



**BOWEN  
COKING  
COAL**

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L I M I T E D

**BOWEN COKING COAL LTD  
AND CONTROLLED ENTITIES**

**ABN: 72 064 874 620**

**HALF YEAR REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

## Contents

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Cautionary Statements	2
Corporate Information	3
Directors' Report	4
Auditor's Independence Declaration	9
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Condensed Consolidated Statement of Financial Position	11
Condensed Consolidated Statement of Changes in Equity	12
Condensed Consolidated Statement of Cash Flows	13
Notes to The Financial Statements	14
Directors' Declaration	21
Independent Auditor's Report	22

## Cautionary Statements

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### Forward-looking statements

This document may contain certain forward-looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement.

The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward-looking statements will be or are likely to be fulfilled. Bowen Coking Coal Ltd undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this document (subject to securities exchange disclosure requirements).

The information in this document does not take into account the objectives, financial situation or particular needs of any person or organisation. Nothing contained in this document constitutes investment, legal, tax or other advice.

### Competent Person Statement

All exploration results and Mineral Resources referred to in this Half Year 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 Half Year 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.

## Corporate Information

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### Directors and Company Secretary

Neville Sneddon (Non-Executive Chairman)  
Gerhard Redelinghuys (Managing Director)  
Blair Sergeant (Executive Director - Corporate Development)  
Steven Formica (Non-Executive Director)  
James Agenbag (Non-Executive Director)  
Nicholas Jorss (Non-Executive Director)

Mr Duncan Cornish (Company Secretary)

### Head Office and Registered Office

Bowen Coking Coal Ltd  
Level 19, 1 Eagle Street  
Brisbane QLD 4000  
Tel: +61 7 3360 0837  
Fax: +61 7 3360 0222  
[www.bowencokingcoal.com.au](http://www.bowencokingcoal.com.au)

### Auditors

RSM Australia Partners  
Level 6, 340 Adelaide Street  
Brisbane QLD 4000

### Share Registry

Link Market Services Limited  
Level 21, 10 Eagle Street  
Brisbane QLD 4000  
Tel: 1300 554 474  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

### Stock Exchange Listing

Australian Securities Exchange Ltd  
ASX Code: BCB

### Australian Company Number

064 874 620

### Solicitor

Colin Biggers & Paisley Pty Ltd  
Level 35, 1 Eagle Street  
Brisbane QLD 4000

### Banker

Westpac Banking Corporation Limited

## Directors' Report

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The Directors of Bowen Coking Coal Limited (the **Company**) present their Report together with the financial statements of the Consolidated Entity, being the Company and its Controlled Entities, for the period ended 31 December 2019.

### DIRECTORS

The names of Directors who held office of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Neville Sneddon	Non-Executive Chairman
Gerhard Redelinghuys	Managing Director
Blair Sergeant	Executive Director
Steven Formica	Non-Executive Director
James Agenbag	Non-Executive Director
Nicholas Jorss	Non-Executive Director

### COMPANY SECRETARY

Duncan Cornish

### PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity is exploration and development of coal projects with a primary focus on metallurgical coal.

### REVIEW OF RESULTS

The loss after tax for the period ended 31 December 2019 was \$987,932 (2018: \$578,661).

### REVIEW OF OPERATIONS

The Company continued to aggressively execute its exploration and development strategy across its portfolio of coking coal assets held in the Bowen Basin of Queensland, Australia. This included the following highlights:

- Up to \$7.5m Farm-In Agreement executed with Japanese conglomerate, Sumitomo Corporation, on the Hillalong Coking Coal Project
- Establishing a Coal Marketing Joint Venture with M Resources Trading, which includes a \$15m finance facility for BCB project development (subject to final binding agreements)
- M Resources Trading Managing Director, Mr Matt Latimore, to join the BCB Board as a Non-Executive Director on completion of the establishment of a Coal Marketing Joint Venture and the \$15m finance facility for BCB project development
- 67% increase in the Isaac River resource estimate and washability data confirmed improved coal qualities through including the previously unexplored Vermont Upper seam
- Successfully completed maiden drilling program at Hillalong South
- Terms agreed with Rio Tinto amending the original purchase agreement relating to Hillalong

