1%	761.5
Sales of Third Party Purchased Coal	Kt	3.0	32.2	(90.7%)	35.2
Total Coal Sales	Kt	366.7	348.2	5.3%	796.7
Saleable Coal Stocks at period end	Kt	231.5	125.0	85.2%	231.5

Broadmeadow East Mine (BME)

Managed Production		Quarter	Quarter	Change	Total
		Jun-23	Mar-23	%	FY2023
ROM Coal Produced	Kt	437.0	344.0	27.1%	1,177.2
ROM Strip Ratio	Prime	10.0	6.4	55.1%	9.4
Saleable Coal Produced	Kt	342.4	134.8	154.1%	647.9
Sales of Produced Coal	Kt	230.0	207.3	11.0%	478.8
Sales of Third Party Purchased Coal	Kt	0.0	29.2	(100.0%)	29.2
Total Coal Sales	Kt	230.0	236.5	(2.7%)	508.0
Saleable Coal Stocks at period end	Kt	170.9	58.2	193.4%	170.9

BME ROM coal production of 437Kt for the June quarter was up 27.1% on the March 2023 quarter on the back of consistent dig rates and additional labour sourced to operate the third mining fleet. While labour constraints eased during the quarter for the three fleets at BME, they still impacted the broader operation, with a decision being made during June to re allocate the labour on the third fleet at BME to the Ellensfield South ramp up, while site wide recruitment continued.

Saleable coal production of 342Kt for the quarter was up 154% as Module 1 at the Burton CHPP was commissioned and brought up to name plate capacity. Having the Burton CHPP operational allowed coal to be washed, compared to the previous quarter where the coal seam had to be split to allow crushing only of a saleable product from the bottom part of the seam. This has enabled the planned metalliferous product to be produced and a return to a more efficient and cost-effective full seam mining technique.

June 2023 quarter sales volumes of 230Kt were slightly lower than the March quarter, with logistical constraints, especially early in the quarter, delaying cargoes.

Coal product stocks at the end of the June 2023 quarter were 170.9Kt due to higher production but also queuing at port in the month, pushing the vessels into July.

Bluff Mine

Managed Production		Quarter	Quarter	Change	Total
		Jun-23	Mar-23	%	FY2023
ROM Coal Produced	Kt	159.3	124.6	27.9%	481.5
ROM Strip Ratio	Prime	18.9	16.0	18.1%	21.0
Saleable Coal Produced	Kt	123.0	116.9	5.2%	327.3
Sales of Produced Coal	Kt	133.7	108.7	23.0%	282.7
Sales of Third Party Purchased Coal	Kt	3.0	3.0	0.0%	6.00
Total Coal Sales	Kt	136.7	111.7	22.4%	288.7
Saleable Coal Stocks at period end	Kt	60.7	66.8	(9.2%)	60.7

Bluff ROM coal production of 159.3Kt for the June quarter was up 27.9% on the March 2023 quarter with work areas opening up in the upper mining terraces, offset by slow mining in the bottom of Stage 1 to deplete the original mining area with tight dig areas and in pit water. Stage 1 mining was completed post quarter, allowing short haul, in pit dumping to commence. The increase in strip ratio can mainly be ascribed to the removal of overburden in stages three and four to set up the mining terraces.

Saleable coal production of 123Kt for the quarter was up 5.2% which was not in line with higher ROM production, as CHPP operations were constrained at times by limitations in product stock capacity in the supply chain. Bowen cargoes were also delayed, waiting on co-shippers to finalise the loading of vessels.

June 2023 quarter sales volumes of 136.7Kt were 22.4% higher than the March quarter, reflecting higher saleable production and a drawdown of port stocks.

Burton Complex

Ellensfield South pit development progressed during the quarter at a slower rate than planned due to labour constraints, which led to the redirection of labour from Broadmeadow East Mine in June 2023. Mining operations labour is expected to be at full capacity mid-way through the next quarter. An area of 184ha has now been cleared and grubbed, 174kbcm of topsoil removed and stockpiled for later rehabilitation works, and 886kbcm's of free dig waste excavated from the boxcut area. At the end of the quarter two mining fleets were operating on a 24/7 roster. The first blast of over 550kbcm occurred in the boxcut area on 29 June 2023.

