



11 April 2022

ASX ANNOUNCEMENT

Coal Mining Commenced at Bluff

Key updates:

- First coal has been mined at Bluff
- Three-year mining services contract signed with HSE Mining
- First coal sales are on track this quarter
- Steady-state ROM coal production of 80kt to 100kt per month targeted from July 2022

Bowen Coking Coal Ltd (“Bowen” or “Company”) has commenced mining at its Bluff Open-cut PCI Mine (Bluff) taking a significant step forward as it transitions from explorer to Australia’s next independent metallurgical coal producer.

Mining has started at Bluff under an early works program designed to safely and efficiently prepare the pit for mining before transitioning into a 3-year mining contract with HSE Mining (“HSE”).

“This is a very proud moment for Bowen”, said Managing Director and CEO, Mr Gerhard Redelinghuys. “The commencement of coal mining at Bluff is a monumental move for the Company as we take the major step from explorer to becoming Australia’s next multi-mine coal producer. It is also the culmination of many months of hard work from all involved and I want to thank all our stakeholders for their support, especially the Bowen Board, Management and staff who made this possible”.

Mr Redelinghuys added that Bluff is just the start to the Company’s production aspirations with Broadmeadow East, Burton and Isaac River all poised for a start this year as Bowen ramps up towards its 5Mtpa production target over the next two years.

As reported on 15 February 2022, the Marketing Joint Venture (owned jointly by Bowen and M Resources) has secured coal sales contracts with blue chip Asian steel mill customers for shipment from late May onwards in favourable market conditions. The coal produced at Bluff is an Ultra-Low Volatile Pulverised Coal Injection coal, which typically attracts a premium in the market for its low ash, high energy and high coke replacement ratio.



Mining operations have commenced with two excavator fleets utilising a 600t Liebherr R-996 excavator for bulk overburden removal and a 250t Hitachi EX-2500 excavator for additional overburden removal and coal mining. Initial coal mining is occurring within the existing pit utilising the EX-2500 whilst the R-996 is removing overburden to extend the pit along strike in a southerly direction. Previous impediments on southerly mining have been removed after Bowen paid the full \$9.9m environmental bond to Queensland Treasury, in favour of the Department of Environment and Science (“DES”). Coal is being extracted during this ramp-up phase with steady state Run-of-Mine (ROM) production of 80kt to 100kt per month targeted by the end of July 2022, representing an annualised production rate of between 1Mtpa and 1.2Mtpa ROM ¹.



Figure 1. First coal mined at Bluff mine

¹ See ASX Release 26 October 2021 Option to acquire Bluff Mine. 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



Following recent heavy rains late last year, water management is a critical part of the process to ensure timely access to some areas containing remnant coal in the bottom of the pit. The Company has implemented comprehensive water management strategies to de-water the pit in a safe and responsible way, which includes a new temporary water storage dam within a future mining area.

As part of the Early Works Program, the Company has moved the ROM pad further away from the lease boundary to reduce noise and dust impacts on the community.



Figure 2. Additional water storage being developed

HSE Mining Contract

HSE Mining (“HSE”) is well known in the Queensland coal industry, and has recently provided services for the BHP Mitsubishi Alliance (BMA) at its Saraji mine and also for BHP Mitsui Coal at its South Walker Creek mine. The Company entered into a three year contract (extendable to four years at the Company’s election) with HSE to operate the Bluff mine, using their own equipment, staff, systems and procedures under the strategic direction of Bowen. The agreement contains customary terms and conditions for coal mining contracts.



The recent increase in crude oil prices, coupled with increased labour cost has transpired through the tender process and is expected to result in a 10% to 15% increase in the production costs (excluding royalties) as foreseen in the concept study, whilst still within the +/- 30% accuracy levels stated¹. However, the increase in the planned production cost is not considered to materially impact the short to medium term margins in this higher sales price environment. Ultra-Low Volatile PCI (Platts symbol MCLVA00) traded over US\$365/t on 7 April 2022. The Company is continuing to optimise the mine plan, including the investigation of additional extraction of low-cost coal via auger mining.

Pat Kelly, Chief Operating Officer of HSE commented *"HSE congratulates BCC on the redevelopment of the Bluff Coal Project and very much looks forward to working with the BCC team over the coming years"*

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

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About Bowen Coking Coal

Bowen Coking Coal Ltd is a Queensland based coking coal exploration Company with advanced exploration and development assets. The Company owns Broadmeadow East (100%), Isaac River (100%), Cooroorah (100%), Hillalong (90%) and Comet Ridge (100%) coking coal projects in the world-renowned Bowen Basin in Queensland, Australia. Bowen is also a joint venture partner with Stanmore Coal Limited in the Lilyvale (15% interest) and Mackenzie (5% interest) coking coal projects. The Company is currently in the process of acquiring 90% of the Lenton Joint Venture which owns the Lenton Project and the Burton Mine in the northern Bowen Basin. The highly experienced Board and management aim to grow the value of the Company's coking coal projects to benefit shareholders by leveraging innovation and maximising the assets and network of the team. An aggressive exploration and development program underpins the business strategy.

Competent Person Statement

The information in this announcement that relates to the Bluff coal deposit (ML80194), 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.