## Directors' Report

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### **Hillalong Coking Coal Project (EPC 1824 & EPC 2141)**

Significantly, BCB executed a formal Farm-In with Japanese conglomerate, Sumitomo Corporation ("Sumitomo"), in relation to the Hillalong Coking Coal Project ("Sumitomo Farm-In"). Under the terms of the Sumitomo Farm-In:

- Sumitomo agreed to fund \$2.5m of pre-defined exploration expenditure, being the entire Phase 1 exploration program for both Hillalong North and Hillalong South, to earn an initial 10% interest in Hillalong;
- Sumitomo has the right to then earn an additional 10% interest, post a further \$5m funding of agreed exploration and study activities at Hillalong ("Phase 2");
- BCB and Sumitomo will form an unincorporated Joint Venture managed by BCB, post Sumitomo earning either the initial 10% or 20% interest, as the case may be; and
- Sumitomo will provide support to BCB to secure future Hillalong development funding.

The formal, binding Sumitomo Farm-In Agreement was signed with SCAP Hillalong Pty Ltd, which is a wholly owned subsidiary of Sumitomo, a multi-billion dollar diversified Japanese conglomerate with a long history of investing in Australian mines and currently holds interests in Hail Creek, Clermont, Rolleston and Oaky Creek mines in the Bowen Basin, Queensland, mainly through Glencore managed joint ventures.

BCB commenced and completed its maiden drilling program at Hillalong, which forms part of the Phase 1 earn in under the Sumitomo Farm-In, as described above.

The maiden drilling program was completed in November with highlights including:

- Target seams intersected in four of the five target sites
- Cumulative coal seam thickness per hole ranged between 6.5m and 14m
- Two additional holes (HILL018 & HILL019) drilled above interpreted sub-crop line did not encounter any coal, thus confirming the geological interpretation of the sub-crop line
- One site did not intersect any coal due to potential geological structure. Some intrusions were noted in two seams at nearby bore sites
- Planning for the seismic program is underway to feed the latest data into the geological model to design the follow up drilling program
- Core samples have been despatched to a laboratory in Mackay

The main target seams (Elphinstone and Hynds) were encountered between 116m and 167m deep in this program with an average thickness of 5.6m for the Elphinstone seam and 2.5m for the Hynds Upper seam.

During the half-year, The Company negotiated and an agreement was reached with Rio Tinto Exploration Pty Limited ("RTX") to amend the original acquisition agreement relating to EPC's 2141 and 1860. Under the revised terms and conditions agreed with RTX, the Buy-Back Right has been terminated. Accordingly the Hillalong and Carborough Coking Coal Projects are now fully in the control of BCB, with no uncertainty around loss of control associated with the potential exercise by RTX of the previously agreed Buy-Back Right.

In order to give effect to the above-mentioned changes, BCB paid RTX \$100,000 in cash (during the half-year).

## Directors' Report

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### **Isaac River Coking Coal Project (MDL 444 & EPC 830)**

Significant achievements during the half-year at Isaac River included the issuance of a revised Mineral Resource estimate in accordance with the JORC Code (2012), which now stands at 8.7Mt, an increase of over 67% when compared to the previously reported estimate of 5.2Mt. The total Measured and Indicated resources are now at 8.35Mt (5.69Mt Measured and 2.6Mt Indicated), representing over 95% of the total Resource. The Resource Estimate now includes 3.2Mt of the Vermont Upper seam (1.75Mt Measured, 1.1Mt Indicated and 0.4Mt Inferred).

Washability results from the maiden exploration program were also received during the half-year, which confirm the ability to wash the raw coal to a primary Coking Coal product with a typical PCI secondary product. This potential configuration, based on the 2019 exploration outcomes, is a significant quality upgrade from the historical coal quality results, which initially suggested a primary semi-soft coking coal with a secondary thermal coal.