The first module of the two-stage Burton CHPP was commissioned in April and quickly ramped up to nameplate capacity. To date, 341Kt of coal has been processed at a consistent feed rate of over 8,000t per day or 400t/hr delivering a nameplate ROM capacity level of 2.7Mtpa. Plant availability has been greater than 95% and utilisation more than 90% for the quarter.

At the end of the quarter, Sedgman Pty Ltd, a leading minerals processing company, was awarded an operations and maintenance contract for Module 1 of the CHPP, and the Train Load Out facility (TLO).

Burton – Infrastructure Refurbishment

Refurbishment work commenced on Module 2 of the CHPP. Works included removal of all essential componentry, which was sent to local service providers to assess rebuild scope and costing. The

refurbishment work completed in the previous quarter on Module 1 of the CHPP and the TLO facility at Mallowa, allowed for high reliability of the infrastructure during the quarter.

Significant upgrades were also undertaken at the skyline automatic loading facility at the TLO. The skyline conveyor is expected to be fully operational in the September 2023 quarter. Operation of the conveyor will alleviate the need for double handling of coal product, resulting in a reduction in coal handling costs and coal fines production.

Coal Sales and Realised Pricing

During the quarter, Bowen averaged an invoiced coal sales price of US\$156.22/t, down from the pcp of US\$200.13/t. This reduction was due to a 41.5% fall of thermal coal prices in the quarter while PCI coal prices received were 3.5% higher quarter on quarter. The sales mix of metallurgical to thermal coal was 5.2% higher in favour of PCI coal sales and thermal coal sales were 5.2% lower.

All sales from Bluff were metallurgical (PCI) cargos and all sales from Broadmeadow East were thermal coal cargos for the reasons outlined above in the Operational Review. The first metallurgical coal shipment from Broadmeadow East has sailed in July 2023, after which monthly shipments of both metallurgical and thermal coal are scheduled.

Total coal sales quarter on quarter are reflected below:

<i>in metric tonnes</i>	Quarter Jun-23	Quarter Mar-23	Change %	Total FY2023
Bowen Produced Sales Tonnes	363,686	316,015	15.1%	761,506
Third Party coal	3,018	32,204	(90.6%)	35,222
Total Sales to Customers	366,704	348,219	5.3%	796,728
Bluff Produced Sales Tonnes	133,738	108,700	23.0%	282,712
Third Party coal	3,018	3,019	0.0%	6,037
Total Sales to Customers	136,756	111,719	22.4%	288,749
BME Produced Sales Tonnes	229,948	207,315	10.9%	478,794
Third Party coal	-	29,185	(100.0%)	29,184
Total Sales to Customers	229,948	236,500	(2.8%)	507,979
PCI Sales	136,756	111,719	22.4%	288,749
Thermal Coal Sales	229,948	236,500	(2.8%)	507,979
Total Sales to Customers	366,704	348,219	5.3%	796,728

	Quarter Jun-23	Quarter Mar-23	Change %	Total FY2023
Sales price invoiced in US\$ per tonne*				
Bluff	\$240.64	\$232.42	3.5%	\$237.28
Broadmeadow East	\$107.12	\$183.19	(41.5%)	\$149.85
Total	\$156.22	\$200.13	(21.9%)	\$182.31
Number of vessels	7	5	2	15
% Mix of PCI Sales	37.3%	32.1%	5.2%	36.2%
% Mix of Thermal Sales	62.7%	67.9%	(5.2%)	63.8%

*Sales price invoiced in the table above includes all sales of produced coal for which revenue has been recognised in the period by Bowen Coking Coal.

Favourable weather conditions in the Bowen Basin have resulted in mine outputs returning to near normal levels following January's catastrophic rain event. Easing of supply availability has seen prices falling from ~\$300 at March Quarter end to stabilise to around \$230 for most of the June Quarter for metallurgical coal (with increased falls for the thermal product).

Issues with infrastructure service providers in Queensland resulted in supply chain bottle necks, impacting export volumes for the period. This is likely to continue for the coming quarter with more infrastructure maintenance periods scheduled.

Steel demand in China has weakened and steel makers are seeing more difficult export market dynamics while India has maintained steady demand despite the onset of the monsoon season. Russian product is available to countries not supporting sanctions with producers offering discounts to promote offtake. The availability of prime material in the market will also be impacted by major Australian producers undertaking maintenance in the September quarter.

