BOWEN COKING COAL LIMITED

ANNUAL REPORT 2023

MAKING THE MOST OF EVERY OPPORTUNITY

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CAUTIONARY STATEMENTS

30 June 2023

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 Annual 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 Annual 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 DIRECTORY

Directors	Nicholas Jorss (Executive Chairman) Gerhard Redelinghuys (Executive Director) (resigned 23 August 2023) Matthew Latimore (Non-Executive Director) (resigned 25 July 2023) Neville Sneddon (Non-Executive Director) David Conry AM (Non-Executive Director) (appointed 23 June 2023) Stephen Downs (Alternate Director) (appointed 4 November 2022 and resigned 25 July 2023)
Chief Executive Officer	Mark Ruston (appointed 27 March 2023)
Chief Financial Officer	Daryl Edwards
Company Secretary	Duncan Cornish
Head office and Registered office	Bowen Coking Coal Ltd Level 4, 167 Eagle Street Brisbane QLD 4000 Tel: +61 7 3191 8413 www.bowencokingcoal.com
Principal place of business	Level 4, 167 Eagle Street Brisbane QLD 4000 Tel: +61 7 3191 8413
Share register	Link Market Services Limited Level 21, 10 Eagle Street Brisbane QLD 4000 Tel: 1300 544 474
Auditor	Ernst & Young Level 51, 111 Eagle Street Brisbane QLD 4000 Tel: +61 7 3011 3333
Solicitors	HWL Ebsworth Level 19, 480 Queen Street Brisbane QLD 4000
Stock exchange listing	Australian Securities Exchange (ASX code: BCB)

CHAIRMAN'S LETTER

The 2023 financial year was a turbulent one for Bowen Coking Coal, reflecting the ramp up of our first mines and weakness in coal prices, which typify the ups and downs that come with the coal business. What remains certain are the strong foundations and market fundamentals upon which this company is built.

Commodity markets and global economies weakened considerably this financial year, but our steadfast outlook only strengthened; over coming decades the overall demand for our coal will continue on an upwards trajectory as the world electrifies, decarbonises, and urbanises, and consumes more power and steel. Bowen Coking Coal, located in the heart of the world's best coal country, Queensland's Bowen Basin, will answer the world's call for more high-quality coal to be delivered efficiently, sustainably and safely. We have the assets and infrastructure, and the team to deliver.

MAJOR ACHIEVEMENTS IN A YEAR OF CHALLENGING MARKET CONDITIONS

While the 2023 financial year has seen the Company's market capitalisation ease amid rising mine cost inputs and declining coal prices, it was nevertheless signposted by a series of major achievements. In July 2022, multi-national giant Formosa Plastics Group received our first ever coal shipment of ultra-low volatile pulverised coal injection (ULVPCI) coal from our Bluff Mine near Blackwater in Queensland. Three months later, first coal was exported from the Broadmeadow East Pit which makes up part of the Company's Burton Mine Complex near Moranbah. To date, Bowen has produced nearly 2 million tonnes (Mt) of run-of-mine (ROM) coal. In July 2023, Bowen reached an agreement to sell 10% of its 100% owned Broadmeadow East Pit to MPC Lenton, who already holds 10% share of the Burton Lenton Joint Venture, for A$13 million plus royalties.

Another major milestone was the official reopening of the Burton Mine and its associated infrastructure in May 2023. Commissioned on time and without any significant injuries, the Burton Coal Handling and Preparation Plant (CHPP) Module 1 plus the Mallawa Train Load Out (TLO), rail loop, 350 plus person camp, haul road and offices and workshop are all now fully operative. To date, over 1 million tonnes of coal have been processed through the Burton CHPP, at an average plant availability greater than 90% and capacity utilisation above 94%. Work commenced on Module 2 of the CHPP, however this has been paused as the existing capacity from Module 1 has proven sufficient to meet coal production needs in the near-term.

Other highlights for the year include the Sumitomo Corporation committing to contribute $2.5 million in the next financial year towards the next stage of exploration (Phase 2B) at our Hillalong Coking Coal Project which we are aiming to bring into development in coming years, utilising the existing Burton infrastructure.

WHEN THE GOING GOT TOUGH, WE GOT TOUGHER

Along with the upside, it's no secret that we have faced some challenges this year, alongside the rest of the coal industry. Significant wet weather, rail delays and increases in labour, consumables, fuel and power costs have impacted across the industry. The substantial increase in Queensland Government royalties created additional headwinds just as we were investing heavily in our first mines. Coal prices softened considerably from recent highs. Top quality hard coking coal from Queensland has fallen from prices of above US$600/t following Russia's invasion of Ukraine in 2022 to around US$233 in June before recovering to around US$320/t at the end of September 2023. Further, the price for LV PCI coal halved from US$310/t in the 2022 financial year as Russian PCI trade flows resumed before recovering to US$186/t in September 2023.

Amid challenging times, our focus on operational efficiency and cost control came to the fore. We are constantly running the ruler over every square inch of our operations to seek improvements. It's part of our company DNA and our first-class team has done an excellent job in continuously improving our operations, critically delivered with a strong safety record. I'm particularly proud of the positive culture that exists across our broader team. I'm very pleased that I hear consistent feedback on site that Bowen is seen as a great place to work. There is no doubt our

positive culture and the value we place on our employees helps us attract and retain the best people at a time of an industry wide shortage of people.

As the 2023 financial year drew to a close, we made decisive moves to prepare for FY2024 and beyond. The takeaway from our internal strategic review was to concentrate on our larger, longer life mining operations with higher margin deposits which utilise our infrastructure in order to preserve capital and maximise returns amid tightened market and pricing conditions.

In August 2023, the Company announced that the Ellensfield South Pit within the Burton Mine Complex will become the operation's cornerstone in the near term while the Bluff Mine will be placed into care and maintenance.

STRENGTHENING THE TEAM TO ACCOMPANY THE TRANSITION FROM EXPLORER TO PRODUCER

In February 2023, Bowen was pleased to announce the appointment of seasoned mining executive Mark Ruston as the Company's new Chief Executive Officer. Mark has held senior management roles for Thiess, Golding Contractors, Baralaba Coal Company and Macmahon Holdings amongst others. His demonstrated track record of maximising all areas of operational performance is already serving Bowen well as we grow onto a significant Queensland coal producer.

In June 2023, experienced company director and senior executive David Conry AM was appointed as an independent Non-Executive Director, further strengthening the Board.

In July 2023, Matt Latimore left the board, as did our founder, Gerhard Redelinghuys having played an integral role in building Bowen to the position it is in today. I would like to express my gratitude to Matt and Gerhard for their service.

STRENGTHENING OUR POSITION TO SEIZE FUTURE OPPORTUNITIES

As the new financial year already unfolds, Bowen is on the way back. We continue to find opportunities to reduce our cost base and defer non-essential capital expenditure until justified by coal prices.

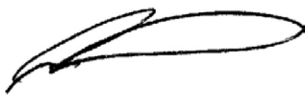
In September 2023 we reached agreement with our lenders to defer our principal loan repayments and extend the loan tenor which will be of strategic benefit to the Company. By deferring the payment of the principal amount, we will secure valuable debt repayment headroom and alleviate financial pressures. This financial flexibility will be pivotal as we focus on ramping up our Ellensfield South Pit and implementing our development strategy at our long-life Burton complex.

At the same time, we've commenced a sale process for the Isaac River Project, which abuts BHP Mitsubishi's large Daunia mine.

We recently secured approval for the project under the Commonwealth Government Protection and Biodiversity Conservation Act 1999.

In conclusion, despite this year's headwinds, we remain confident of our future and the once-in-a-generation opportunities ahead. Global coal consumption climbed to a new all-time high in 2022 and will stay near that record level this year led by strong growth in Asia. As demand grows, and supply remains heavily constrained, Bowen is well poised to deliver growth and make the most of your investment.

Yours sincerely,



Nick Jorss
Executive Chairman

CEO'S REPORT

What has become clear to me since joining Bowen Coking Coal as its Chief Executive Officer in March 2023, is that the Company is distinguished from other coal businesses for which I've worked by a small close-knit team which understands that perseverance and hard work go a long way. People who focus on solutions, and through creativity, inventiveness, sheer determination and agility, convert challenges into opportunities, and continue to deliver outcomes that others doubted could be achieved.

That's an incredible resource to have when you're in the business of developing natural resources within particularly demanding physical environments which are buffeted by traditionally turbulent coal market forces. As much as this is a report about our operational performance and growth as a company this past financial year, it's also an opportunity to thank the extended Bowen team, that's everyone from our front desk to the coal face, including invaluable service providers, who contribute, day in, day out to help us achieve our goals.

THREE NEW MINES IN ONE YEAR

You can't bring on new coal mines, advance a pipeline of development assets, re-open major infrastructure, raise capital, secure key government approvals, and consolidate the ongoing support of international joint venture partners all in the space of one year without a little sweat.

While supertaxes and not so super global market conditions combined to dampen optimism in the coal sector, Bowen stayed busy, working closely with our key service providers, to optimise the things that we could control – operational performance.

FY2023 was a transformational year for the Company moving into production from exploration and development with 1.7 million tonnes (Mt) of Run-of-Mine (ROM) coal produced and 0.8 Mt of sales from our two Queensland mining operations, Bluff Mine near Blackwater, and the Broadmeadow East Pit near Moranbah. The year also saw the reopening of the iconic Burton Mine Complex in May 2023, which was well supported by the community, business and government alike.

The second half of 2022 was focused on pit establishment works, bringing operations to steady state mining and significant investment in recommissioning the Lenton Joint Venture infrastructure for our next stage of growth while the first half of 2023 was spent on ramping up production across our mine sites.

The Group's operating loss for the year ended 30 June 2023 totalled $152.8 million, largely due to high operating expenses incurred in the current year due to the ramp up of mining activities combined with start-up operating expenditure incurred for the Burton Mine Complex.

The Group's higher production costs were also adversely driven by market and industry inflationary pressures through rising input prices for labour, parts and materials, including mining equipment components, diesel fuel and explosives.

In an environment of fluctuating coal prices, ever increasing production costs, and increases in the state government royalty regime creating significant barriers for explorers aspiring to become producers, Bowen has continued to navigate a path through and lift production performance across the board throughout the year.

BRINGING THE BURTON MINE COMPLEX TO LIFE

The Company's initial focus following completion of the Burton transaction was the refurbishment of the Kerlong accommodation village, Mallawa Train Loadout (TLO) and haul road, and Module 1 of the coal handling and preparation plant (CHPP), all of which were completed without any significant incidents or injuries. The CHPP consists of a crushing circuit with primary, secondary and tertiary crushers which feed into two separate modules which can operate independently of each other. Module 1 has a nameplate ROM capacity level of 2.75Mtpa.

Refurbishment of the skyline automatic loading facility at the TLO was recently completed, improving productivity and lowering operating costs. Completion of work of Module 2 of the CHPP is being deferred to 2024 to align with mining operations ramping up to consistently require the second Module. Once Module 2 work is complete, the nameplate capacity of the CHPP will reach 5.5Mtpa and will be served by a number of pits starting with Broadmeadow East and Ellensfield South, and followed by Plumtree North, Isaac, and Lenton.

Our Hillalong asset, 25km north of the Burton CHPP near Glenden, is also planned to utilise the infrastructure at the Burton Mine Complex as a satellite pit. Hillalong is owned 85% by Bowen and 15% by Japanese conglomerate, Sumitomo who, in June 2023, announced they would spend another $2.5 million on Phase 2B exploration, which would see them earn another 5% of the project and take their total holding to 20%.

BROADMEADOW EAST PIT PERFORMING WELL

Coal from the Broadmeadow East pit is now being processed through the Burton CHPP and railed to the Dalrymple Bay Coal Terminal near Mackay via the Mallawa TLO.

Broadmeadow East quickly reached its planned steady-state production rate of up to 1.1 million tonnes per annum (Mtpa). For the period ended 30 June 2023, Broadmeadow East produced 1,177 kilotonnes (Kt) of ROM coal and 648Kt of saleable product.

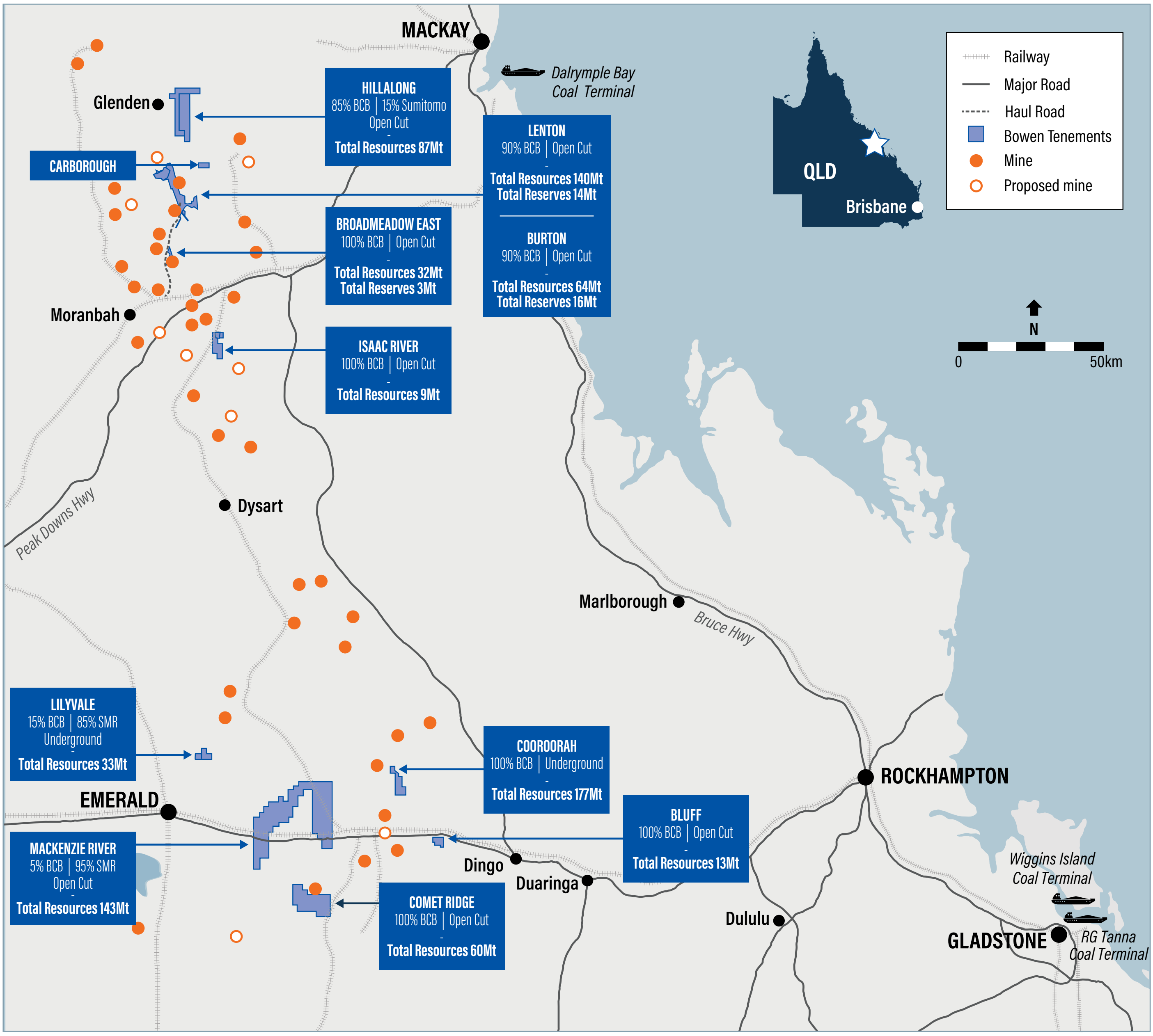
In August 2023, we announced we were exploring mining options associated with the relocation of a high voltage power line at Broadmeadow East to the southern tenement boundary. The planned relocation was part of the base case mine plan to enable the terrace mine to proceed to the south and access reserves on the other side of the power line easement, however estimated costs for the works increased from $14 million to $20 million, so we are considering whether to step under the power line easement and open up a second boxcut to the south, before mining back north through the easement, and other timing windows for the high cost relocation.