In addition, the Company has continued to progress the Environmental impact assessments to support an Environmental Authority ("EA") application, together with activities to support a Mining Lease application to ensure the project can be approved and licensed at the earliest possible juncture.

The requirement for new EA applicants to develop and submit a progressive rehabilitation and closure plan ("PRCP") became effective on 1 November 2019. A PRC plan and schedule needs to be submitted to the regulator when applying for an EA. Given this is a relatively new legislative framework with little precedence, considerable effort has been given to ensuring the project meets the Queensland Government Mined Land Rehabilitation Policy. Mine planning and design studies were reviewed to ensure that BCB could comply with the policy whilst maintaining the economic integrity of the project. Studies have now been completed to include a separate pit for the Vermont seam, a blending strategy between the Leichhardt and Vermont seams as well as different mine designs at varying depths (cut-off strip ratio).

### **Cooroora Coking Coal Project (MDL 453) ("Cooroora")**

The Company and Coronado Global Resources Inc. (ASX: CRN) entered into a data and mobilization cost sharing arrangement relating to a 6,500m 2D seismic program covering Bowen's Cooroora Coking Coal Project, which is located down dip of Coronado's MDL 162 and between Coronado's Curragh mine and the Jellinbah mine.

The above mentioned programme was completed during the half-year with only one significant fault interpreted, with an estimated displacement of +/- 15m, and the overall risk of structure is now materially less than what was originally anticipated, given the interpreted proximity of the Jellinbah fault.

### **Carborough (EPC 1860)**

The Company engaged Xenith Consulting to compile a basic geological model from regional and historic exploration data, which includes drill data from previous owners within the tenement boundary. The outcome is very encouraging and a drill program is planned for 2020 to further test the seam thickness, seam dip and coal quality of the Elphinstone and Hynds seams (Leichhardt and Vermont equivalents) within the Rangal Coal Measures. Land access negotiations commenced during the half-year and are on-going.

## Directors' Report

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### Corporate

#### **Coal Marketing JV & Finance Facility**

In November of 2019, the Company executed a nonbinding term sheet for a Coal Marketing Joint Venture Agreement, with M Resources Trading Pty Ltd ("M Resources"), a related entity of substantial shareholder Mr Matt Latimore ("Term Sheet").

Under the terms of the JV, BCB and M Resources will negotiate in good faith and use all reasonable endeavours to agree and enter formal agreements to establish a JV to market, promote and sell, all coking coal produced by and from any of BCB's existing coking coal portfolio. In addition, third party coal for blending purposes is covered under the JV, as well M Resources providing BCB with a finance facility of up to \$15m to be utilised in funding the development of BCB's Isaac River Coking Coal Project or any other of BCB's coking coal projects.

The parties have agreed to negotiate in good faith and use all reasonable endeavours to agree the terms of and enter formal legally binding documentation ("Transaction Documents") consistent with the following key terms and conditions:

- BCB and M Resources will establish a 50/50 joint venture coal marketing company ("Marketing Co."), that will be responsible for the marketing and sales of all coal produced from BCB's current portfolio of wholly owned coking coal assets, cognisant of the terms of the Hillalong Farm-In Agreement with Sumitomo Corporation;
- BCB will use reasonable endeavours to have any co-owned marketing company established for the purposes of the joint venture with Sumitomo Corporation for the Company's Hillalong project (refer to the Company's announcement of 18 November 2019) appoint Marketing Co. as its exclusive marketing agent (other than in Japan where the appointment would be non-exclusive) under a marketing agreement that will form part of the Transaction Documents referred to above;
- Where the current wholly owned assets become jointly owned, subject to existing arrangements with Sumitomo Corporation, BCB will use its reasonable endeavours to procure the owners of such jointly owned projects to also enter into an exclusive marketing agreement with Marketing Co. For completeness, it is noted that Lilyvale and Mackenzie Joint Ventures are not subject to this Term Sheet;
- BCB will grant Marketing Co. specific marketing rights under a Marketing Agreement, that will form part of the Transaction Documents referred to above;
- Marketing Co will be governed by a Shareholders Agreement between BCB and M Resources, that will form part of the Transaction Documents referred to above;
- Marketing Co. will engage M Resources to provide general support services to Marketing Co., which will be detailed under a Marketing Support Services Agreement, that will form part of the Transaction Documents referred to above;
- M Resources have agreed to provide BCB with a finance facility of up to \$15m, either directly or through funds or persons designated and/or managed by M Resources, to be used for the purposes of funding the development of the Isaac River Coking Coal project, or any other of BCB's current coking coal projects, as the case may be;
- BCB may draw down on the finance facility in respect of a particular project once the decision to mine that project has been made;
- The finance facility will be secured against the project being developed (with M Resources having the ability to request additional security over other agreed assets should the value of the secured project is less than the facility), will attract interest at a rate of 9% p.a. and will be governed terms and conditions detailed in a formal Loan Facility Agreement, that will form part of the Transaction Documents referred to above;