Logistics Update

Bowen Coking Coal rails coal from the Bluff Mine to the RG Tanner Coal Terminal (RGTCT) at Gladstone while BME and Burton coal is railed to the Dalrymple Day Coal Terminal (DBCT) in Mackay via both Pacific National and Aurizon rail providers.

Compared to the previous quarter, there were reduced physical disruptions throughout the coal supply chain, however the cancellation rate of trains remained an on-going concern. The June 2023 quarter closed with the vessel queue at DBCT effectively unchanged, while there was an improvement at RGTCT compared to the end of March quarter.

Corporate

Capital Raise and Share Purchase Plan (SPP)

During the quarter, Bowen announced a \$40.0 million placement and a fully underwritten \$10.0 million Share Purchase Plan (SPP) at \$0.17 per share.

At the end of the quarter Bowen had issued 209,805,071 new shares for approximately \$35.7 million, under its existing placement capacity under ASX Listing Rule 7.1 and issued 58,823,557 shares for \$10.0 million under the SPP.

Approximately \$4.3 million, including director participation of \$2.2 million, was subject to shareholder approval at a general meeting of the Company held on 18 July 2023 and all resolutions were carried at that meeting. The funds, net of capital raising fees, were received on 24 July 2023.

The capital raising will allow Bowen to continue its growth trajectory including the boxcut development of the Ellensfield South pit, a lower cost operation producing a higher quality product. First coal from Ellensfield South is expected late in the September 2023 quarter and at steady state, this will substantially increase Bowen's coking coal export volumes at the Burton Complex, with this pit providing additional low cost, high yielding coking product.

Corporate funding facility

During the quarter, Bowen drew down a liquidity tranche of A\$10.6 million (US\$7.0 million). This tranche will carry a 10.0% per annum interest rate and is repayable on 31 March 2024. The interest rate on the existing US\$44.0 million drawn balance remains unchanged at 8.0% per annum.

The debt facility with Taurus stood at A\$77.1 million (US\$51.0 million), converted at the USD:AUD exchange rate on 30 June 2023 of 0.6614:1.

New Hope performance bonding facility

The Estimated Rehabilitation Cost (ERC) of the Lenton Joint Venture's Environmental Approval has been reduced through a review of the volumes of actual disturbance and updated cost estimations. Accordingly, on 23 June 2023, a replacement guarantee was issued by New Hope Corporation, for and on behalf of New Lenton Coal Pty Ltd (100% subsidiary of Bowen), effectively reducing the performance bonding facility by \$13.7 million. The performance bonding facility had a balance of \$55.6 million (\$47.9 million principal and \$7.7 million of capitalised interest) at the end of the quarter.

The facility balance of \$0.7 million remains available for future capitalised interest charges.

Convertible notes

40,000,000 Convertible Notes remained on issue during the Quarter.

Cash Position

At 30 June 2023, Bowen held \$46.9 million of cash at bank.

Operational cash flow analysis

A breakdown of the operating cashflows for the quarter is reflected below, tabulated by operating segment:

Cash flows related to operating activities	Mining and Sale of coal	Exploration and development of coal	Corporate	Total
1.1 Receipts from customers	68,058,155	113,760	-	68,171,915
1.2 Payments for:				
(a) exploration and evaluation	-	-	-	-
(b) development	-	(10,632,674)	-	(10,632,674)
(c) production	(87,069,319)	-	(523,349)	(87,592,668)
(d) staff costs	(96,272)	(914,155)	(1,063,171)	(2,073,599)
(e) administration and corporate costs	(8,212)	(4,977)	(922,553)	(935,742)
1.3 Dividends received	-	-	-	-
1.4 Interest received	-	342	44,225	44,567
1.5 Interest and other costs of finance paid	(96,609)	-	(2,002,018)	(2,098,626)
1.8 Other GST/withholding tax received/(paid)	9,982,521	6,053,946	(835,288)	15,201,179
1.9 Net operating cash flows	(9,229,735)	(5,383,758)	(5,302,154)	(19,915,647)

Included in the "Mining and Sale of coal" segment are the Bluff and Broadmeadow East assets. All costs captured in the "Exploration and Development of coal" segment relate to the Lenton Joint Venture.