ELLENSFIELD SOUTH PIT PRODUCES FIRST ROM COAL

First ROM coal was mined from the Ellensfield South Pit in August 2023 and processed through the Burton CHPP for coal quality analysis and to target trial cargoes for end use customers. It is the Company's third, and arguably most important open-cut mining area producing a higher-yielding coking coal.

The Burton Mine Complex will initially be supported by five large excavator fleets across Ellensfield South and Broadmeadow East, and steady-state ROM coal production in the order of 240kt per month, post the ramp up at Ellensfield South, is expected until completion of the refurbishment of Module 2 in the CHPP.

The Ellensfield South Pit will be developed as our cornerstone operation in the short to near term, delivering up to 2.4Mt of ROM production per annum for a period of approximately two years, after which the mining fleets will transition into the larger adjacent Plumtree North Pit with a sequencing that will limit the impost of the higher initial strip ratio associated with opening up the Plumtree North boxcut.



As at 30 June 2023.

BLUFF PCI MINE IN CARE AND MAINTENANCE

At the Bluff Mine, 482Kt of ROM coal and 327Kt of saleable coal was produced during FY2023 despite production being hampered by extraordinary wet weather over the summer months. In the face of continued operational challenges impacting the mining fleets from reaching the target steady-state mining rate, we worked with the mining contractor to establish multiple operating terraces and revised our mine plan to lower the strip ratio of the advancing faces by removing from the mine plan high-cost high strip ratio mining areas, aiming to reduce future mining costs. With declining PCI coal prices, a strategic review of the asset was announced in August 2023 and a decision was made by the Board in late September to place the mine in care and maintenance by the end of 2023, prior to the next wet season. Fundamentally, Bluff is a good asset and is capable of generating solid returns in the right pricing environment. Suspending operations temporarily was a prudent business decision to mitigate losses and preserve capital. Our infrastructure will remain in place to enable a quick restart when PCI prices have recovered sufficiently to cover operational costs and ensure profitability.

REACHING NEW LEVELS OF PERFORMANCE

Looking ahead, Bowen's focus is firmly placed on safely and efficiently developing our assets acquired over the last five years to reach new levels of operational and cost performance, delivering long-term shareholder value. The Company remains well placed to capitalise on the forecast growth in global steel production for which our high-quality, low ash, and low sulphur coking coal is a critical input.

Bowen Coking Coal faces the new financial year with confidence. While FY23 was about commissioning key infrastructure to underpin our growth and developing our mining assets to reach steady state production where possible, FY24 is about consolidation, optimising operations to maximise profits, and lift the value of the business.

To this end, we have the strategy, the determination, the capabilities and most importantly, the people, all of whom remain laser focused on making the most of the Company's very promising future.

Mark Ruston
Chief Executive Officer

REVIEW OF OPERATIONS

REVIEW OF OPERATIONS

During the year ended 30 June 2023, Bowen Coking Coal Ltd continued its growth strategy with two mines in operation, a third in development as well as completion of a number of project milestones associated with the restart of the Burton Complex, following the acquisition of a 90% interest in the Lenton Joint Venture on 1 July 2022.

Group Consolidated Managed Production		2H 2023	1H 2023*	Change %	Total FY2023
ROM Coal Produced	Kt	1,064.9	593.8	79.3%	1,658.7
ROM Strip Ratio	Prime	10.8	16.6	34.9%	12.8
Saleable Coal Produced	Kt	717.0	258.2	177.7%	975.2
Sales of Produced Coal	Kt	679.7	81.8	730.9%	761.5
Sales of Third Party Purchased Coal	Kt	35.2	–	100.0%	35.2
Total Coal Sales	Kt	714.9	81.8	774.0%	796.7
Saleable Coal Stocks at period end	Kt	231.5	182.4	26.9%	231.5

* 1H 2023 production metrics have been updated for minor changes to align with final full year results.

FY2023 was a transformational year for the Group moving into production from exploration and development with 1.7 million tonnes (Mt) of Run-of-Mine (ROM) coal produced and 0.8 Mt of sales from two operational mines, compared with the prior year which saw a small volume of coal produced and sold from the Bluff mine.

It was a year of two halves, with production and sales performance in 2H 2023 (the last 6 months for the year ended 30 June 2023) significantly up, compared to 1H 2023 (the first 6 months for the year ended 30 June 2023). The 1H 2023 was focused on pit establishment works, bringing operations to steady state mining and significant investment in recommissioning the Lenton Joint Venture infrastructure for the Group's next stage of growth.

OPERATIONAL HIGHLIGHTS

for the year ended 30 June 2023 are described below:

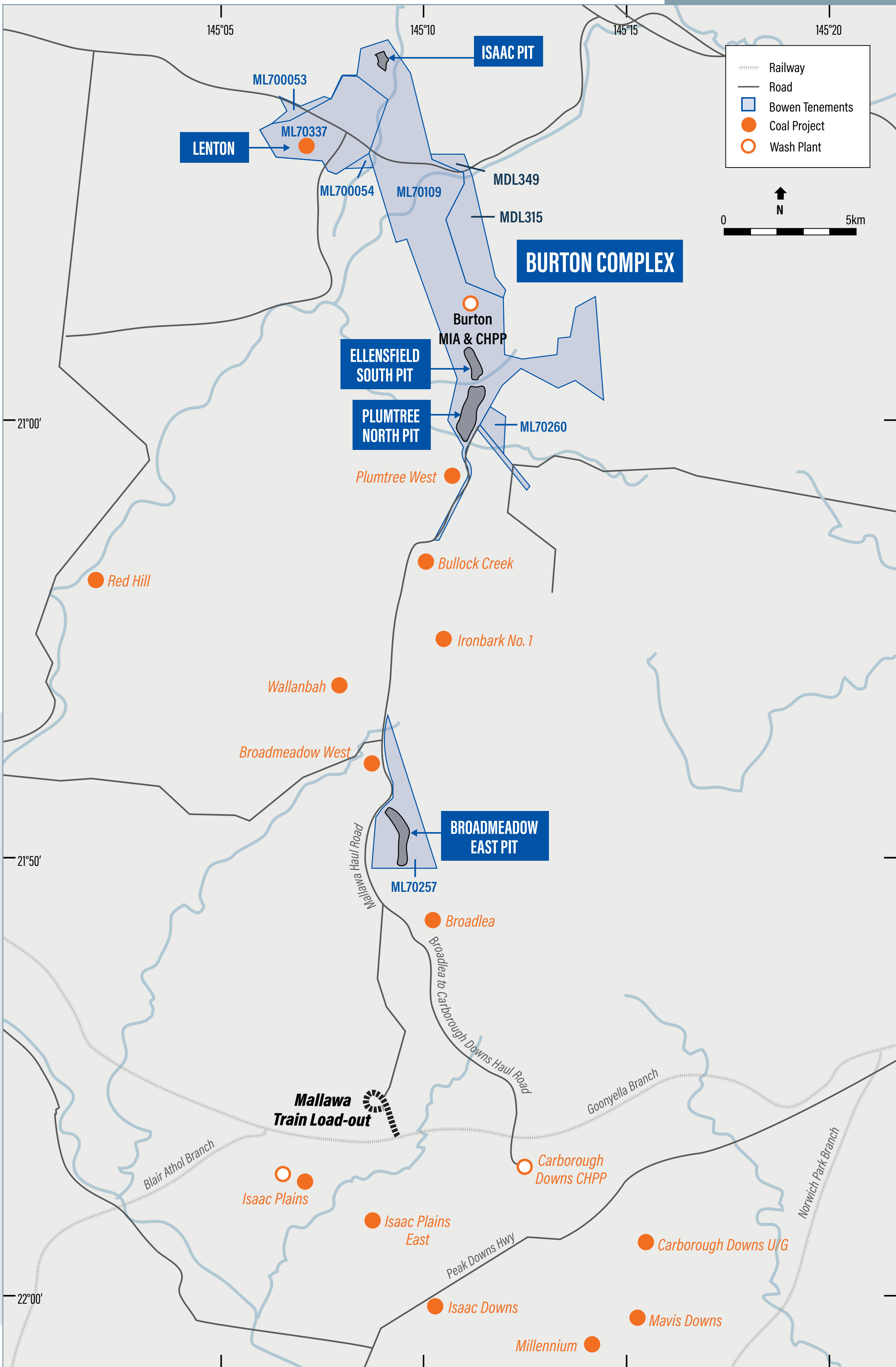
Broadmeadow East pit achieved planned production rates, after first coal mined in July 2022.

Successful recommissioning of Lenton Joint Venture infrastructure including module 1 of the Coal Handling and Preparation Plant (CHPP), Mallawa train loadout and camp facilities (90% interest acquired in Lenton Joint Venture on 1 July 2022).

Commencement of Ellensfield South box cut, the next source of high quality coking coal for the Group.

Isaac River Project has been granted approval under the Commonwealth Government Protection and Biodiversity Conservation Act 1999 (EPBC).

Sumitomo Corporation committed to contribute $2.5 million in the next financial year towards the next stage of exploration (Phase 2B) at Hillalong Coking Coal Project (Hillalong).



Map of Burton Complex operations.

PROJECTS

BURTON COMPLEX

BURTON COMPLEX
Open Cut

LOCATION
150km southwest of Mackay, Bowen Basin, Queensland

TENEMENTS
ML 700053, ML 70337, ML 700054, ML 70109, ML 70260, EPC 766, EPC 1675, EPC 865, EPC 857, MDL 349, MDL 315

COAL TYPE
Coking coal with secondary thermal

TOTAL RESOURCE
Burton 64Mt
Lenton 140Mt

OWNERSHIP
90%

On 1 July 2022, the Group acquired a 90% interest in the Lenton Joint Venture, which owns the Burton complex, and the mine's official reopening was held on 4 May 2023. The immediate focus of the project was to invest in the recommissioning of module 1 of the CHPP as well as the Mallawa train loadout and camp facilities. The current throughput capacity of the refurbishment work completed to date on module 1 is 2.75 Mt per annum based on current performance. Work commenced on module 2 of the CHPP later in the year, however, this has been paused as the existing capacity from module 1 has proven to meet the coal production needs in the near-term. Completion of refurbishment work on module 2 will be assessed on a production needs basis during the following financial year, which if completed, would increase throughput capacity of the washplant to 5.5 Mt per annum.

ELLENSFIELD SOUTH PIT (ML 70109)

Ellensfield South is the Group's third open-cut mining area and is within the greater Burton Complex, located immediately south of the Burton CHPP. The box cut is still under development and expected to begin producing a higher yielding coking coal late in 1H 2024.

BUMA, the mining services contractor, has mobilised two truck and excavator fleets to Ellensfield South and a third fleet (including labour) has been relocated from Broadmeadow East, collectively targeting steady-state ROM coal production in the order of 240 Kt per month across the Burton complex, from the second half of FY2024.

BROADMEADOW EAST COKING COAL PROJECT

BROADMEADOW EAST
Open Cut

LOCATION
25km northeast of Moranbah, Bowen Basin, Queensland

TENEMENTS
ML 70257

COAL TYPE
Coking coal with secondary thermal

TOTAL RESOURCE
32Mt

OWNERSHIP
100%

Broadmeadow East Mine Managed Production		2H 2023	1H 2023*	Change %	Total FY2023
ROM Coal Produced	Kt	781.0	396.2	97.1%	1,177.2
ROM Strip Ratio	Prime	8.4	11.5	26.6%	9.4
Saleable Coal Produced	Kt	477.1	170.8	179.4%	647.9
Sales of Produced Coal	Kt	437.3	41.5	952.9%	478.8
Sales of Third Party Purchased Coal	Kt	29.2	–	100.0%	29.2
Total Coal Sales	Kt	466.4	41.5	1,023.1%	508.0
Saleable Coal Stocks at period end	Kt	170.9	123.6	38.3%	170.9

* 1H 2023 production metrics have been updated for minor changes to align with final full year results.

Coal production commenced at Broadmeadow East in July 2022 and has quickly reached its planned steady-state production rate of up to 1.1 Mtpa ROM. This production rate increased to an annualised rate of more than 1.5 Mtpa on a short-term basis in the June 2023 quarter to feed the newly refurbished module 1 at the Burton CHPP.

Coal was initially processed through nearby Carborough Downs CHPP under a coal washing and infrastructure sharing arrangement with Fitzroy Australia during 1H 2023 and is now processed through the Burton CHPP, following its successful commissioning of Module 1 in April 2023. The mine's coal is railed from the nearby Burton Mallawa train loadout to the Dalrymple Bay Coal Terminal in Hay Point.

BUMA Australia Pty Ltd (BUMA) is the mining contractor for Broadmeadow East. Coal sales were completed through the Company's 50:50 Marketing Joint Venture with M Resources Trading Pty Ltd.

REVIEW OF OPERATIONS

BLUFF PCI MINE

BLUFF PCI MINE
Open Cut

LOCATION
20km east of Blackwater
Bowen Basin, Queensland

TENEMENTS
ML 80194, EPC 1175, EPC 1999

COAL TYPE
Ultra-low volatile pulverised coal injection (ULVPCI)

TOTAL RESOURCE
13Mt

OWNERSHIP
100%

Bluff Mine Managed Production		2H 2023	1H 2023*	Change %	Total FY2023
ROM Coal Produced	Kt	283.9	197.6	43.7%	481.5
ROM Strip Ratio	Prime	17.2	26.7	35.6%	21.1
Saleable Coal Produced	Kt	239.9	87.4	174.5%	327.3
Sales of Produced Coal	Kt	242.4	40.3	501.5%	282.7
Sales of Third Party Purchased Coal	Kt	6.0	–	100.0%	6.0
Total Coal Sales	Kt	248.5	40.3	51.6%	288.8
Saleable Coal Stocks at period end	Kt	60.7	58.8	3.2%	60.7

* 1H 2023 production metrics have been updated for minor changes to align with final full year results.

Bluff Mine is a contract mining operation with HSE Mining appointed as contractor. The coal is processed through the nearby Cook CHPP under an agreement with the QCoal Group. Demand for Bluff's ULVPCI coal remains strong for its low ash, high energy and high coke replacement ratio.

Production at Bluff was impacted by extraordinary wet weather in the last part of 2022 and early in 2023. Additional operational challenges have impacted Bluff's ability to achieve its targeted steady-state mining rate, despite considerable efforts and improved production performance in 2H 2023. During the period the Bluff mine plan was revised to reduce strip ratios and costly multi-seam mining operations and a strategic review of the asset commenced with a view to maximising shareholder value.

The marketing of the Bluff product coal continues through the Company's 50:50 Marketing Joint Venture with M Resources Trading Pty Ltd, a specialist metallurgical coal trading company.