## Directors' Report

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- Mr Latimore is to be appointed to the Board of BCB as a Non-Executive Director on entry of the Transaction Documents;
- It is the intention of BCB and M Resources to enter into the Transaction Documents within 120 days of execution of the Term Sheet;
- Unless BCB and M Resources agree otherwise, the Term Sheet will terminate if the Transaction Documents (other than the marketing agreement with any Hillalong co-owned marketing company) have not been signed within 120 days after the signing of the Term Sheet.

As at balance date, the formal agreements reflecting the above remain incomplete however all parties continue to work towards finalisation as soon as possible.

Almost \$3.0m was raised during the half year, via a small strategic private placement of \$500,000 to Latimore Family Pty Ltd (an entity associated with substantial shareholder Mr. Matt Latimore), plus a further \$2,489,760 via the exercise of 2.0c and 4.0c options.

### EVENTS SUBSEQUENT TO REPORTING DATE

There are no 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 DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the period ended 31 December 2019 has been received and is included within the financial statements.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporation Act 2001. Signed in accordance on behalf of the Directors.



Gerhard Redelinghuys  
Managing Director  
11 March 2020

# Auditor's Independence Declaration

**RSM Australia Partners**

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## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Bowen Coking Coal Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

**RSM Australia Partners****Albert Loots**

Partner – Assurance &amp; Advisory

Brisbane, Queensland

Dated: 11 March 2020

**THE POWER OF BEING UNDERSTOOD**

AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

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## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2019

	Note	31-Dec-19 \$	31-Dec-18 \$
<b>Other income</b>		12,902	7,891
Administration expenses		(399,144)	(336,583)
Employee benefits expenses		(391,857)	(249,969)
Exploration expenses		(95,784)	-
Share based payments		(114,049)	-
<b>Loss before tax</b>		(987,932)	(578,661)
Income tax benefit/(expense)		-	-
<b>Net loss for the period from operations</b>		(987,932)	(578,661)
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive loss for the period attributable to the owners of Bowen Coking Coal Limited</b>		(987,932)	(578,661)
Basic loss per share (cents)		(0.13)¢	(0.11)¢
Diluted loss per share (cents)		(0.12)¢	(0.09)¢

The accompanying notes form part of these financial statements.

## Consolidated Statement of Financial Position

### As at 31 December 2019

	Note	31-Dec-19 \$	30-Jun-19 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	2	2,676,840	2,043,310
Trade and other receivables	3	1,064,961	89,446
Other assets	4	50,464	15,780
<b>Total Current Assets</b>		<b>3,792,265</b>	<b>2,148,536</b>
<b>Non-Current Assets</b>			
Exploration and evaluation assets	5	8,448,897	7,525,010
<b>Total Non-Current Assets</b>		<b>8,448,897</b>	<b>7,525,010</b>
<b>Total Assets</b>		<b>12,241,162</b>	<b>9,673,546</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	717,585	245,846
<b>Total Current Liabilities</b>		<b>717,585</b>	<b>245,846</b>
<b>Total Liabilities</b>		<b>717,585</b>	<b>245,846</b>
<b>Net Assets</b>		<b>11,523,577</b>	<b>9,427,700</b>
<b>EQUITY</b>			
Contributed equity	7	56,457,518	53,398,058
Reserves		496,212	471,863
Accumulated losses		(45,430,153)	(44,442,221)
<b>Total Equity</b>		<b>11,523,577</b>	<b>9,427,700</b>

The accompanying notes form part of these financial statements.