Cash Costs per Saleable Tonne

Category	Burton Complex*	Bluff Mine	Total
Mining costs	\$ 89.51	\$ 178.10	\$ 112.92
Haulage costs	\$ 17.72	\$ 15.73	\$ 17.19
CHPP related costs	\$ 8.56	\$ 30.59	\$ 14.38
Rail, port and demurrage	\$ 4.69	\$ 26.00	\$ 10.32
Marketing fees	\$ 1.25	\$ 2.11	\$ 1.48
Acquisition Royalties	\$ -	\$ 9.91	\$ 2.62
QLD State Royalties	\$ -	\$ 56.12	\$ 14.83
Other costs	\$ 6.41	\$ 6.91	\$ 6.54
Total Cash Cost / Saleable tonne	\$ 128.15	\$ 325.48	\$ 180.30
Saleable Tonnes Produced (Kt)	342.4	123.0	465.3

Cash Costs per Sales Tonne

Category	Burton Complex*	Bluff Mine	Total
Mining costs	\$ 133.27	\$ 163.77	\$ 144.49
Haulage costs	\$ 26.38	\$ 14.47	\$ 22.00
CHPP related costs	\$ 12.75	\$ 28.13	\$ 18.41
Rail, port and demurrage	\$ 6.98	\$ 23.91	\$ 13.21
Marketing fees	\$ 1.86	\$ 1.94	\$ 1.89
Acquisition Royalties	\$ -	\$ 9.11	\$ 3.35
QLD State Royalties	\$ -	\$ 51.61	\$ 18.98
Other costs	\$ 9.55	\$ 6.36	\$ 8.37
Total Cash Cost / Sales tonne	\$ 190.79	\$ 299.30	\$ 230.69
Sales Tonnes (Kt)	229.9	133.7	363.7

Category	Burton Complex*	Bluff Mine	Total
Free on Rail (FOR) cost / tonne produced	\$ 115.79	\$ 224.42	\$ 144.50
Free on Board (FOB) cost / tonne sold^	\$ 190.79	\$ 247.69	\$ 211.71

* Lenton Joint Venture development costs have been allocated to Burton Complex in the tables above, except for Ellensfield South boxcut which is still in development.

^ Excluding State royalties.

All amounts above exclude GST, as appropriate.

Mining costs comprise payments to mining services contractors, haulage costs relate to coal haulage to a CHPP and the TLO (in the case of Burton) and are inclusive of road maintenance costs. CHPP costs include contracted dozer and train loading services.

Port costs for the Burton complex have been prepaid in a prior quarter for the period up to 30 September 2023.

At Bluff, Queensland State Royalties are paid on a quarterly basis per the royalty return profile assessed by the Queensland Revenue Office. Broadmeadow East is currently on an annual royalty return basis and all royalties pertaining to coal sales to year ended 30 June 2023 are forecast to be paid in October 2023. BME and Bluff accrued \$3.1 million and \$9.6 million respectively for royalties on shipments in the June 2023 quarter. The impact of the higher Queensland State Royalty has increased royalties for the June 2023 quarter by ~\$4.0 million and in excess of \$12.0 million for the year ended 30 June 2023, compared to the previous royalty regime.

GST refunds included in "1.8 Other GST/withholding tax received/(paid)" have been applied *pro rata* to "1.2 (b) and (c) payments for development and production" in the cash costs tables above except where no GST is applicable, as a portion also relates to GST refunds for 2.1 (c) payments for plant and equipment.

Reconciliation to cash flows in "1.2 (b) and (c) Payments for development and production" segment report:

Total payments for development (1.2 (b))	\$10,632,674
Total payments for production (1.2 (c))	\$87,069,319
Total payments	\$97,701,992
Less: GST (pro-rata allocation)	(\$11,884,699)
Less: Ellensfield South boxcut	(\$1,917,607)
Total allocable cash costs of development and production	\$83,899,686
Total Saleable Production Tonnes (Kt)	465.3
Total Sales Tonnes (Kt)	363.7
Total Cash Cost / Saleable tonne	\$180.30
Total Cash Cost / Sales tonne	\$230.69

ASX Listing Rule Disclosure

Of the Cash receipts of \$68.2 million reflected under "1.1 Receipts from customers" \$29.4 million is attributable to coal sales from the Broadmeadow East Mine and \$38.7 million from Bluff Mine coal sales. A further \$31.4 million in cash receipts for shipments that sailed in mid to late June 2023 has been received at the date of this report.