HILLALONG COKING COAL PROJECT (EPC 1824 & EPC 2141)

Hillalong is owned 85% by Bowen and 15% by Japanese conglomerate, Sumitomo who, in June 2023, elected to earn an additional 5% of the Hillalong project by spending another $2.5 million on Phase 2B exploration, taking their total project holding up to 20%.

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.

ISAAC RIVER COKING COAL PROJECT (MDL 444, EPC 830, MLA 700062, MLA 700063)

Isaac River was granted a site-specific Environmental Authority from the Queensland government and holds an approved Progressive Rehabilitation and Closure Plan. At the end of May 2023, the Project was formally granted approval under the EPBC. The EPBC approval requires Bowen Coking Coal to offset potential impacts to ornamental snake habitats and to monitor surface and groundwater.

The Isaac River project, once operational, will produce high quality, high yielding metallurgical coal of up to 0.5 million tonnes per year for approximately 5 years. Bowen Coking Coal is finalising the Mining Lease approval process with landholders and the Queensland Government. Construction is anticipated to commence during 2024 and the Project is expected to create 200 jobs in steady-state mining.

Similar to the Bluff Mine, the project aims to use third party processing and infrastructure facilities to fast track the development of the mine once all approvals have been obtained.

CORPORATE

EQUITY RAISING

In October 2022, the Company announced an $85.0 million (before transaction costs) two-tranche equity placement to sophisticated and institutional investors. The total placement of 283,333,334 Ordinary fully paid shares were issued at $0.30 per share in October and November 2022. The funds raised were for project development, general working capital as well as infrastructure guarantees and prepayments.

In June 2023, the Company announced a $40.0 million (before transaction costs) equity placement and fully underwritten share purchase plan (SPP) capped at A$10.0 million, issued at $0.17 per share. By 30 June 2023, the Company had issued 268,628,628 shares for $45.6 million. Post period end, the Company issued a further 25,489,047 shares for $4.3 million (including director participation of $2.2 million which was subject to shareholder approval received at a general meeting of the Company on 18 July 2023). The funds raised were to continue the Group's growth trajectory including expenditure for Burton on the Ellensfield South box cut development as well as for site infrastructure and haul road upgrades, along with working capital.

10% SALE OF BROADMEADOW EAST PROJECT TO FORMOSA

On 11 July 2023, the Company announced the sale by Coking Coal One Pty Ltd (a wholly owned subsidiary of Bowen Coking Coal Limited) of a 10% interest in the Broadmeadow East Mine to MPC Lenton Pty Ltd (MPC), a wholly owned subsidiary of the Formosa Plastics Group. The proposed structure of the transaction will result in the Broadmeadow East (BME) project being transferred into the Burton-Lenton Joint Venture (BLJV) in a cash and royalties transaction. MPC already owns a 10% interest in the Lenton Joint Venture which owns the Burton complex infrastructure and Burton and New Lenton tenements.

The incorporation of BME into the BLJV simplifies coal blending options to target specific markets and facilitates a reduction in operational complexity associated with coal processing from the Burton and BME assets, by streamlining the ownership structure.

Consideration to be paid by MPC to BCC for the 10% interest in the BME project is:

- $13.0 million cash on completion of the sale, plus
- An 'acquisition' royalty of $2.10 per ROM tonne of MPC's 10% share of production from the BME mine on a quarterly basis from the date of economical disposal to 31 December 2026, subject to certain coal price indexes being triggered.

If underground mining is conducted in future at BME, MPC shall pay an underground royalty on a quarterly basis of $5.00 per ROM tonne of MPC's participating interest share of underground production, providing MPC's share of revenue after all costs is at least $5.00 per ROM tonne in that quarter.

The transaction also resulted in MPC paying $20.0 million as a pre-payment of its future contributions to the BLJV, which has been received subsequent to reporting date.

Completion of the sale is subject to the usual conditions, including FIRB approval and indicative State Minister for Resources approval.

REVIEW OF OPERATIONS

CORPORATE FUNDING FACILITY

TAURUS FUNDING FACILITY

During the period, the Company fully drew down its US$55.0 million facility with Taurus Mining Finance Fund No.2, L.P ('Taurus'), and repaid US$11.0 million in December 2022.

On 30 March 2023, the Company and Taurus agreed to an amendment to the facility which deferred the March 2023 and June 2023 quarterly repayments of US$11.0 million each to 31 December 2023 and 31 March 2024, respectively. In addition to the repayment deferments, a further liquidity facility of US$7.0 million at a 10% per annum interest rate was provided, which the Group drew down on in June 2023, bringing the total drawn balance on the Taurus facility to US$51.0 million (A$ 77.1 million) at period end. As part of the facility amendment, the royalty payable to Taurus increased from 0.25% to 0.35% on sales of coal from the Burton complex.

NEW HOPE PERFORMANCE FACILITY

The Group has a two-year bilateral facility agreement with New Hope Corporation Limited (NHC) with an aggregate limit of $70.0 million. On 1 July 2022, $61.6 million was drawn to provide a $61.6 million bank guarantee to the Queensland Government for the Burton/Lenton Mine rehabilitation costs as part of completion of the acquisition of Burton/Lenton on the same date.

On 23 June 2023, a replacement guarantee was issued by NHC for and on behalf of New Lenton Coal Pty Ltd (a wholly owned subsidiary of Bowen Coking Coal Limited), which effectively reduced the performance bonding facility by $13.7 million. The replacement guarantee resulted from a reduction to the Estimated Rehabilitation Cost (ERC) for Burton, following a review of the volumes of actual disturbance and updated cost estimations.

At period end, the performance bonding facility had a balance of $55.6 million ($47.9 million principal and $7.7 million of capitalised interest).

REVIEW OF FINANCIAL RESULTS

The Group's financial highlights for the year ended 30 June 2023 are described below:

- Revenues and other income of $209.9 million (2022: $11.9 million);
- Operating loss before income tax and net finance expenses of $152.8 million (2022: $17.6 million);
- Loss after income tax expense of $162.9 million (2022: $18.3 million);
- Cash used in operating activities of $105.1 million (2022: $19.0 million); and
- Closing cash on hand of $48.9 million (2022: $72.5 million).

FINANCIAL PERFORMANCE

	Consolidated	
	30 Jun 2023 $	**30 Jun 2022 $**
Revenue		
Revenue from contracts with customers	204,475,121	11,862,313
Other income	5,464,592	–
	209,939,713	11,862,313
Expense		
Other expense	(95,312,445)	(11,464,855)
Net inventory movements	54,175,963	5,999,733
Operating expenses	(286,044,873)	(24,000,041)
Impairment and onerous contracts expense	(35,551,657)	–
Operating loss before income tax and net finance expenses	(152,793,299)	(17,602,850)
Finance income	13,914,595	5,506
Finance expense	(25,050,903)	(716,260)
Share of profit from joint ventures	992,498	11,190
Loss before income tax expense	(162,937,109)	(18,302,414)
Income tax expense	–	–
Loss after income tax for the year	**(162,937,109)**	**(18,302,414)**

The Group's operating loss for the year ended 30 June 2023 totalled $152.8 million, largely due to high operating expenses incurred in the current year which was driven by the Group's transition from explorer and developer to becoming a mining producer, increased operational expenditure associated with ramp up of mining activities at Bluff and Broadmeadow East mines, combined with start up operating expenditure incurred for the Burton Complex (owned by the Lenton Joint Venture). The Group's higher production costs were also adversely driven by market and industry inflationary pressures through rising input prices for labour, parts and materials, including diesel fuel and explosives.

Other drivers contributing to the Loss after income tax for the year were:

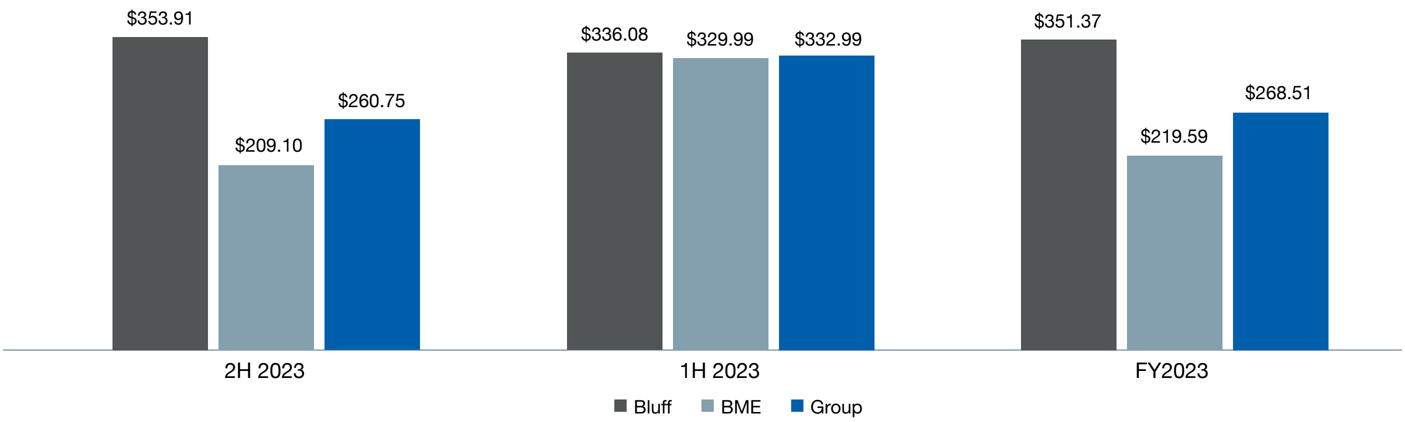
- $12.9 million for depreciation and amortisation driven by increased Property, Plant and Equipment investment, due to assets brought into service during the year ended 30 June 2023;
- $38.0 million relating to administrative, overhead and corporate costs that support the expanding multi-mine operations;
- $11.1 million net finance charges, relating to the Group's fully drawn debt facilities and convertible note; and
- $35.6 million non-cash related expense ($19.1 million impairment and $16.5 million onerous contracts expense) relating to the Bluff mine, following the review of the recoverable value of the Bluff mine (see note 8 to the accompanying audited Consolidated Financial Statements).

In the prior year, the Group had just commenced operations at the Bluff mine and was working on the planning and development for its new projects Broadmeadow East and Burton Complex, while also continuing to engage in exploration activities. During the financial year ended 30 June 2022, one sale of ultra low vol PCI coal from Bluff mine was recorded. Due to the substantial difference in the Group's operational landscape between the two years, the financial performance for the year ended 30 June 2023 is not comparative with prior year.

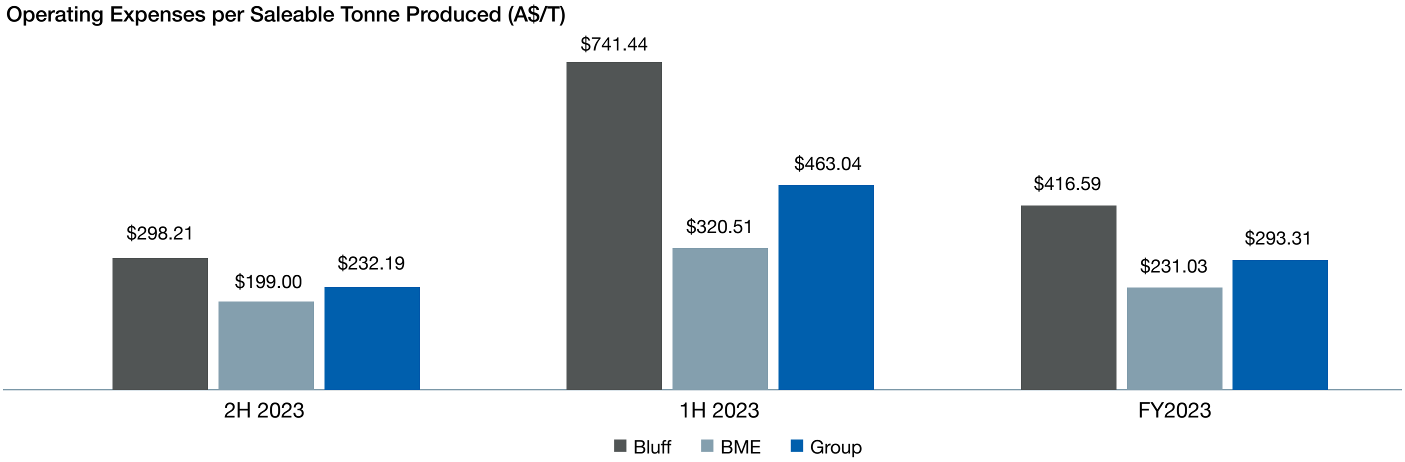
The Group's performance has been analysed for each half for the year the 30 June 2023, to show the step changes driving the financial results.

Group Operating Loss **2H 2023 vs 1H 2023 comparison**	**2H** **2023**	**1H** **2023**	**Change** **%**	**Total** **FY2023**
Revenue from contracts with customers	177,234,937	27,240,184	550.6%	204,475,121
Other income	5,381,248	83,344	6,356.7%	5,464,592
	182,616,185	**27,323,528**	**568.3%**	**209,939,713**
Operating expense	(167,201,926)	(118,842,947)	40.7%	(286,044,873)
Net inventory movements	(12,898,145)	67,074,108	(119.2%)	54,175,963
Other expenses	(66,188,752)	(29,123,693)	127.3%	(95,312,445)
Impairment and onerous contract expense	(35,551,657)	–	100.0%	(35,551,657)
Operating Loss	**(99,224,295)**	**(53,569,004)**	**85.2%**	**(152,793,299)**

Average Realised Price per Tonne Sold (A$/T)



REVIEW OF OPERATIONS



The table above highlights the Group's strong revenue from contracts with customers during 2H 2023 (550.6% increase from 1H 2023), driven by the step up in production performance resulting in 680Kt of coal sales in 2H 2023, compared to 82Kt in 1H 2023 (730.9% increase from 1H 2023). The revenue increase was partly offset by 21.7% decrease in the Group's average realised coal price per tonne sold, mainly driven by the decrease in thermal coal prices. Broadmeadow East average realised coal price per tonne sold declined 36.6% in 2H 2023 compared to 1H 2023 (2H 2023: A$209.10, 1H 2023: A$329.99), while Bluff's ultra low vol PCI average realised coal price per tonne sold improved slightly to A$353.91/t in 2H 2023 from A$336.08/t in 1H 2023.

Operating expenses comprising mining, processing and transport and logistics costs increased across all operations in 2H 2023, driven by greater production volume as well as production input cost pressures. As presented in the charts, the Group's operating expenses per saleable tonne produced decreased 49.9% in 2H 2023 from 1H 2023, reflective of the improved mining performance. The 2023 full year operating expenses per saleable tonne produced for the Group of $293.31 was impacted by the higher costing Bluff mine, which comprised one third of the Group's total production. Due to the large closing inventory on hand at the end of the reporting period, operating expenses have been stated per saleable production tonne rather than per sales tonne basis.

The net inventory movements reflect a significant stock build in 1H 2023, due to delayed shipments leading into the December 2022 period impacted by weather and rail delays, as well as stockpiling coal from Broadmeadow East to prepare for first washing at the Burton CHPP once refurbishment works and commissioning were completed early in 2H 2023.

Other expenses increased by 127.3% in 2H 2023, compared to 1H 2023. The increase was mainly attributable to higher Queensland government and acquisition royalties on the back of increased coal sales, along with additional depreciation and amortisation expense consistent with the investment in property, plant and equipment due to assets brought into service during the year ended 30 June 2023.