## Consolidated Statement of Changes in Equity For the Period Ended 31 December 2019

Consolidated Entity	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total \$
<b>Balance at 1 July 2018</b>	<b>49,830,181</b>	<b>258,294</b>	<b>(42,863,171)</b>	<b>7,225,304</b>
Loss for the period	-	-	(578,661)	(578,661)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(578,661)	(578,661)
<i>Transactions with owners in their capacity as owners:</i>				
Equity issues	1,698,000	-	-	1,698,000
Equity issue expenses	(118,039)	-	-	(118,039)
<b>Balance at 31 December 2018</b>	<b>51,410,142</b>	<b>258,294</b>	<b>(43,441,832)</b>	<b>8,226,604</b>

Consolidated Entity	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total \$
<b>Balance at 1 July 2019</b>	<b>53,398,058</b>	<b>471,863</b>	<b>(44,442,221)</b>	<b>9,427,700</b>
Loss for the period	-	-	(987,932)	(987,932)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(987,932)	(987,932)
<i>Transactions with owners in their capacity as owners:</i>				
Equity issues	2,989,760	-	-	2,989,760
Conversion of performance shares	89,700	(89,700)	-	-
Share based payments	-	114,049	-	114,049
Equity issue expenses	(20,000)	-	-	(20,000)
<b>Balance at 31 December 2019</b>	<b>56,457,518</b>	<b>496,212</b>	<b>(45,430,153)</b>	<b>11,523,577</b>

The accompanying notes form part of these financial statements.

## Consolidated Statement of Cash Flows For the Period Ended 31 December 2019

	Note	31-Dec-19 \$	31-Dec-18 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(1,485,420)	(748,179)
Interest received		12,902	7,376
Payment for exploration and evaluation assets		(504,816)	(519,762)
		<hr/>	<hr/>
Net cash used in operating activities		(1,977,334)	(1,260,565)
<b>Cash flows from investing activities</b>			
Payments for exploration costs recoverable from farmee		(358,896)	-
		<hr/>	<hr/>
Net cash used in investing activities		(358,896)	-
<b>Cash flows from financing activities</b>			
Proceeds from equity issues		2,989,760	1,698,000
Payment for costs of equity issues		(20,000)	(118,039)
		<hr/>	<hr/>
Net cash provided from financing activities		2,969,760	1,579,961
Net increase in cash held		633,530	319,396
Cash and cash equivalents at beginning of the period		<hr/>	<hr/>
Cash and cash equivalents at period end	2	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

## Notes to the Consolidated Financial Statements For the Period Ended 31 December 2019

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The financial statements are for the Consolidated Entity 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 selected non-current assets, financial assets and liabilities. The financial report was authorised for issue on 11 March 2020 by the directors of the Company.

This interim financial report does not include all notes of the type normally included in the Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report of Bowen Coking Coal Limited (the "Company") as at 30 June 2019.

The same accounting policies and methods of computation have generally been followed in these half-year financial statements as compared with the most recent annual financial statements except for the adoption of new and amended standards as set out below.

#### Exploration and Evaluation Assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

A regular review will be undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. A provision is raised against exploration and evaluation assets where the directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses. The increase in the provision is charged against the results for the year. Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expense is provided below.

## Notes to the Consolidated Financial Statements for the Period Ended 31 December 2019

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Exploration and Evaluation Assets (continued)

##### Exploration and evaluation expenditure

The application of the Consolidated Entity's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

#### Farm-outs — in the exploration and evaluation phase

The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements, but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

#### New and Amended Standards and Interpretations For Future Periods

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are necessary for the current reporting period.