“1.2 (b) development costs” of \$10.6 million relate to diesel and generator costs (\$3.1 million), accommodation (\$1.3 million), Ellensfield South boxcut (\$2.1 million), CHPP operating (\$1.2 million) and other development costs (\$2.9 million).

1.2 (c) production costs” of \$87.6 million for Bluff (\$45.5 million) and Broadmeadow East (\$41.5 million) relate mainly to contract mining and associated mining services. Refer to the operating cashflow analysis table above.

“1.2 (e) Administration and corporate costs” of \$0.9 million includes legal, corporate consulting costs, recruitment fees, subscriptions and memberships, accounting and tax, and software licencing and maintenance costs. Quarter on quarter costs have reduced in line with expectations from \$2.7 million to \$0.9 million.

“2.1 (c) Property Plant and Equipment” of \$18.2 million is predominately expenditure for refurbishment works on Burton CHPP, TLO and related infrastructure. Other significant investments include a \$4.2 million milestone payment for a powerline relocation project planned at Broadmeadow East mine, to enable mining activities to continue through to the southern section of the asset, as well as \$2.8 million paid for refurbishment of the Koorilgah rail loop servicing Bluff coal railing.

“2.1 (f) Other non-current assets reflect \$6.5 million in cash paid to Queensland Treasury for revised estimated rehabilitation costs at Broadmeadow East as required by the Financial Provisioning Scheme.

“2.3 Cash flows from loans (to)/from other entities” of \$0.3 million relates to repayment in full of a loan previously provided to the Bowen Coking Coal Marketing Joint Venture (BCCM) in prior periods.

Cash flows related to financing activities

Details regarding “3.1 Proceeds from issue of shares” and “3.5 Proceeds from borrowings” are covered above in Capital Raise and Share Purchase Plan and corporate funding facility.

“6.1 Payments to related parties of the entity and their associates” of \$1,198,250 comprising \$827,500 for marketing and financing fees of coal sales paid to a company associated with a director, as well as \$370,750 in directors’ fees and associated superannuation.

Development Projects

Isaac River

The Isaac River Project has been granted approval under the Commonwealth Government Environment Protection and Biodiversity Conservation Act 1999 (EPBC). The project is now fully approved, and Bowen is finalising the Mining Lease approval process with landholders and the Queensland Government. The Commonwealth Government environmental approval process has taken almost two years to complete.

The Isaac River Project, once operational, will produce high quality, high yielding metallurgical coal of up to 500,000 tonnes per year for approximately five years¹. BMA’s Daunia Mine, currently part of a BHP sale process, operates adjacent to the proposed mine location.

¹ Refer ASX release dated 28 July 2021: “Production Targets for Broadmeadow East and Isaac River”.

Construction is anticipated to commence in the second half of CY2024 and is expected to create approximately 200 jobs when in steady state mining. Similar to Bluff, the project will require the use of third-party processing and infrastructure facilities to deliver maximum value from the asset.

Hillalong

Hillalong Coal Project (EPC1824 and EPC2141) had an ownership structure that consisted of 85% Bowen and 15% Sumitomo ownership respectively, Sumitomo have now elected to proceed with Phase 2B of the Farm-In Agreement lifting their ownership interest to 20%. As part of the Agreement, Sumitomo will contribute a further \$2.5 million plus GST to the Work Program.

The Phase 2B Work Program includes additional exploration drilling, firming up the resource and advancing the project towards feasibility studies and environmental approvals.

Mining studies continue 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.

Market Update

In response to softening coal prices, Bowen has acted swiftly to reset its future cost base, especially around mining cost, with design initiatives implemented to decrease strip ratios and therefore the cost / coal tonne. In addition, the Company has re-assessed the timing of major capital expenditure and, where the opportunity exists, taken steps to spread the capital commitment, reduce overheads while also tightening discretionary spend.

Broadmeadow East

Broadmeadow East mine will continue at the temporary production ramp capacity of 1.5Mt-1.7Mtpa², before dropping back to the annual steady state production rate of 0.8-1.2Mtpa later in 2023.