The Group's impairment and onerous contracts expense of $35.6 million is a non-cash related expense ($19.1 million impairment and $16.5 million onerous contracts expense) relating to the Bluff mine, following the review of the recoverable value of the Bluff mine (see note 8 to the accompanying audited Consolidated Financial Statements).

Consolidated Group	2H 2023	1H 2023	Change %	Total FY2023
Mining costs	132,120,195	106,406,062	24.2%	238,526,257
Processing costs	12,597,333	8,507,780	48.1%	21,105,113
Transport and logistics	21,768,041	4,645,462	368.6%	26,413,503
Operating expenses	166,485,569	119,559,304	39.2%	286,044,873
Saleable Tonnes Produced (Kt)	717.0	258.2	177.7%	975.2
Operating expenses per Saleable Tonne (A$/t)	**232.19**	**463.04**	**(49.9%)**	**293.31**

Broadmeadow East Mine	2H 2023	1H 2023	Change %	Total FY2023
Mining costs	78,791,143	51,543,406	52.9%	130,334,549
Processing costs	2,285,588	1,577,257	44.9%	3,862,845
Transport and logistics	13,868,738	1,615,557	758.4%	15,484,296
Operating expenses	94,945,469	54,736,220	73.5%	149,681,689
Saleable Tonnes Produced (Kt)	477.1	170.8	179.4%	647.9
Operating expenses per Saleable Tonne (A$/t)	**199.00**	**320.51**	**(37.9%)**	**231.03**

Bluff Mine	2H 2023	1H 2023	Change %	Total FY2023
Mining costs	53,329,052	54,862,656	(2.8%)	108,191,708
Processing costs	10,311,745	6,930,523	48.8%	17,242,268
Transport and logistics	7,899,302	3,029,905	160.7%	10,929,207
Operating expenses	71,540,100	64,823,084	10.4%	136,363,184
Saleable Tonnes Produced (Kt)	239.9	87.4	174.4%	327.3
Operating expenses per Saleable Tonne (A$/t)	**298.21**	**741.44**	**(59.8%)**	**416.59**

CASH FLOW

The Group's net cash outflows of $105.1 million from operating activities were largely impacted by negative working capital, with a significant inventory build due to vessel and coal timing delays, as well as $31.0 million in trade receivables associated with shipments during June 2023 received after year end.

The Group's net cash outflows of $100.4 million from investing activities relates mainly to $22.5 million acquisition payment associated with the Lenton Joint Venture purchase, as well as $67.0 million in capital expenditure for the recommissioning of the Lenton Joint Venture infrastructure, of which $34.0 million was for module 1 of the CHPP, $12.0 million for buildings and infrastructure refurbishment, and start up development costs for Ellensfield South pit $9.4 million.

The Group's net cash flows from financing activities of $181.6 million comprises $131.2 million in proceeds from issues of shares, as well as net $55.8 million in borrowings on the Taurus debt facility.

	Consolidated	
	30 Jun 2023	30 Jun 2022
Net cash at beginning of period	72,520,051	2,997,030
Net cash used in operating activities	(105,142,515)	(19,012,290)
Net cash used in investing activities	(100,363,586)	(32,628,646)
Net cash from financing activities	181,643,585	121,163,957
Effects of exchange rate changes on cash and cash equivalents	287,133	–
Net (decrease)/increase in cash held	(23,575,383)	69,523,021
Net cash at end of period	**48,944,668**	**72,520,051**

REVIEW OF OPERATIONS

FINANCIAL POSITION

At 30 June 2023, the Group's net assets totalled $35.0 million (2022: $70.2 million) which included cash assets of $48.9 million (2022: $72.5 million). In addition to the cash on hand, the Group had $36.5 million in trade receivables and $60.5 million in coal inventories. The Group's net current liability position at year-end is driven mainly by the borrowing facilities with Taurus and New Hope Corporation becoming due and payable in the 12-month period to 30 June 2024.

CAPITAL STRUCTURE

As at 30 June 2023 the Company had 2,110,496,831 ordinary shares, 21,590,913 performance rights, 37,179,000 options and 40,000,000 Convertible Notes on issue.

During the year ended 30 June 2023, the following securities were issued:

- 984,560 Ordinary fully paid shares and 2,165,913 performance rights were issued on 5 July 2022 to Company employees (pursuant to the Company's Employee Equity Incentive Plan);
- 8,875,000 Ordinary fully paid shares following the exercise of performance rights (during August 2022, September 2022, January 2023 and April 2023);
- 765,357 Performance rights were issued on 21 November 2022 to Company employees (pursuant to the Company's Employee Equity Incentive Plan), which were converted to ordinary fully paid shares following the exercise of performance rights in April and May 2023;
- 493,138,405 Ordinary fully paid shares following placements during October 2022 November 2022 and June 2023 (raising $120.7 million);
- 58,823,557 Ordinary fully paid shares following a share purchase plan during June 2023 (raising $10.0 million);
- 5,821,000 Shares issued following rights issue (raising $582,100); and
- 15,000,000 Performance rights were issued on 27 February 2023 to Chief Executive Officer.

DIRECTORS' REPORT

For the year ended 30 June 2023

The Directors of Bowen Coking Coal Limited (the **Company**) present their report together with the financial statements of the Consolidated Entity (the **Group**), being the Company and the entities it controlled, for the period ended 30 June 2023.

DIRECTORS

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

Nicholas Jorss	Executive Chairman
Gerhard Redelinghuys	Executive Director (moved from Managing Director to Executive Director on 27 March 2023 and resigned on 23 August 2023)
Matthew Latimore	Non-Executive Director (resigned on 25 July 2023)
Neville Sneddon	Non-Executive Director
David Conry AM	Non-Executive Director (appointed on 23 June 2023)
Stephen Downs	Alternative Director for Matthew Latimore (appointed on 4 November 2022 and resigned on 25 July 2023)

INFORMATION ON DIRECTORS AND EXECUTIVES

The board has a strong combination of technical, managerial and capital markets experience. Expertise and experience include coal exploration and operations. The names and qualifications of the current directors are summarised as follows:

Nicholas Jorss
Executive Chairman

BE (Hons) Civil, MBA, GDip App Fin (Sec Inst)

Appointment Date:	12 December 2018
Length of Service:	4.5 years
Current ASX Listed Directorships:	Ballymore Resources Limited
Former ASX Listed Directorships:	Nil

Experience and expertise:

Nicholas Jorss was the founding Managing Director of Stanmore Resources Ltd (via St Lucia). Nicholas Jorss served on Stanmore's Board from its formation in June 2008 through to 26 November 2016. He has over 25 years' experience in investment banking, civil engineering, corporate finance and project management. Nicholas Jorss was instrumental in the success of Stanmore Resources Ltd, which currently has a market value of around $1.8 billion. As the Founding Managing Director, Nicholas Jorss led Stanmore's growth from a coal exploration company to a profitable, mid-tier producer. In his prior roles in investment banking (as a director of Pacific Road Corporate Finance) he has been involved in leading advisory mandates with corporate, government and private equity clients across industry sectors ranging from resources to infrastructure.

Prior to this Nicholas Jorss was an engineer with Baulderstone Hornibrook where he delivered significant infrastructure and resource projects over a period of approximately 8 years. Nicholas Jorss is a founding shareholder and Director of St Lucia Resources, Konstantin Resources, Ballymore Resources and Wingate Capital. He was previously a Director of Kurilpa Uranium, Vantage Private Equity Growth, Vantage Asset Management and WICET Holdings Pty Ltd. Nicholas Jorss holds a Bachelor with Honours in Civil Engineering from the University of Queensland, a Master of Business Administration from the University of NSW (AGSM) and a Graduate Diploma of Applied Finance and Investment.

Gerhard Redelinghuys
Executive Director

B. Comm. Acc, Hons, B. Compt, GAICD

Appointment Date:	29 September 2017
Resignation Date:	23 August 2023
Length of Service:	5.9 years
Current ASX Listed Directorships:	Nil
Former ASX Listed Directorships:	Nil

Experience and expertise:

Gerhard Redelinghuys is the Managing Director of Cape Coal and founder of Bowen Coking Coal Ltd, and has 27 years' experience in financial and project development within the mining sector. After studying finance at the University of Pretoria in South Africa, he joined PricewaterhouseCoopers, before commencing his employment with EXXARO Resources Ltd (former ISCOR and KUMBA Resources) in 1995.

Since 1995 he has held various senior management positions in the corporate office, as well as both open cut and underground mining operations in South Africa. He has held directorships in Australia, including the position of Managing Director of Exxaro Australia. In addition to his business analysis experience, Gerhard Redelinghuys has extensive experience in mining project acquisitions and deal making on an international level. He was also the owner's representative on a multi-billion dollar underground coal project in Queensland until 2015 before founding Bowen Coking Coal Ltd. Gerhard Redelinghuys is also a graduate member of the Australian Institute of Company Directors.

Matthew Latimore
Non-Executive Director

Executive Education Program, M.Bus. (Executive), Adv. Dip. of Leadership and Management, B.I.B

Appointment Date:	17 June 2020
Resignation Date:	25 July 2023
Length of Service:	3 years
Current ASX Listed Directorships:	Stanmore Resources Limited, Magnum Mining and Exploration Ltd
Former ASX Listed Directorships:	Nil

Experience and expertise:

Matthew Latimore is the President and Founder of M Resources Pty Ltd, an entity which specialises in marketing coking coal, including hard coking coal, semi hard coking coal, semi soft coking coal and PCI coals for steel manufacturing. Matthew Latimore held the position of General Manager Sales and Marketing for Wesfarmers Curragh mine and was responsible for global sales of Curragh metallurgical coal products to international steel mills and thermal coal to domestic and international power utilities, as well as rail, port, coal quality and finance functions. Matthew Latimore was a Director of Curragh Coal Sales. Prior to joining Wesfarmers in early 2001, Matthew Latimore held various positions with Mitsui & Co (Australia) Pty Ltd.

Neville Sneddon
Independent Non-executive Director

B. Eng (Mining)(Hons), M. Eng, MAusIMM, Grad AICD

Appointment Date:	12 December 2018
Length of Service:	4.7 years
Current ASX Listed Directorships:	Nil
Former ASX Listed Directorships:	Nil

Experience and expertise:

A mining engineer with over 40 years' experience in most facets of the Queensland (QLD) and New South Wales (NSW) resource sectors, and as the recently retired Chairman of Stanmore Resources Ltd, Neville Sneddon brings substantial Board and industry knowledge to the Company. He has developed and operated both underground and open cut mines working for Coal & Allied in the Hunter Valley and from 1997 worked in a senior role in the NSW Mines Inspectorate, covering operations in all forms of mining in the state.

Moving to Queensland in 1999, Neville Sneddon accepted the position of Chief Operating Officer with Shell Coal which was acquired by Anglo American's Australian coal operations the following year. Leaving as CEO in 2007, he held several Board positions with mining and infrastructure companies including Chairman of the operating company at Dalrymple Bay Coal Terminal near Mackay and Director of Port Waratah Coal Services, a major coal export facility at Newcastle. Neville Sneddon has also been a member of the Boards of the QLD, NSW and National Mining Councils. His expertise has been sought by several government committees such as the NSW Mine Subsidence Board, NSW Mines Rescue Board, QLD Ministerial Coal Mine Safety Advisory Committee and the joint federal/state advisory committee.

Neville Sneddon has joined the Company's newly formed Audit & Risk Management and Nomination & Remuneration Committees, and will chair the Nomination & Remuneration Committee.

David Conry AM
Independent
Non-executive Director

Appointment Date:	23 June 2023
Length of Service:	0.2 years
Current ASX Listed Directorships:	Nil
Former ASX Listed Directorships:	Australian Pacific Coal Limited

Experience and expertise:

David Conry AM is an experienced company director and senior executive, who has held several board roles in the private and public sectors and for all three levels of government. David Conry AM has experience in the mining industry, strategy and communication, corporate administration, finance and compliance as well as private and executive interests in investment and advisory services.

Most recently, David Conry AM was Chairman and Chief Executive Officer of Australian Pacific Coal Limited where he oversaw the successful application to extend the mining lease of the company's primary underground asset at Dartbrook in the Hunter Valley. Prior to his retirement from this role the company announced a joint venture that would see the mine work toward recommencing operations from care and maintenance. This, together with complete debt repayment including a $100.0 million recapitalization added significantly to the company's value over the period of his tenure.

David Conry AM has joined the Company's newly formed Audit & Risk Management and Nomination & Remuneration Committees, and will chair the Audit & Risk Management Committee.

Stephen Downs
Alternative Director for
Matthew Latimore
B. Eng (Electrical), MBA

Appointment Date:	4 November 2022
Resignation Date:	25 July 2023
Length of Service:	0.9 years
Current ASX Listed Directorships:	Nil
Former ASX Listed Directorships:	Nil

Experience and expertise:

Stephen Downs is a project management professional with extensive experience delivering mining and large infrastructure projects. In the past 20 years, he has delivered over $1.0 billion in capital projects, regulatory approvals for mining leases and due-diligence reviews on mining assets. Stephen Downs has previously served as Chief Operating Officer M Mining, which is the operator of Millennium Mine.

DIRECTORS' REPORT

Left to right: Duncan Cornish, Mark Ruston and Daryl Edwards

Mark Ruston	*Chief Executive Officer*
Appointment Date:	27 March 2023
Length of Service:	0.4 year

Experience and expertise:

Mark Ruston is a mining executive with over 30 years of experience in coal and metalliferous open pit and underground operations, across Australasia and Africa, both for mining contractors and principals.

Mark Ruston is a highly accomplished executive having recently held General Manager roles for Thiess, Golding Contractors, Baralaba Coal Company and Macmahon Holdings. He has a demonstrated track record of maximising all areas of operational performance, contractor management and new project integration.

He holds a Bachelor of Engineering (Civil) (Monash University), a Graduate Diploma of Mining (University of Ballarat) and a MBA from Latrobe University (Dean's Award – Academic Performance). Mark has also served as an alternate director on the Queensland Resources Council and served on the Monash University Resources Engineering Board.

Daryl Edwards	Chief Financial Officer
Appointment Date:	2 February 2021
Length of Service:	2.5 years

Experience and expertise:

Daryl Edwards is a Chartered Accountant with over 25 years' experience in the mining and manufacturing industries. He has held various executive positions including CEO of a private Australian coal explorer, Pioneer Coal, and CFO and Head of Corporate Development for Universal Coal plc (ASX:UNV) for over 7 years, where he managed the commercialisation of the 4.0 million tonnes per annum (Mtpa) Kangala Colliery and the 3.3Mtpa New Clydesdale Colliery. Previously, Daryl Edwards was CFO at Asenjo Energy, a Botswana-based coal exploration and development company, held privately by Aquila Resources, Sentula Mining and Jonah Capital.

Duncan Cornish	*Company Secretary*
Appointment Date:	1 May 2019
Length of Service:	4.3 years

Experience and expertise:

Duncan Cornish was the founding CFO and Company Secretary for Stanmore Resources Ltd (ASX:SMR), Waratah Coal Ltd (TSX and ASX:WCI) and Cokal Ltd (ASX:CKA) and is a Chartered Accountant with significant experience as a public company CFO and Company Secretary, focused on finance, administration and governance roles. He has more than 20 years' experience in the accountancy profession both in England and Australia, mainly with the accountancy firms Ernst & Young and PricewaterhouseCoopers. He has extensive experience in all aspects of company financial reporting, corporate regulatory and governance areas, business acquisition and disposal due diligence, capital raising, company initial public offerings and company secretarial responsibilities, and has served as CFO and/or Company Secretary of several Australian and Canadian public companies.