### NOTE 2: CASH AND CASH EQUIVALENTS

	31-Dec-19	30-Jun-19
	\$	\$
Cash at bank	1,314,468	693,310
Deposits at call	1,362,372	1,350,000
	<b>2,676,840</b>	<b>2,043,310</b>

### NOTE 3: RECEIVABLES

	31-Dec-19	30-Jun-19
	\$	\$
Current:		
Other receivables	147,255	89,446
Contribution receivable per farm-in agreement	917,706	-
	<b>1,064,961</b>	<b>89,446</b>

### NOTE 4: OTHER ASSETS

	31-Dec-19	30-Jun-19
	\$	\$
Current:		
Prepaid expenses	50,464	15,780
	<b>50,464</b>	<b>15,780</b>



**Notes to the Consolidated Financial Statements for the Period Ended 31 December 2019****NOTE 5: EXPLORATION AND EVALUATION ASSETS**

	31-Dec-19	30-Jun-19
	\$	\$
Exploration and evaluation expenditure carried forward in respect of areas of interest are:		
Acquisitions - at cost	4,319,997	4,219,997
Exploration and evaluation phase - at cost	4,128,900	3,305,013
	<u>8,448,897</u>	<u>7,525,010</u>
Movement in exploration and evaluation assets:		
Acquisitions:		
Opening balance - at cost	4,219,997	4,131,531
Acquisition costs during the period (see below)	100,000	88,466
Total acquisitions costs	<u>4,319,997</u>	<u>4,219,997</u>
Exploration and evaluation phase – at cost:		
Opening balance - at cost	3,305,013	1,800,681
Capitalised exploration expenditure	823,887	1,504,332
Total exploration and evaluation phase – at cost:	<u>4,128,900</u>	<u>3,305,013</u>
<b>Carrying amount at the end of the period</b>	<b><u>8,448,897</u></b>	<b><u>7,525,010</u></b>

**NOTE 6: TRADE AND OTHER PAYABLES**

	31-Dec-19	30-Jun-19
	\$	\$
Trade payables and accrued expenses	698,561	236,671
Short term employee benefits	19,024	9,175
	<u>717,585</u>	<u>245,846</u>

**Notes to the Consolidated Financial Statements for the Period Ended 31 December 2019****NOTE 7: CONTRIBUTED EQUITY****Ordinary shares**

	31-Dec-19		30-Jun-19	
	No. of Shares	\$	No. of Shares	\$
Balance at beginning of period	706,274,262	53,398,058	499,486,810	49,830,181
Share issue: 28-Sep-18	-	-	74,875,000	1,198,000
Share issue: 12-Dec-18	-	-	31,250,000	500,000
Share issue: 20-Mar-19 & 31-May-19	-	-	82,340,452	1,729,150
Conversion to Ordinary Shares: 9-Apr-19	-	-	13,000,000	167,794
Exercise of options: May & Jun-19	-	-	5,322,000	106,440
Share issue: 7-Aug-19	10,000,000	500,000		
Conversion to Ordinary Shares: 19-Aug-19	13,000,000	89,700		
Exercise of 2.0c options: Jul-Oct-19	24,488,000	489,760	-	-
Exercise of 4.0c options: Jul-Oct-19	50,000,000	2,000,000	-	-
Share issue costs	-	(20,000)	-	(133,507)
<b>Balance at end of period</b>	<b>803,762,262</b>	<b>56,457,518</b>	<b>706,274,262</b>	<b>53,398,058</b>

Ordinary shareholders are entitled to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amount paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll. Ordinary shares have no par value.