In response to the softening of coal prices, Bowen has adjusted the pit shell of advancing operations to lower the strip ratio, with a view to reduce the mining cost / tonne of coal.

Shipping is forecast to be over 430kt in the next quarter, with 290kt already secured with customers in the initial period.

Burton Complex (Ellensfield South pit)

First coal for Ellensfield South remains on track to be delivered late in the third quarter of 2023, after which production is planned to ramp up to steady state of 2.0-2.4Mtpa by the second quarter 2024.

Similar to work undertaken on the Broadmeadow East pit shell, Bowen has narrowed the initial mining area reducing the strip ratio (and cost) while leaving the southern section of the pit open to deepening if coal prices should improve in the near term. This again has delivered an NPV accretive outcome for the Company and significant improvement in potential free cash flow in 2024 from the most recent plan.

² Refer ASX release dated 6 June 2023: "Capital Raising Presentation".

The strong performance of Module 1 of the Burton CHPP has allowed for the refurbishment work on Module 2 to be slowed, with commissioning now not required until the first half of 2024, spreading the required capital spend.

Bluff

Currently mining activities at the Bluff mine have not resulted in achieving the target steady-state mining rate, despite considerable efforts. Average monthly ROM production for the quarter increased to 53Ktpm up from 42Ktpm for the prior quarter, however it was still significantly below production target estimates of 80Ktpm to 100Ktpm³.

This lower than expected ROM production is likely to continue in to the September quarter, before lifting again while operations focus on Stages 2 to 4, however with the existing fleet capacity and continued operational constraints, annual ROM production guidance for Bluff has been revised to 0.6-0.9Mtpa for FY2024.

With the reduction in production guidance for Bluff, the current high-cost base and softening near term outlook for PCI coal, Bowen has already adjusted the mine plan to remove high strip ratio coal identified in the latest infill drilling results and commenced a strategic review of the asset.

Sales contracts have been secured with customers for 135kt in the next quarter with Bowen looking for opportunities also to secure additional spot sales.

³ Refer ASX release dated 26 October 2021: "Option for Bowen Coking Coal to acquire Bluff PCI Mine".

Tenement Information

As at 30 June 2023, the company had interests in the following tenements (as required by Listing Rule 5.3.3). There were no changes in the Company's interests in tenements during the quarter.

	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%	-
17	Lenton North	EPC 865	Queensland	Australia	90%	-
18	Lenton West	EPC 1675	Queensland	Australia	90%	-
19	New Lenton	ML 70337	Queensland	Australia	90%	-
20	New Lenton	ML 700053	Queensland	Australia	90%	-
21	New Lenton	ML 700054	Queensland	Australia	90%	-
22	Burton	EPC 857	Queensland	Australia	90%	-
23	Burton	MDL 315	Queensland	Australia	90%	-
24	Burton	MDL 349	Queensland	Australia	90%	-
25	Burton	ML 70109	Queensland	Australia	90%	-
26	Burton	ML 70260	Queensland	Australia	90%	-

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

For further information please contact:

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Directors:

Executive Chairman – Nick Jorss
Executive Director, Strategy, Business Development and Marketing – Gerhard Redelinghuys
Non-Executive Director – Neville Sneddon
Non-Executive Director – Matt Latimore (Alternate Director - Stephen Downs)
Non-Executive Director – David Conry

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.

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, which has been recommissioned and is currently under mine development. Bowen has agreed with the JV partner to incorporate the Broadmeadow East mine into the Joint Venture. Bowen is also a joint venture partner in the Lilyvale (15% interest) and Mackenzie (5% interest) coking coal projects with Stanmore Resources 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.