INTEREST IN SECURITIES

As at the date of this report, the interests of each (current) director in shares and options issued by the Company are shown in the table below:

Directors	Shares	Options
Nicholas Jorss	53,143,574	10,000,000
Neville Sneddon	7,807,307	3,000,000
David Conry AM	–	–

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board	
	Held	Attended
Nicholas Jorss	11	11
Gerhard Redelinghuys	11	10
Matthew Latimore	11	2
Neville Sneddon	11	11
David Conry AM	–	–
Stephen Downs	7	7

Held: represents the number of meetings held during the time the director held office.

It is noted that the Directors were able to attend to business of the Company during the year by circulated resolution and telephone meetings as permitted by the Company's Constitution in place of conducting meetings.

During the year the Company did not have an audit committee or nomination and remuneration committee. The Board was of the opinion that due to the nature and size of the Company, the functions performed by an audit committee and nomination and remuneration committee can be adequately handled by the full Board. With effect from 1 July 2023 the Board has formed an Audit and Risk Management Committee and Nomination and Remuneration Committee.

PRINCIPAL ACTIVITIES

During the period, the principal continuing activities of the Group consisted of the exploration, development and production activities at the consolidated entity's mining tenements situated in Queensland, Australia, with a primary focus on metallurgical coal.

CORPORATE

Bowen Coking Coal Ltd ACN 064 874 620 was incorporated as an Australian public company limited by shares on 6 July 1994, listing on the Australian Stock Exchange shortly thereafter. The name of the Company was officially changed to Bowen Coking Coal Ltd in 2017.

DIVIDENDS

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

TREASURY POLICY

The Group does not have a formally established treasury function. The Board is responsible for managing the Group's finance facilities. During the period the Group had not undertaken any hedging of any kind and is not currently directly exposed to material currency risks other than exposure to the United States Dollar. The Group is reviewing its strategy to undertake hedging against foreign exchange currency risk.

LIQUIDITY AND FUNDING

Subject to the matters disclosed in note 1 of the consolidated financial statements, the Group anticipates that it has sufficient funds to continue operations, complete mine development activities and to conduct exploration activities, as necessary.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year.

COVID-19 IMPACT

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

10% Sale of BME mine to Formosa

On 11 July 2023, the Company announced the sale by Coking Coal One Pty Ltd (a wholly owned subsidiary of Bowen Coking Coal Limited) of a 10% interest in the Broadmeadow East Mine to MPC Lenton Pty Ltd (MPC), a wholly owned subsidiary of the Formosa Plastics Group. The proposed structure of the transaction will result in the Broadmeadow East (BME) project being transferred into the Burton-Lenton Joint Venture (BLJV) in a cash and royalties transaction. MPC already owns a 10% interest in the Lenton Joint Venture which owns the Burton complex infrastructure and Burton and New Lenton tenements.

The incorporation of BME into the BLJV simplifies increased coal blending options to target specific markets and facilitates a reduction in operational complexity associated with coal processing from the Burton and BME assets, by streamlining the ownership structure.

Consideration to be paid by MPC to BCC for the 10% interest in the BME project is:

- $13.0 million cash on completion of the sale, plus:
- An 'acquisition' royalty of $2.10 per ROM tonne of MPC's 10% share of production from the BME mine on a quarterly basis from the date of economical disposal to 31 December 2026, subject to certain coal price indexes being triggered.

If underground mining is conducted in future at BME, MPC shall pay an underground royalty on a quarterly basis of $5.00 per ROM tonne of MPC's participating interest share of underground production, providing MPC's share of revenue after all costs is at least $5.00 per ROM tonne in that quarter.

The transaction also resulted in MPC paying $20.0 million as a pre-payment of its future contributions to the BLJV, monies which has been received subsequent to reporting date.

Completion of the sale are subject to the usual conditions, including FIRB approval and indicative State Minister for Resources approval.

OTHER EVENTS

On 25 July 2023, the Company announced that Matthew Latimore has tendered a resignation notice, resigning as a Non- Executive Director. As a result Stephen Downs also resigned (as Matthew Latimore's appointed Alternate Director).

On 27 July 2023, the Company announced that Gerhard Redelinghuys has tendered a resignation notice, resigning as an Executive Director. Gerhard Redelinghuys completed a notice period to 23 August 2023.

On 28 August 2023, the Company announced that the Company is working with its lenders to extend the maturity of its senior and subordinated debt facilities. The terms of any potential extension are currently under consideration and subject to further negotiation.

On 28 August 2023, the Company announced that the Bluff mine is currently undergoing a strategic review. The Company is currently in discussion with customers, contractors and other key stakeholders about the future operational stats of mine in the current pricing environment. It is expected that a final decision on the near-term future of the Bluff operations will be forthcoming.

Since 30 June 2023, the following securities were issued:

- 25,489,047 Ordinary fully paid shares were issued on 24 July 2023 raising $4,333,138;
- 9,100,652 performance rights were issued to staff and management (under the Company's Employee and Executive Incentive Plan).

During August 2023, 240,832 performance rights lapsed.

As at the date of this report the Company had 2,135,985,878 ordinary shares, 30,450,733 performance rights, 37,179,000 options and 40,000,000 Convertible Notes on issue.

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

BUSINESS RISKS

The Company identifies and actively manages the material risks and internal control systems. The risk management framework is overseen by Executive and the Board of Directors. The framework assists the organisation to identify, classify, document, manage and report on the risks facing the Company. The perceived likelihood and potential consequence of each risk are used to determine the risk level, which in turn determines the actions required to manage the risk and reporting obligations. The newly formed Audit and Risk Management Committee will ensure relevant risks have been recognised and perform oversight of the risk management systems.

At the front-line operational level, all employees are required and empowered to identify and manage the risks that arise within their area of responsibility. This governance structure supports the Company's risk management framework and enables effective management of material risks.

The prospects of the Group in progressing their exploration and development projects and successfully operating mines may be affected by a number of factors. These factors are similar to most exploration and development companies moving through the exploration phase and advancing projects into development and production. The risks described below are considered to have the greatest potential impact on the Group's ability to successfully execute its strategy, however additional or unknown risks not listed below may also have the ability to impair business operations.

A summary of the significant risks facing the entity include the following:

Potential risks	Description	Current actions to manage
Funding	The Group's ability to effectively transition into a coal producing business may be dependent upon several factors including restructuring of its debt, speed of mine development activities, the ability to manage working capital requirements, delivery of consistent cashflows, successful mining operations, funding of rail and port bonding requirements and/or the successful exploration and subsequent development of the Group's tenements. Should the Group be unable to restructure its debt and should there be significant delays to coal presentation or the planned performance from the mining assets, due to significant weather or market supply shortages in labour or equipment, the Group's available cash to meet its ongoing commitments may be impacted. There is no guarantee that additional funding through debt will be available, or if it is, there is no guarantee that such new funding will be on terms acceptable to the Group. Global markets have been severely constrained in the past, and the ability to obtain new funding or refinance terms may in the future be significantly reduced. Increasingly, financial institutions have made public statements in relation to their unwillingness to finance certain types of coal mines and coal-fired power stations. If the Group is unable to obtain sufficient funding, either due to credit and capital market conditions generally, or due to factors specific to the coal sector, the Group may not have sufficient cash to meet its ongoing capital requirements or the ability to expand its business.	The Group is considering options to restructure its current secured debts and is seeking funding assistance through debt deferral, equity or may conduct an asset sale to ensure the Group can continue as a going concern and meet its debts as and when they fall due. Should these avenues be delayed or fail to materialise, the Group may need to raise additional funding through debt, equity or farm out/sell down to allow the Group to continue to execute its strategy and continue operating as a going concern and meet its debts as and when they fall due. Taking into account, the recent cashflows from sale of coal, the current working capital position of the Group, as well as the Group's historical ability to raise further capital, the Directors believe that the Group will have adequate resources to fund its future operational requirements. The Group's budgeting, forecasting and cashflow reports assist in actively managing funding risks on a day-to-day basis. The Group will monitor market conditions and explore opportunities to diversify funding sources, as well as maintain active engagement with existing and future potential providers of funding.

Potential risks	Description	Current actions to manage
Social License	A number of stakeholders have varying interests in the Group's prospective areas of operations. The ability of the Group to secure and undertake exploration and development activities within those areas is reliant upon the adequate acknowledgement of the interests of those stakeholders and the satisfactory resolution of native title and (potentially) overlapping tenure. Failure to adequately acknowledge and address this risk could negatively impact the operations of the Company, and potentially result in an inability to secure, maintain or renew the regulatory approvals required to continue operations.	To address this risk, the Group develops strong, long term effective relationships with landholders with a focus on developing mutually acceptable access arrangements. This is supported by the Company's induction and training systems which educate personnel as to the stakeholder interests and relevant requirements for access and operations.
Environmental	All phases of mining and exploration present environmental risks and hazards. The Group's operations are subject to environmental regulations pursuant to a variety of state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees.	The Group assesses each of its projects very carefully with respect to potential environmental issues, in conjunction with specific environmental regulations applicable to each project, prior to commencing field exploration, development and operations. Environment Management Systems are established at Corporate and at the operations to assist in monitoring compliance against relevant obligations. Reviews and inspections are undertaken regularly to ensure the controls are operating as designed.
Safety	The Health and Safety of the Group's employees and contracting partners remains of critical importance in the planning, organisation and execution of the Group's exploration, development, and operating activities. Failure to provide adequate Safety and Health management system could lead to the injury of employees and contractors and as a consequence result in financial and reputational losses from the shutdown of operations.	The Group has a Safety and Health Management system which is designed to minimise the risk of an uncontrolled safety and health event and to continuously improve the safety culture within the organisation. The Group is committed to providing and maintaining a working environment in which its people are not exposed to hazards that will jeopardise an employee's health and safety or the health and safety of others associated with the Group's activities.

Potential risks	Description	Current actions to manage
Development and operating	The Group has historically undertaken exploration activities only but during the year advanced towards development and operating activities following restarting of the Bluff mine and through mine development activities at the Burton mining complex and operational start up at Broadmeadow East pit. As a result, there are numerous mine development and operating risks which may result in delayed mine development and/or a reduction in performance that decreases the Group's ability to develop assets on time and on budget and to produce high quality coal to meet customer shipping needs. These risks may result in financial losses and/or cash flow risk to the business.	The Group use highly experienced and reputable contractors and other third parties for exploration, development, mining and other general services, and are reliant on several third parties for the success of the Group's operations and the development of growth projects. While this is normal for the mining industry, problems caused by third parties may arise, which may have an impact on the Group's performance and operations. Executives and senior management closely oversee and manage the operational activities at the Group's projects to ensure that third party providers perform as per expectations, and monitor compliance to the contract. Additionally, the mines maintain operational risk registers which outline their controls for managing the relevant risks and this is communicated to the Board.
Geological	There is a risk of loss of coal resources, and/or material inaccuracies in geological databases and supporting information, as well as changes in geological structures which may negatively impact the Group's mining operations and project financial viability.	Resource and Reserve estimates are prepared by external experts in accordance with the JORC Code 2012 for reporting. Coal Resources are estimated using various assumptions regarding drill spacing and drilling depth, coal quality and other geotechnical constraints. For the reported Resources, some of the deposits are more sensitive to the cost and revenue assumptions used than others due to the characteristics and geological structure of those deposits. Due care is taken with each estimation but is expected to change and become more defined as more detailed planning is undertaken.
Exploration	The results of the exploration activities may be such that the estimated resources are insufficient to justify the financial viability of the projects and therefore impact longevity of activities.	The Group undertakes extensive exploration and product quality testing prior to establishing JORC compliant resource estimates and to (ultimately) support mining feasibility studies. The Group engages external experts to assist with the evaluation of exploration results where required and utilises third party competent persons or suitably qualified senior management of the Group to prepare JORC resource statements. Economic feasibility modelling of projects will be conducted in conjunction with third party experts and the results of which will usually be subject to independent third-party peer review.
Market	In addition to the funding and finance risks noted above, the Group is exposed to market risks relating to commodity prices, interest rates and foreign currency which can result in exploration, development and/or operating assets becoming uneconomical. The Group's exposure to commodity price risk is predominantly changes in metallurgical coal prices, which are driven by various factors, including but not limited to, changes in seaborne supply, geopolitical economic activity, commodity substitution, international demand and contract sales negotiations.	The Group is not of a size to have an influence on coal prices or the exchange rate for Australian Dollars and is therefore a price-taker in general terms, similar to other companies in this industry. The Group sells export coal in United States (US) dollar and is therefore exposed to movements in currency rates. While the Group has not historically entered into mechanisms to hedge against coal price volatility and foreign currency risk, it continuously reviews opportunities to implement such options.

Potential risks	Description	Current actions to manage
Insurance	There is a risk that the policies of financial institutions and various markets with respect to the funding of coal projects, may extend to an unwillingness to provide insurance products to coal producers and associated companies or on terms that are acceptable to the Group. This could result in a material increase in the cost to the Group of obtaining appropriate levels of insurance or the Group being unable to secure adequate insurance cover.	While positive and proactive relationships are maintained with the insurance market, opportunities exist for the Group to continuously monitor the market with respect to insurance products. The Group actively participates in a comprehensive insurance program to ensure assets are insured for appropriate value.

Other risks and opportunities that the Group actively monitors and manages revolve around cyber security and information systems, transportation and logistics, and human resources.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATION

The Group is subject to significant environmental regulations under the (Federal, State and local) laws in Australia. The directors monitor the Group's compliance with environmental obligations. The directors are not aware of any significant compliance breach arising during the year and up to the date of this report.

NATIVE TITLE

Mining tenements that the Group currently holds, may be subject to Native Title claims. The Group has a policy that is respectful of the Native Title rights and will, as required, negotiate with relevant indigenous bodies.

REMUNERATION REPORT (AUDITED)

The report details the nature and amount of remuneration for key management personnel remuneration of the Group. This report forms part of the Director's Report and has been audited in accordance with section 300A of the Corporations Act 2001.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The names of key management personnel of Bowen Coking Coal Ltd who have held office during the financial year are:

Nicholas Jorss	Executive Chairman
Gerhard Redelinghuys	Executive Director (resigned 23 August 2023)
Matthew Latimore	Non-Executive Director (resigned 25 July 2023)
Neville Sneddon	Non-Executive Director
David Conry AM	Non-Executive Director (appointed 23 June 2023)
Stephen Downs	Alternative Director for Matthew Latimore (appointed 4 November 2022 and resigned 25 July 2023)
Mark Ruston	Chief Executive Officer (appointed 27 March 2023)
Daryl Edwards	Chief Financial Officer

Principles used to determine the nature and amount of remuneration

The Group's remuneration policy seeks to align director and executive objectives with those of shareholders and the business, while at the same time, recognising the development and early production stage of the Group and the criticality of funds being utilised to achieve development objectives. The board believes the current policy has been appropriate and effective in achieving a balance of these objectives.

The Group's remuneration policy provides for short-term bonuses, long-term incentives and staff retention to be offered through an employee equity incentive plan. Options, shares or performance rights may be granted under this plan to align directors', executives', employees' and shareholders' interests. Methods used to achieve this include securities that vest upon reaching or exceeding specific predetermined objectives, securities with future vesting dates based on continued employment and options granted with higher exercise prices (than the share price at issue) rewarding share price growth.