**Notes to the Consolidated Financial Statements for the Period Ended 31 December 2019****NOTE 7: CONTRIBUTED EQUITY (continued)**

	31-Dec-19 No.	30-Jun-19 No.
<b><u>Listed options</u></b>		
Balance at beginning of period	50,000,000	50,000,000
Options granted	-	-
Options exercised	(50,000,000)	-
Balance at end of period	<b>-</b>	<b>50,000,000</b>
<b><u>Unlisted options</u></b>		
Balance at beginning of period	90,378,000	30,000,000
Options granted	-	65,700,000
Options exercised	(24,488,000)	(5,322,000)
Options lapsed	(190,000)	-
Balance at end of period	<b>65,700,000</b>	<b>90,378,000</b>
<b><u>Performance rights</u></b>		
Balance at beginning of period	-	-
Performance Rights granted	12,000,000	-
Balance at end of period	<b>12,000,000</b>	-
<b><u>Class A performance shares</u></b>		
Balance at beginning of period	13,000,000	13,000,000
Granted	-	-
Converted	(13,000,000)	-
Balance at end of period	<b>-</b>	<b>13,000,000</b>
<b><u>Class B performance shares</u></b>		
Balance at beginning of period	-	13,000,000
Granted	-	-
Converted	-	(13,000,000)
Balance at end of period	<b>-</b>	<b>-</b>

## Notes to the Consolidated Financial Statements for the Period Ended 31 December 2019

### NOTE 8: OPERATING SEGMENTS

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on geographic basis, that is, the location of the respective areas of interest (tenements) in Australia. Operating segments are determined on the basis of financial information reported to the board of directors which is at the consolidated entity level. The Group does not have any products or services that it derives revenue from. The Group's exploration and development activities in Australia is the Group's sole focus.

Accordingly, management currently identifies the Group as having only one reportable segment, being the exploration of mineral projects in Australia. There have been no changes in the reporting segments during the half-year. Accordingly, all significant operating decisions are based upon analysis of the consolidated entity as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

### NOTE 9: EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no matters or circumstances that have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the Consolidated Entity in future financial periods.

### NOTE 10: COMMITMENTS AND CONTINGENCIES

	31-Dec-19	30-Jun-19
	\$	\$
<b>(a) Commitments relating to operating expenditures</b>		
Not longer than 1 year	566,025	464,025
More than 1 year but not longer than 5 years	1,164,275	1,311,925
More than 5 years	-	-
	<b>1,730,300</b>	<b>1,775,950</b>

#### (b) Contingent assets

There are no contingent assets as at 31 December 2019.

#### (c) Contingent liabilities

There are no contingent liabilities as at 31 December 2019.

### NOTE 11: INTERESTS IN CONTROLLED ENTITIES

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

	Country of incorporation	Ownership interest	
		31-Dec-19	30-Jun-19
Coking Coal One Pty Ltd	Australia	100%	100%
Cabral Metais Ltda	Brazil	100%	100%

## **Notes to the Consolidated Financial Statements for the Period Ended 31 December 2019**

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### **NOTE 12: RELATED PARTY TRANSACTIONS**

#### **Parent Entity**

Bowen Coking Coal Ltd is the legal parent and ultimate parent entity of the Group.

#### **Subsidiary**

Interest in subsidiaries are disclosed in Note 11.

#### **Key Management Personnel**

	<b>31-Dec-19</b>	<b>31-Dec-18</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	382,008	249,969
Share-based payments	64,644	-
	<b>446,652</b>	<b>249,969</b>

## Directors' Declaration

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The Directors of the Consolidated Entity declare that:

The financial statements and notes are in accordance with the Corporations Act 2001 and:

- (a) comply with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2019 and of the performance for the period ended 31 December 2019.

In the Directors' opinion there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Gerhard Redelinghuys  
Managing Director  
11 March 2020

# Independent Auditor's Report

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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BOWEN COKING COAL LIMITED

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Bowen Coking Coal Limited which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated 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 of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of Bowen Coking Coal Limited 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 is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Bowen Coking Coal Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

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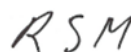
### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Bowen Coking Coal Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

### *Conclusion*

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 Bowen Coking Coal Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



**RSM AUSTRALIA PARTNERS**



**Albert Loots**

Partner – Assurance & Advisory

Brisbane, Queensland  
Dated: 11 March 2020