Appendix A: Managed Coal Production

		Quarter Ended	Quarter Ended	Change	FY Total
		Jun-23	Mar-23	%	FY23
ROM Coal Production					
Bluff	Kt	159.3	124.6	27.9%	481.5
Broadmeadow East	Kt	437.0	344.0	27.1%	1,177.2
Total	Kt	596.3	468.5	27.3%	1,658.7
Strip Ratio					
Bluff	Prime	18.9	16.0	18.1%	21.0
Broadmeadow East	Prime	10.0	6.4	55.1%	9.4
Total	Prime	12.4	9.0	37.7%	12.8
Saleable Coal production					
Bluff	Kt	123.0	116.9	5.2%	327.3
Broadmeadow East	Kt	342.4	134.8	154.1%	647.9
Total	Kt	465.3	251.7	84.9%	975.2
Sales of Produced Coal					
Bluff	Kt	133.7	108.7	23.0%	282.7
Broadmeadow East	Kt	229.9	207.3	10.9%	478.8
Total	Kt	363.7	316.0	15.1%	761.5
Sales of Third Party Purchased Coal					
Bluff	Kt	3.0	3.0	(0.0%)	6.0
Broadmeadow East	Kt	0.0	29.2	(100.0%)	29.2
Total	Kt	3.0	32.2	(90.6%)	35.2
Total Coal Sales					
Bluff	Kt	136.8	111.7	22.4%	288.7
Broadmeadow East	Kt	229.9	236.5	(2.8%)	508.0
Total	Kt	366.7	348.2	5.3%	796.7
Product Coal Stockpile					
Bluff	Kt	60.7	66.8	(9.2%)	60.7
Broadmeadow East	Kt	170.9	58.2	193.4%	170.9
Total	Kt	231.5	125.0	85.2%	231.5
Product Stock - Coking Coals	%	42.5%	0.0%	100.0%	42.5%
Product Stock - PCI	%	26.2%	53.4%	(51.0%)	26.2%
Product Stock - Thermal Coals	%	31.3%	46.6%	(32.7%)	31.3%
ROM Coal Stockpile					
Bluff	Kt	39.0	29.0	34.5%	39.0
Broadmeadow East	Kt	237.7	337.4	(29.6%)	237.7
Total	Kt	276.7	366.4	(24.5%)	276.7

Appendix B: Quarterly Cashflow

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")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	68,172	184,802
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(10,633)	(26,248)
(c) production	(87,593)	(289,825)
(d) staff costs	(2,074)	(6,230)
(e) administration and corporate costs	(936)	(9,391)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	45	119
1.5 Interest and other costs of finance paid	(2,099)	(6,711)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other GST/withholding tax received/(paid)	15,201	34,385
1.9 Net cash from / (used in) operating activities	(19,916)	(119,099)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(18,156)	(61,203)
(d) exploration & evaluation	-	(1,275)
(e) investments	-	-
(f) other non-current assets	(6,447)	(30,703)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
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	255	255
2.4	Dividends received (see note 3)	-	-
2.5	(a) Exploration & evaluation on farmin project	-	(1,266)
	(b) Cash received from JV partner	53	6,453
2.6	Net cash from / (used in) investing activities	(24,295)	(87,739)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	45,667	130,667
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	582
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2,015)	(5,673)
3.5	Proceeds from borrowings	10,583	72,249
3.6	Repayment of borrowings	-	(16,236)
3.7	Transaction costs related to loans and borrowings	-	(653)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	54,235	180,936

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	37,291	72,520
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(19,916)	(119,099)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(24,295)	(87,739)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	54,235	180,936
4.5	Effect of movement in exchange rates on cash held	(428)	269
4.6	Cash and cash equivalents at end of period	46,887	46,887

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	46,887	37,291
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – Bank Guarantee	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	46,887	37,291

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	1,198
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: * comprises directors' fees & associated superannuation totalling \$371k. A further \$827k was paid for marketing and financing fees to a company associated with a director.</i>		

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

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	133,418	132,694
7.2	Credit standby arrangements	-	-
7.3	Other (Convertible Notes)	40,000	40,000
7.4	Total financing facilities	173,418	172,694
7.5	Unused financing facilities available at quarter end		724
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.		
	Financing facilities are as disclosed in previous Quarterly cash flow reports.		
	Taurus Senior Secured Debt Facility		
	The Taurus facility is fully drawn.		
	New Hope performance bonding facility		
	The unused New Hope performance bonding facility of \$724k remains available for the capitalisation of interest on the facility during the term.		
	Convertible loan note issuance		
	No conversion of the Convertible Loan Notes occurred during the Quarter.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(19,916)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(19,916)
8.4	Cash and cash equivalents at quarter end (item 4.6)	46,887
8.5	Unused finance facilities available at quarter end (item 7.5)	724
8.6	Total available funding (item 8.4 + item 8.5)	47,611
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.4
	<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: Not applicable.
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 applicable
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: Not applicable
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.	

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
24 July 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)).