During the reporting period, the board of directors was responsible for determining and reviewing the Group's remuneration policy, remuneration levels and performance of both executive and non-executive directors. Independent external advice will be sought when required. During the year the board of directors engaged an independent remuneration consultant, AP Search Pty Ltd, to provide a remuneration benchmarking update. The board of directors are satisfied the report received from AP Search Pty Ltd is free from undue influence from the KMP to whom the remuneration recommendations apply. The report provided input into decision making only. The fees paid to AP Search Pty Ltd for the report were $15,000.

Going forward the newly formed Nomination & Remuneration Committees will ensure that all engagements with independent external remuneration consultants, and recommendations (if any) are free from undue influence. At times, remuneration consultants may be required to interact with management to obtain relevant information required to form any remuneration recommendations. The Chair of the Nomination & Remuneration Committees will have oversight of these interactions.

Performance-based Remuneration

Performance-based remuneration includes both short-term and long-term incentives and is designed to reward key management personnel for reaching or exceeding specific objectives or as recognition for strong individual performance. Short term incentives are available to eligible staff of the Group and may be comprised of cash and/or shares bonuses, determined on a discretionary basis by the board. During the reporting period 948,560 shares and 17,931,270 performance rights which have various vesting conditions (including continuous employment) were issued to staff and management (under the Company's Employee and Executive Incentive Plan). No short-term incentives were made available to staff subsequent to 30 June 2023.

Long-term incentives are currently comprised of share options and performance rights, which are granted from time-to-time to encourage sustained strong performance in the realisation of strategic outcomes and growth in shareholder value.

The exercise price of the options is determined after taking into account the underlying share price performance in the period leading up to the date of grant and if applicable, performance conditions attached to the share options. Subject to specific vesting conditions, each option is convertible into one ordinary share.

The Group's policy for determining the nature and amount of remuneration of board members and key executives is set out below.

Directors

Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is not linked to the performance of the Group. The maximum aggregate amount of fees that can be paid to non-executive directors approved by shareholders is currently $500,000. One-third, by number, of non-executive directors retires by rotation at the Company's Annual General Meeting. Retiring directors are eligible for re-election by shareholders at the Annual General Meeting of the Company. The appointment conditions of the non-executive directors are set out and agreed in letters of appointment.

The Non-executive directors (Matthew Latimore, Neville Sneddon and David Conry AM) receive a total fee of $108,489 including superannuation per annum, while in servicing appointment of office.

Executive

The remuneration structure for executives is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Group.

The executives receive payments provided for under an employment or service agreement, which may include cash, superannuation, short-term incentives and equity-based performance remuneration.

The Company has entered into an employment agreement with Gerhard Redelinghuys, the Company's Executive Director on the following material terms:

- Notice period: The Company must give 3 months' notice to terminate the agreement other than for cause. The parties have come to a mutual agreement to end his employment on 23 August 2023.
- Remuneration: $730,106 including superannuation per annum (effective from 1 October 2022).
- Other industry standard provisions for senior executive of a public listed company are included in the agreement.

The Company has entered an executive services agreement with Nicholas Jorss, the Company's Executive Chairman. The current material terms include:

- Notice period: The Company must give 4 months' notice to terminate the agreement other than for cause. The executive must give 4 months' notice to terminate the agreement.
- Remuneration: $541,106 per annum including superannuation per annum (effective from 1 October 2022).

The Company has entered an executive employment agreement with Mark Ruston, the Company's Chief Executive Officer. The material terms include:

- Notice period: The Company must give 4 months' notice to terminate the agreement other than for cause. The executive must give 4 months' notice to terminate the agreement.
- Remuneration: $700,000 including superannuation per annum.
- Discretionary benefits: Annual cash bonus up to 50% of gross salary (at Board discretion) plus 15.0 million performance rights issued on commencement. Other share-based payments from time to time at the discretion of the Board.
- Other industry standard provisions for senior executive of a public listed company are included in the agreement.

The Company has entered an executive services agreement with Daryl Edwards, the Company's Chief Financial Officer. The material terms include:

- Notice period: The Company must give 4 months' notice to terminate the agreement other than for cause. The executive must give 4 months' notice to terminate the agreement.
- Remuneration: $482,106 including superannuation per annum (effective from 1 October 2022).
- Other industry standard provisions for senior executive of a public listed company are included in the agreement.

Remuneration details of Key Management Personnel

The remuneration of the key management personnel of Bowen Coking Coal Ltd for the year ended 30 June 2023 was as follows:

	Short Term Benefits	Long Term Benefits	Post-Employment	Equity-settled Share-based Payments		
Key Management Personnel	**Salary & Fees $**	**Provision for leave entitlements $**	**Super-annuation $**	**Options/ Rights $**	**Total $**	**Performance related %**
Nicholas Jorss	439,579	–	24,671	–	464,250	–
Gerhard Redelinghuys	620,708	133,019	25,292	–	779,019	–
Matthew Latimore	89,140	–	9,360	–	98,500	–
Neville Sneddon	89,140	–	9,360	–	98,500	–
David Conry AM*	2,048	–	225	–	2,273	–
Mark Ruston**	181,652	18,688	7,685	611,816	819,841	75%
Daryl Edwards	432,139	52,773	25,292	230,363	740,567	31%
	1,854,406	**204,480**	**101,885**	**842,179**	**3,002,950**	

* Represents remuneration from appointment date, 23 June 2023 to 30 June 2023

** Represents remuneration from appointment date 27 March 2023 to 30 June 2023

The remuneration of the key management personnel of Bowen Coking Coal Ltd for the year ended 30 June 2022 was as follows:

	Short Term Benefits	Long Term Benefits*	Post-Employment	Equity-settled Share-based Payments		
Key Management Personnel	**Salary & Fees $**	**Provision for leave entitlements $**	**Super-annuation $**	**Options/ Rights $**	**Total $**	**Performance related %**
Nicholas Jorss	206,061	–	20,606	469,469	696,136	67%
Gerhard Redelinghuys	349,765	44,136	23,568	704,204	1,121,673	63%
Matthew Latimore	53,333	–	5,333	140,841	199,507	71%
Neville Sneddon	53,333	–	5,333	140,841	199,507	71%
Blair Sergeant	7,500	–	–	–	7,500	–
Daryl Edwards	378,208	14,017	11,784	253,974	657,983	39%
	1,048,200	**58,153**	**66,624**	**1,709,329**	**2,882,306**	

* The comparative information was updated to align the disclosure with current year's presentation.

The percentage of equity-based remuneration for persons who were key management personnel of the Group during the year ended 30 June 2023 is set out below:

Key Management Personnel	Proportion of Remuneration Equity Based %	Proportion of Remuneration Salary and Fees %
Nicholas Jorss	–	100%
Gerhard Redelinghuys	–	100%
Matthew Latimore	–	100%
Neville Sneddon	–	100%
David Conry AM	–	100%
Mark Ruston	75%	25%
Daryl Edwards	31%	69%

Company performance, shareholder wealth, and director and executive remuneration

The Company has generated losses as it transitions from principal activity of mineral exploration through to development stages of reaching steady- state production and sales. As the Company transitions from primarily exploration and development stage through to steady-state operations, the link between remuneration, Company performance and shareholder wealth is tenuous. Share prices are subject to the influence of commodity prices and market sentiment towards the sector, and as such, increases and decreases might occur independent of executive performance and remuneration.

The table below sets out information about the Group's earnings and movements in shareholder wealth for the past five years up to and including the current financial year.

	30 Jun 2023	30 Jun 2022	30 Jun 2021	30 Jun 2020	30 Jun 2019
Loss before income tax expense ($)	162,937,109	18,302,414	3,224,368	2,057,812	1,579,050
Share price at year end (cents)	0.16	0.31	0.08	0.05	0.05
Basic loss per share (cents)	9.38	1.39	0.35	0.26	0.26
Total dividends (cents per share)	–	–	–	–	–

Share-based compensation

Issue of shares

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023 are set out below:

Key Management Personnel	Grant & Vesting Date	Shares	Issue price	$
Daryl Edwards	5 July 2022	148,944	$0.23	34,257

This issue was a discretionary award for rewarding past performance.

No shares have been granted to Key Management Personnel since the end of the financial year.

Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2023.

No options have been granted to Key Management Personnel since the end of the financial year.

Performance Rights granted as remuneration

The terms and conditions of each grant of performance right over ordinary shares affecting remuneration of directors and other key management personnel in this financial year are as follows:

Key Management Personnel	Number of Performance rights granted	Grant date	Vesting date	Expiry date	Exercise price	Fair value per right at grant date	Maximum value yet to vest**
Mark Ruston	10,000,000	27/02/2023	31/12/2024	31/12/2025	nil	0.270	2,206,538
Mark Ruston	5,000,000	27/02/2023	31/12/2026	31/12/2027	nil	0.270	1,231,646
Daryl Edwards	4,000,000	01/02/2021	10/01/2023	31/12/2023	nil	0.050	–
Daryl Edwards*	4,000,000	01/02/2021	unvested	31/12/2024	nil	0.050	76,977
Daryl Edwards	99,296	05/07/2022	30/06/2023	30/06/2026	nil	0.230	–
Daryl Edwards	99,296	05/07/2022	30/06/2024	30/06/2026	nil	0.230	11,498
Daryl Edwards	99,296	05/07/2022	30/06/2025	30/06/2026	nil	0.230	15,288

* Vesting dates are based on production milestones, the tranche has not reached the set milestone as at 30 June 2023.

** The maximum value of the rights yet to vest has been determined as the amount of the grant date fair value of the rights that is yet to be expensed.

All performance rights were granted over unissued fully paid ordinary shares in the Company. The number of performance rights granted was determined having regard to the satisfaction of performance measures and weightings as described above in the section ‘Consolidated entity performance and link to remuneration’. Performance rights vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the performance right on vesting date. Performance rights are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such performance rights other than on their potential exercise.

On 27 February 2023, 15.0 million performance rights, in two tranches, were issued to Mark Ruston subject to production milestones. The performance rights are also subject Mark Ruston remaining in continuous employment with the Company to the date the above vesting condition is met. 50% of the Performance Rights will vest upon meeting the condition, and 50% will vest 12 months after meeting the vesting condition.

On 1 February 2021, 12.0 million performance rights, in three equal tranches, were issued to Daryl Edwards subject to production millstones. There are no other vesting conditions on the performance rights besides Daryl Edwards consulting to the Company at a rate of at least three days per week, or being a full-time employee, at the time of vesting of each Milestone. The first 2 tranches have been exercised.

On 5 July 2022, 297,888 performance rights, in three equal tranches, were issued to Daryl Edwards under the Company’s Employee and Executive Incentive Plan with vesting conditions of continuous employment until 30 June 2023, 2024 & 2025 respectively for each tranche.

Values of performance rights over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2023 are set out below:

Key Management Personnel	Value of performance rights recognised during the year $	Value of performance rights lapsed during the year $	Remuneration consisting of performance rights for the year %
Mark Ruston	611,816	–	75%
Daryl Edwards	230,363	–	31%

Shares issued on exercise of performance rights during the year ended 30 June 2023:

Key Management Personnel	Shares issued no.	Paid per share cents
Daryl Edwards	4,000,000	nil

Since financial year end 843,385 performance rights, in three equal tranches, were issued to Mark Ruston under the Company's Employee and Executive Incentive Plan with vesting conditions of continuous employment until 30 June 2024, 2025 & 2026 respectively for each tranche.

Similarly, 568,385 performance rights, in three equal tranches, were issued to Daryl Edwards under the Company's Employee and Executive Incentive Plan with vesting conditions of continuous employment until 30 June 2024, 2025 & 2026 respectively for each tranche.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Key Management Personnel	Balance at 1 July 2022	Received as part of remuneration	Performance rights exercised	Disposals/ other	Balance at 30 Jun 2023
Ordinary shares					
Nicholas Jorss	66,036,882	–	–	(15,000,000)	51,036,882
Gerhard Redelinghuys	62,237,358	–	–	(7,000,000)	55,237,358
Matthew Latimore	234,448,072	–	–	(90,000,000)	144,448,072
Neville Sneddon	7,454,365	–	–	–	7,454,365
David Conry AM	–	–	–	–	–
Stephen Downs	–	–	–	–	–
Mark Ruston	–	–	–	–	–
Daryl Edwards	3,560,000	148,944	4,000,000	(4,696,945)	3,011,999
	373,736,677	**148,944**	**4,000,000**	**(116,696,945)**	**261,188,676**

Options held by Key Management Personnel

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Key Management Personnel	Balance at 1 July 2022	Granted as Compensation	Exercised	Balance at 30 Jun 2023	Vested & Exercisable 30 Jun 2023
Options over ordinary shares					
Nicholas Jorss	10,000,000	–	–	10,000,000	10,000,000
Gerhard Redelinghuys	15,000,000	–	–	15,000,000	15,000,000
Matthew Latimore	6,179,000	–	–	6,179,000	6,179,000
Neville Sneddon	3,000,000	–	–	3,000,000	3,000,000
	34,179,000	**–**	**–**	**34,179,000**	**34,179,000**

Performance Rights held by Key Management Personnel

Details of Performance Rights held directly, indirectly or beneficially by key management personnel during the year ended 30 June 2023 were as follows:

Key Management Personnel	Balance at 1 July 2022	Granted as Compensation	Exercised	Balance at 30 Jun 2023	Vested & Exercisable 30 Jun 2023
Mark Ruston	–	15,000,000	–	15,000,000	–
Daryl Edwards	8,000,000	297,888	(4,000,000)	4,297,888	99,296
	8,000,000	**15,297,888**	**(4,000,000)**	**19,297,888**	**99,296**

Other transactions with key management personnel and their related parties

Bowen Coking Coal Ltd and Marmilu Pty Ltd, an entity controlled by Matthew Latimore formed a 50/50 joint venture via Bowen Coking Coal Marketing Pty Ltd.

Matthew Latimore is the sole Director and owner of M Resources Trading Pty Ltd which is exclusively contracted to provide marketing and logistics services to the Group via the Bowen Coking Coal Marketing joint venture. During the year Bowen Coking Coal Marketing joint venture paid a marketing fee to M Resources Trading Pty Ltd based on 0.75% of the sales revenue.

Bowen Coking Coal Marketing joint venture charges the Group a 1.75% marketing fee on sales of produced coal.

Amounts recognised at the reporting date in relation to other transactions with related parties:

Assets and liabilities	2022 $
Current assets	
Trade receivables from joint venture	31,960,949
Total assets	**31,960,949**
Current liabilities	
Trade payable to joint venture	528,360
Trade payable to M Resources Trading Pty Ltd	68,402
Accrued marketing fee payable to joint venture	565,280
Total liabilities	**1,162,042**
Expenses	
Marketing fee paid and payable to joint venture	4,091,630
Marketing fee paid and payable to M Resources Trading Pty Ltd*	760,862
Total expenses	**4,852,492**

* These expenses related to the 50% of the fees paid by the Group.

Terms and conditions:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest-free and settlements occurs in cash and are presented as part of trade receivable and trade payables as appropriate. They have been no guarantees provided or received from any related party receivable or payables. An assessment of the expect credit losses relating to related party receivables is undertaken upon initial recognition and each financial year by examining the financial position of the related party and the market in which the related party operate applying the general approach of the ECL impairment models of IFRS 9.

This concludes the remuneration report, which has been audited.

DIRECTORS' REPORT

SHARES UNDER OPTION AND PERFORMANCE RIGHTS

Unissued ordinary shares of Bowen Coking Coal Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
30 November 2021	30 November 2024	$0.10	3,179,000
30 November 2021	30 September 2024	$0.25	34,000,000
			37,179,000

At the date of this report, there are 30,450,733 unlisted performance rights on issue, with various vesting conditions and expiry dates.

There have been no unissued shares or interests under option of any controlled entity within the Group during or since reporting date. Option holders do not have any rights to participate in any share issue or other interests in the Company or any other entity.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Bowen Coking Coal Ltd support and, where practicable or appropriate, have adhered to the ASX Principles of Corporate Governance. The Company's Corporate Governance Statement is lodged separately on the ASX and can be found on the Company's website (www.bowencokingcoal.com).

INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount).

No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF ERNST & YOUNG

There are no officers of the Company who are former partners of Ernst & Young.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 32 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 32 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

During the year the following fees were paid or payable for non-audit services to RSM Australia Partners, the previous auditor of the Group:

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Other Services		
Amount paid/payable for preparation and lodgement of QLD stamp duty	34,932	15,000
Amount paid/payable for Long Service Leave Audit	5,932	–
Amount paid/payable for file review	2,100	–
	42,964	**15,000**

AUDITOR'S INDEPENDENCE DECLARATION

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

AUDITOR

Ernst & Young continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Nicholas Jorss
Executive Chairman and Director

4 September 2023

AUDITOR'S INDEPENDENCE DECLARATION

111 Eagle Street
Brisbane QLD 4000 Australia
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Auditor's Independence Declaration to the Directors of Bowen Coking Coal Limited

As lead auditor for the audit of the financial report of Bowen Coking Coal Limited for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

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

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

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

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

Ernst & Young

Ernst & Young

Tom du Preez
Partner
4 September 2023

Bowen Coking Coal Limited
ABN 72 064 874 620

FINANCIAL REPORT

30 June 2023

CONTENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

		Consolidated	
	Note	30 Jun 2023 $	30 Jun 2022 $
REVENUE			
Revenue from contracts with customers	3	204,475,121	11,862,313
Other income	4	5,464,592	–
		209,939,713	**11,862,313**
EXPENSES			
Employee benefits expense	5	(7,972,432)	(1,311,427)
Operating expenses	6	(286,044,873)	(24,000,041)
Other expenses	7	(38,042,253)	(5,158,480)
Net inventory movements		54,175,963	5,999,733
Foreign exchange gains		501,825	–
Depreciation and amortisation expense	18	(12,856,676)	(629,341)
Impairment expense	8	(19,097,657)	–
Onerous contract expense	8	(16,454,000)	–
Royalties expense		(35,142,157)	(2,200,798)
Share-based payments	9	(1,800,752)	(2,164,809)
Operating loss		**(152,793,299)**	**(17,602,850)**
Finance income	10	13,914,595	5,506
Finance expense	11	(25,050,903)	(716,260)
Share of profit from joint ventures	39	992,498	11,190
Loss before income tax expense		**(162,937,109)**	**(18,302,414)**
Income tax expense	12	–	–
Loss after income tax expense for the year attributable to the owners of Bowen Coking Coal Limited	28	**(162,937,109)**	**(18,302,414)**
Other comprehensive income for the year, net of tax		–	–
Total comprehensive loss for the year attributable to the owners of Bowen Coking Coal Limited		**(162,937,109)**	**(18,302,414)**

		Cents	Cents
Basic loss per share	13	(9.38)	(1.39)
Diluted loss per share	13	(9.38)	(1.39)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		Consolidated	
	Note	30 Jun 2023 $	30 Jun 2022 Restated $
ASSETS			
Current assets			
Cash and cash equivalents	14	48,944,668	72,520,051
Trade and other receivables	15	36,514,257	15,088,758
Inventories	16	60,485,170	5,999,733
Other assets	17	4,250,602	2,505,614
Total current assets		150,194,697	96,114,156
Non-current assets			
Trade and other receivables	15	–	255,000
Property, plant and equipment	18	160,309,222	43,449,352
Investments accounted for using the equity method	19	938,688	–
Exploration and evaluation assets	20	10,989,468	10,250,911
Other assets	17	85,364,117	22,632,803
Total non-current assets		257,601,495	76,588,066
Total assets		**407,796,192**	**172,702,222**
LIABILITIES			
Current liabilities			
Trade and other payables	21	120,631,203	31,871,292
Deferred consideration	22	2,500,000	–
Interest bearing loans and borrowings	23,43	130,831,285	48,726,924
Lease liability	24	141,062	53,596
Provisions	25	20,059,715	135,818
Total current liabilities		274,163,265	80,787,630
Non-current liabilities			
Deferred consideration	22	3,844,606	–
Interest bearing loans and borrowings	23	28,021,504	5,817,949
Lease liability	24	280,902	29,201
Provisions	25	66,438,505	15,777,762
Investments accounted for using the equity method	19	–	53,810
Total non-current liabilities		98,585,517	21,678,722
Total liabilities		**372,748,782**	**102,466,352**
Net assets		**35,047,410**	**70,235,870**
EQUITY			
Issued capital	26	261,285,098	134,113,511
Reserves	27	4,726,236	4,149,174
Accumulated losses	28	(230,963,924)	(68,026,815)
Total equity		**35,047,410**	**70,235,870**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

Consolidated	Issued capital $	Share-based payment reserve $	Convertible Note reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2021	63,917,409	755,943	–	(49,724,401)	14,948,951
Loss after income tax expense for the year	–	–	–	(18,302,414)	(18,302,414)
Other comprehensive income for the year, net of tax	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	(18,302,414)	(18,302,414)
Issue of shares	67,948,948	–	–	–	67,948,948
Exercise of options	2,349,740	–	–	–	2,349,740
Issue of Bluff consideration	4,750,000	–	–	–	4,750,000
Conversion of performance shares	261,000	(261,000)	–	–	–
Share-based payments (note 9)	–	2,164,809	–	–	2,164,809
Share issue costs	(5,113,586)	1,489,422	–	–	(3,624,164)
Issue of convertible note as previously reported	–	–	13,210,888	–	13,210,888
Restatement (note 43)	–	–	(13,210,888)	–	(13,210,888)
Balance at 30 June 2022 (Restated)	**134,113,511**	**4,149,174**	**–**	**(68,026,815)**	**70,235,870**

Consolidated	Issued capital $	Share-based payment reserve $	Convertible Note reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2022 (Restated)	134,113,511	4,149,174	–	(68,026,815)	70,235,870
Loss after income tax expense for the year	–	–	–	(162,937,109)	(162,937,109)
Other comprehensive income for the year, net of tax	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	(162,937,109)	(162,937,109)
Issue of Shares	130,666,861	–	–	–	130,666,861
Exercise of options	582,100	–	–	–	582,100
Conversion of performance shares	1,223,690	(1,223,690)	–	–	–
Share-based payments (note 9)	–	1,800,752	–	–	1,800,752
Share issue costs	(5,301,064)	–	–	–	(5,301,064)
Balance at 30 June 2023	**261,285,098**	**4,726,236**	**–**	**(230,963,924)**	**35,047,410**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Note	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Cash flows from operating activities			
Receipts from customers		185,478,434	–
Payments to suppliers and employees (inclusive of GST)		(287,122,823)	(19,017,796)
Interest received		122,323	5,506
Other income		3,592,377	–
Interest and other finance costs paid		(7,212,826)	–
Net cash used in operating activities	44	**(105,142,515)**	**(19,012,290)**
Cash flows from investing activities			
Payments for property, plant and equipment	18	(66,988,661)	(11,623,205)
Payments for exploration and evaluation	20	(292,706)	(3,372,219)
Payments for asset acquisition	22	(22,479,435)	–
Payment for loans to joint venture		–	(122,000)
Payment for exploration costs recoverable from farmee	20	(1,373,404)	(432,610)
Recovered for exploration costs from farmee	20	927,553	1,036,790
Payments for rehabilitation and other deposits		(10,411,933)	(18,115,402)
Receipt for loans to joint venture	15	255,000	–
Net cash used in investing activities		**(100,363,586)**	**(32,628,646)**
Cash flows from financing activities			
Proceeds from issue of shares	26	131,248,962	70,298,688
Share issue transaction costs	26	(5,301,064)	(3,624,164)
Proceeds from Convertible Notes		–	40,000,000
Proceeds from borrowings	23	72,035,415	20,207,252
Financing transaction costs	23	–	(5,662,379)
Repayment of borrowings	23	(16,236,165)	–
Payment of principal portion of lease liabilities	24	(103,563)	(55,440)
Net cash from financing activities		**181,643,585**	**121,163,957**
Net (decrease)/increase in cash and cash equivalents		(23,862,516)	69,523,021
Cash and cash equivalents at the beginning of the financial year		72,520,051	2,997,030
Effects of exchange rate changes on cash and cash equivalents		287,133	–
Cash and cash equivalents at the end of the financial year	14	**48,944,668**	**72,520,051**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 June 2023

NOTE 1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements incorporate Bowen Coking Coal Limited and its Controlled Entities (the 'Group'). Bowen Coking Coal Limited (the 'Company' or 'parent entity') is a listed public company, incorporated and domiciled in Australia.

The Company's registered office and principal place of business are:

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

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

The consolidated financial statements were authorised for issue, in accordance with a resolution of directors, on 4 September 2023. The directors have the power to amend and reissue the financial statements.

BASIS OF PREPARATION

The consolidated financial statements are general purpose financial statements prepared in accordance with the Corporations Act 2001, Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board. Bowen Coking Coal Ltd is a for-profit entity for the purpose of preparing the financial statements. The financial statements are presented in Australian dollars.

Compliance with Australian Accounting Standards ensures that the consolidated financial statements and notes also comply with International Financial Reporting Standards.

The consolidated financial statements have been prepared on an accruals basis and are based on historical cost, modified by the measurement at fair value of certain financial assets and liabilities.

For the current financial year the Group has changed the presentation of its statement of profit or loss and other comprehensive income to categorise costs by nature, rather than function, on the basis that it provides more relevant representation of the Group's operating expenditure incurred given the Group's transition to production during the period. The Group regard this revised presentation as more relevant as it better aligns and enhances comparability with its industry peers. Comparative information has been reclassified on a consistent basis to the current year's presentation format.

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

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

The Group early adopted AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018– 2020 and Other Amendments in the prior financial year. As a consequence of adopting this amendment to Australian Accounting Standards the Group recognises sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost of sales in profit or loss.

ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

To date, there have been no recent accounting pronouncements issued not yet effective that have significance, or potential significance, to the Group's Consolidated Financial Statements.

GOING CONCERN

The consolidated financial statements for the year ended 30 June 2023 have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

For the year ended 30 June 2023 the Group generated a consolidated loss of $162.9 million (2022: $18.3 million) and incurred operating cash outflows of $105.1 million (2022: $19.0 million). As at 30 June 2023 the Group has cash and cash equivalents of $48.9 million (2022: $72.5 million) and net assets of $35.0 million (2022: $70.2 million).

The Group's ability to continue to generate operational cash flows to meet its financial obligations is based on the performance of its operations and those of the mining contractors, as well as the timing and price received for coal sales shipments. The Directors, in their consideration of the appropriateness of the going concern basis for the preparation of the financial statements, have prepared a cash flow forecast through to 30 September 2024 which indicates that, subject to the successful restructure of its debt and other liquidity measures referred to below, the Group will have sufficient cash to continue as a going concern. However, should the Group be unable to restructure its debt and should there be significant delays to coal presentation or the planned performance from the mining assets, due to significant weather or market supply shortages in labour or equipment, the Group's available cash to meet its ongoing commitments may be impacted. In addition, volatility in coal prices realised for coal sales in the forecast may cause operating margins to be constrained. To ensure the Group has sufficient liquidity, the Group is considering options to restructure its current secured debts and will be required to seek funding assistance through debt deferral, equity or conduct an asset sale to ensure the Group can continue as a going concern and meet its debts as and when they fall due.

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

Taking into account the recent cashflows from coal sales, the current working capital position of the Group, as well as the Group's historical ability to raise further capital, the Directors believe that the Group will have adequate resources to fund its future operational requirements and continue as a going concern for at least 12 months after the date that the financial statements are issued.

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

PARENT ENTITY INFORMATION

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 37.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Bowen Coking Coal Limited as at 30 June 2023 and the results of all subsidiaries for the year then ended.

The names of the subsidiaries are contained in note 38. All subsidiaries in Australia have a 30 June financial year end and are accounted for by the parent entity at cost.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

FOREIGN CURRENCY

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

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

GOODS AND SERVICES TAX ('GST') AND OTHER SIMILAR TAXES

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below and where relevant in the respective notes to the financial statements.

These include:

Judgments:

- Recovery of deferred tax assets (note 12)
- Right of use assets (note 18) and liability (note 24)
- Exploration and evaluation (note 20)
- Asset acquisition (note 22)

Estimates and assumptions:

- Provision for impairment of inventories (note 16)
- Recoverability of non-current assets (note 18)
- Unit of production (UOP) depreciation (note 18)
- Asset acquisition (note 22)
- Rehabilitation provision (note 25)
- Provision for onerous contracts (note 25)
- Other long-term employee benefits (note 25)

NOTE 3. REVENUE FROM CONTRACTS WITH CUSTOMERS

ACCOUNTING POLICY

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sale of coal

Revenue from the sale of coal is recognised in the profit or loss when performance obligations have been met, which is deemed to be when control of the coal has been transferred from the Group to the customer. Typically, the transfer of control and the recognition of a sale occurs when the coal passes the ship rail when loading at the port.

As is customary with 'free on board' contracts, parameters such as coal quality and mass are tested using independent experts and weight meters as the vessel is being loaded. The bill of lading is only issued upon verification and confirmation from several parties involved with the logistic and handling process. Once confirmed, the measured parameters form the basis for calculation of final price on the commercial invoice. All customer contracts specify a known price and tolerance range for quality parameters prior to the Group committing to the supply of coal to the customer.

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Sale of coal	204,475,121	11,862,313

NOTE 4. OTHER INCOME

ACCOUNTING POLICY

Other revenue is recognised when it is received or when the right to receive payment is established.

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Rental income	66,600	–
Other income	5,394,855	–
Profit on disposal of lease	3,137	–
	5,464,592	–

NOTE 5. EMPLOYEE BENEFITS EXPENSE

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Salaries & wages	4,871,521	286,450
Directors fees	1,440,270	852,209
Employee benefits	1,660,641	172,768
	7,972,432	1,311,427

NOTE 6. OPERATING EXPENSES

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Mining costs	238,526,257	17,953,819
Processing costs	21,105,113	4,656,321
Transport and logistics	26,413,503	1,389,901
	286,044,873	24,000,041

NOTE 7. OTHER EXPENSES

	Consolidated 30 Jun 2023 $	30 Jun 2022 $
Accounting and audit fees	520,615	136,206
Administration and other expenses	17,762,325	3,926,994
Operational accommodation and travel expenses	13,721,900	116,116
Corporate compliance expenses	2,503,875	661,061
Sales and marketing expenses	3,533,538	318,103
	38,042,253	5,158,480

NOTE 8. IMPAIRMENT EXPENSE

ACCOUNTING POLICY

Refer to note 18.

IMPAIRMENT EXPENSES RECOGNISED IN THE YEAR

During the year, as the result of the Bluff mine not having reached steady-state operations and as result of declining coal prices, the Group carried out a review of the recoverable amount of the Bluff mine. These assets are used in the Group's Mining and sale of coal reportable segment. The Group determined that the carrying value of Bluff mine exceeds its estimated recoverable value. The review led to the recognition of an impairment expense for the year ended 30 June 2023 of $19.1 million, which has been recognised in profit or loss. The recoverable amount of the CGU has been determined on the basis of the CGU's value in use, using discounted future cashflows. The post-tax nominal discount rate used in measuring value in use over the remaining life of the mine (which was less than 5 years) was 10.33% per annum. No impairment assessment was performed for the year ended 30 June 2022, as there was no indication of impairment given the mine had just commenced operations a few months earlier. Management has also assessed future commitments and recognised a $16.5 million onerous contracts expenses which has been recognised in profit or loss (note 25).

As a result of the recoverable amount analysis performed on the Bluff mine during the year, the following impairment losses were recognised:

	Consolidated 30 Jun 2023 $	30 Jun 2022 $
Impairment losses		
Plant and equipment	218,033	–
Mining assets	18,879,624	–
	19,097,657	–

NOTE 9. SHARE-BASED PAYMENTS

ACCOUNTING POLICY

The Group makes equity-settled share-based payments to directors and employees. The fair value of the equity is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using the Black – Scholes option valuation pricing model which incorporates all market vesting conditions. Where applicable, the number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Share-based payment expense recognised during the year:

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Options issued to directors and company secretary[1]	–	1,596,196
Performance rights issued to a consultant[2]	116,317	77,333
Performance rights issued to the Chief Financial Officer[3]	154,377	253,974
Performance rights issued to an employee[4]	220,194	237,306
Employee related bonus shares issued[5]	218,169	–
Performance rights issued to a group of employees[6]	273,233	–
Performance rights issued to another group of employees[7]	206,646	–
Performance rights issued to the Chief Executive Officer[8]	611,816	–
	1,800,752	2,164,809

Notes for the above table are:

1. 34,000,000 options were granted to directors and the company secretary with an exercise price of $0.25 on 30 November 2021. The options vested on 30 November 2021 and expire on 30 September 2024.
2. 12,000,000 performance rights which have various vesting conditions, performance hurdles and expiry dates were granted to a consultant on 16 September 2019.
3. 12,000,000 performance rights which have various vesting conditions, performance hurdles and expiry dates were granted to the Chief Financial Officer on 2 February 2021.
4. 1,500,000 performance rights which have various vesting conditions, performance hurdles and expiry dates were granted to an employee on 13 April 2022.
5. 948,560 shares granted to employees on 5 July 2022.
6. 2,165,913 performance rights which have various vesting conditions linked to continuous employment and expiry date of 30 June 2026 were granted to a group of employees on 5 July 2022.
7. 765,357 performance rights which had a vesting condition, performance hurdles and expiry dated were granted to employees working on the Burton CHPP on 11 November 2022. These performance rights were subsequently exercised in April and May 2023.
8. 15,000,000 performance rights which have various vesting conditions, performance hurdles and expiry dates were granted to the Chief Executive Officer on 27 February 2023.

Set out below are summaries of options granted:

	Number of options 30 Jun 2023	Weighted average exercise price 30 Jun 2023	Number of options 30 Jun 2022	Weighted average exercise price 30 Jun 2022
Outstanding at the beginning of the financial year	43,000,000	$0.22	3,400,000	$0.07
Granted	–	$0.00	64,000,000	$0.18
Exercised	(5,821,000)	$0.10	(24,400,000)	$0.09
Outstanding at the end of the financial year	37,179,000	$0.24	43,000,000	$0.22

Reconciliation of the options at 30 June 2023:

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited	Balance at the end of the year
30/11/2021	30/09/2024	$0.25	34,000,000	–	–	–	34,000,000
30/11/2021	30/11/2024	$0.10	9,000,000	–	(5,821,000)	–	3,179,000
			43,000,000	–	(5,821,000)	–	37,179,000
Weighted average exercise price			$0.22	$0.00	$0.10	$0.00	$0.24

Reconciliation of the options at 30 June 2022:

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited	Balance at the end of the year
30/07/2020	30/09/2023	$0.08	1,300,000	–	(1,300,000)	–	–
11/11/2020	31/12/2022	$0.07	2,100,000	–	(2,100,000)	–	–
31/08/2021	31/08/2024	$0.10	–	21,000,000	(21,000,000)	–	–
30/11/2021	30/09/2024	$0.25	–	34,000,000	–	–	34,000,000
30/11/2021	30/11/2024	$0.10	–	9,000,000	–	–	9,000,000
			3,400,000	64,000,000	(24,400,000)	–	43,000,000
Weighted average exercise price			$0.07	$0.18	$0.09	$0.00	$0.22

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	30 Jun 2023 Number	30 Jun 2022 Number
30/11/2021	30/09/2024	34,000,000	34,000,000
30/11/2021	30/11/2024	3,179,000	9,000,000
		37,179,000	43,000,000

For the options granted in previous financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
30/11/2021	30/09/2024	$0.15	$0.25	70.00%	–	0.87%	$0.05
30/11/2021	30/11/2024	$0.15	$0.10	70.00%	–	0.87%	$0.09

Options granted to directors and employees of the Company (‘Incentive Options’) and brokers in exchange for providing lead manager services and underwriting for a capital raising (‘Broker Options’), are valued at fair value using the Black – Scholes option valuation methodology.

Broker Options vested immediately on issue and the Incentive Options are not subject to any vesting conditions besides each respective holder remaining in continued service to the Company.

Broker Options are recognised as ‘Share issue cost’ in equity and Incentive Options are recognised as ‘Share-based payment’ in profit and loss.

NOTE 10. FINANCE INCOME

ACCOUNTING POLICY

Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Convertible note

Refer to note 23 for accounting policy.

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Interest income, calculated using the effective interest rate method	122,320	5,506
Convertible note, derivative liability fair value adjustment	13,792,275	–
	13,914,595	5,506

NOTE 11. FINANCE EXPENSE

ACCOUNTING POLICY

Finance expense consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Finance expense directly attributable to qualifying assets are capitalised as part of the cost of the respective asset. All other finance costs are expensed in the period in which they are incurred.

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Convertible Note – Interest expense	1,813,779	–
Interest expense*	21,155,802	929,267
Rehabilitation provision unwinding of discount	2,081,322	(213,007)
	25,050,903	716,260

* The majority of the interest expense relate to the Taurus facility and New Hope facility as disclosed in note 23.

NOTE 12. INCOME TAX EXPENSE

ACCOUNTING POLICY

The income tax expense or benefit for the period comprises current income tax expense/income and deferred tax expense/ income. Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/assets are therefore measured at the amounts expected to be paid to/ recovered from the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses. Current and deferred income tax expense/income is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are measured using the full liability balance sheet approach and calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets relating to deductible temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

The Company and its Australian 100% owned controlled entities have formed a tax consolidated Group and are taxed as a single entity. Bowen Coking Limited is the head entity of the tax consolidated group. The separate taxpayer within a group approach has been used to allocate income tax expense to wholly owned subsidiaries that form part of the tax consolidated group. Bowen Coking Limited has assumed all the current tax liabilities and tax losses for the tax consolidated group via intercompany receivables and payables as a tax funding arrangement.

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Income tax expense		
Current tax	–	–
Deferred tax – origination and reversal of temporary differences	–	–
Aggregate income tax expense	–	–
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(162,937,109)	(18,302,414)
Tax at the statutory tax rate of 30%	(48,881,133)	(5,490,724)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	540,226	649,443
Share of profits – joint venture	(297,749)	–
Non-deductible expenses	81,622	1,001,134
Deductible equity raising costs	–	(279,600)
Current year tax losses and temporary differences not recognised	48,557,034	4,123,104
Utilisation of previously unrecognised tax losses	–	(3,357)
Income tax expense	–	–

	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Amounts charged directly to equity		
Deferred tax assets	–	–
Deferred tax assets and liabilities		
Deferred tax asset comprises temporary differences attributable to:		
Employee benefits	231,208	40,745
Provision for onerous contracts	4,936,200	–
Other provisions and accrued expenses	2,727,405	21,966
Tax losses	–	7,478,878
Right of use liability	126,589	–
Provision for rehabilitation	843,364	4,733,328
Other deferred tax assets	2,688,070	959,975
Gross deferred tax assets	11,552,836	13,234,892
Set-off of deferred tax assets	(11,552,836)	(13,234,892)
Net deferred tax assets	–	–

	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Deferred tax liability comprises temporary differences attributable to:		
Exploration an evaluation and mine development assets	(1,149,621)	(4,412,242)
Property, Plant & Equipment	(6,140,122)	(4,825,976)
Right of Use Asset	(125,410)	–
Convertible Note	(4,137,683)	(3,973,560)
Other deferred tax liabilities	–	(23,114)
Gross deferred tax liabilities	(11,552,836)	(13,234,892)
Set-off of deferred tax assets	11,552,836	13,234,892
Gross deferred tax liabilities	–	–

UNUSED TAX LOSSES AND TEMPORARY DIFFERENCES FOR WHICH NO DEFERRED TAX ASSET HAS BEEN RECOGNISED

	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Deferred tax assets have not been recognised in respect of the following using corporate tax rates of:		
Tax Revenue Losses	55,494,097	9,198,043
Tax Capital Losses	1,104,890	1,104,890
Total Unrecognised deferred tax assets	56,598,987	10,302,933

The corporate tax rates on both recognised and unrecognised deferred tax assets and deferred tax liabilities have been calculated with respect to the tax rate that is expected to apply in the year the deferred tax asset is realised or the liability is settled.

KEY JUDGEMENT

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

NOTE 13. EARNINGS PER SHARE

ACCOUNTING POLICY

Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year adjusted for any bonus elements in ordinary shares issued during the year.

Diluted earnings/(loss) per share

Diluted earnings/(loss) per share adjusts the figures used in the determination of basic earnings per share to take into account the loss after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Loss after income tax attributable to the owners of Bowen Coking Coal Limited	(162,937,109)	(18,302,414)
	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	1,736,922,119	1,314,961,259
Weighted average number of ordinary shares used in calculating diluted loss per share	1,736,922,119	1,314,961,259
	Cents	Cents
Basic loss per share	(9.38)	(1.39)
Diluted loss per share	(9.38)	(1.39)

98.5 million options and performance rights are considered potential ordinary shares. Options and performance rights issued are not presently dilutive and were not included in the determination of diluted loss per share for the period.

NOTE 14. CASH AND CASH EQUIVALENTS

ACCOUNTING POLICY

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of less than 3 months.

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Current assets		
Cash at bank	48,944,668	72,474,044
Short-term deposit	–	46,007
	48,944,668	72,520,051

The short-term deposit reflected in the prior year was secured against the Group's guarantee facilities in relation to premises the Group leases for its corporate office under an operating lease. In the current year the bank guarantee was replaced with a cash deposit held directly by the landlord.

NOTE 15. TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICY

Receivables are classified at initial recognition. The classification depends on the receivable's contractual cash flow characteristics and the Group's business model for managing them. In order for a receivable to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding. Trade receivables and other receivables that satisfy the SPPI test are carried at amortised cost using the effective interest method. Except for trade receivables, the Group initially measures a receivable at its fair value plus transaction costs. Trade receivables are initially measured at the transaction price determined in accordance with the accounting policy for revenue.

The Group recognises an allowance for estimated credit losses (ECLs) for all receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. For receivables due in less than 12 months, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The expected credit loss is based on its historical credit loss experience in the past two years, current financial difficulties of the debtor and is adjusted for forward-looking factors specific to the debtor and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Current assets		
Receivable from joint venture entity*	31,960,949	11,587,700
Other receivables	1,869,079	–
GST receivable	2,684,229	3,501,058
	36,514,257	15,088,758
Non-current assets		
Receivable from joint venture entity	–	255,000

* The Group's trade receivables from sales of coal to customers is receivable from the Bowen Coking Coal Marketing Joint Venture, in accordance with the marketing agreement.

ALLOWANCE FOR EXPECTED CREDIT LOSSES

The Group assessed the expected credit losses in relation to trade and other receivables in the current and prior years to be immaterial and no allowance has been recorded.

As at 30 June 2023 no allowance for estimated credit losses has been recognised as it is expected that all receivable amounts will be received in full when due. No impairment expense was recognised in relation to receivables for the 2023 and 2022 financial years. Refer to note 30 on credit risk of trade receivables to understand how the Group manages the credit risk and measures credit quality of trade receivables that are neither past due nor impaired.

NOTE 16. INVENTORIES

ACCOUNTING POLICY

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

Inventories are classified as follows:

- Run-of-mine material (ROM) extracted through the mining process and available for next stage of processing, either on mine or wash plant stockpile.
- Product coal stock which has been processed into final saleable form. Product coal may be held at site, in transit or at port shared stockpile facilities awaiting delivery to customer.

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

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Current assets		
Run-of-mine (ROM) stockpiles (at mine)	16,260,193	1,744,908
Run-of-mine (ROM) stockpiles (at wash plant)	6,979,716	805,384
Coal product stockpiles	36,935,787	3,449,441
Coal inventories	60,175,696	5,999,733
Fuel on hand	309,474	–
Total inventories	60,485,170	5,999,733

During the year, $7.0 million (2022: $nil) was recognised as an expense for inventories carried at net realisable value. This is recognised in Net inventory movements.

Total cost of sales for the year was $220.5 million (2022: $16.6 million), which are costs incurred directly relating to the mining and preparation of coal for sale to customers, and excludes all downstream, logistics and sales and marketing related costs as well as administration and overheads not directly related to production.

KEY ESTIMATES AND ASSUMPTIONS

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience and forecast upcoming sales, estimated costs to complete production and bring the product to sale, the ageing of inventories and other factors that affect inventory obsolescence.

Inventory stockpiles volumes are measured by appropriately qualified persons, applying surveying methodologies, which consider the size and grade of the coal stockpile. The estimated recovery percentage (yields) are based on the expected processing method. In addition, net realisable value tests are performed at each reporting date to ensure coal is valued at lower of cost and NRV. Judgment is applied in estimating the variables noted above.

NOTE 17. OTHER ASSETS

ACCOUNTING POLICY

Other current assets relate to operational costs paid in advance of the period to which the Group will receive the benefit from those goods or services, over the next twelve months.

Non-current assets relate to cash and non-cash security bond payments made to key operational suppliers and for rehabilitation bonding required to be held with Queensland Treasury, which has a credit rating of AA+.

Prepayments are recognised at cost. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Current assets		
Prepayments	4,250,602	2,505,614
Non-current assets		
Prepayments	8,735,186	–
Rehabilitation bonds*	69,769,633	15,209,225
Security deposits	6,807,876	3,107,500
Other receivable	51,422	4,316,078
	85,364,117	22,632,803

* The increase in the period relates primarily to the acquisition of the Burton mining assets and associated rehabilitation bonding required to be held.

ALLOWANCE FOR EXPECTED CREDIT LOSSES

The Group assessed the expected credit losses in relation to trade and other receivables in the current and prior years to be immaterial and no allowance has been recorded.

NOTE 18. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items and in preparing the items for first use, such as installation and transportation cost.

Depreciation is calculated using the below various methods that best represent their expected useful lives:

Buildings and improvements	5 to 15 years
Plant and equipment	3 to 15 years
Mining assets	Unit of production

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are recognised to profit or loss as incurred.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Mine development assets

Exploration and evaluation assets are transferred to 'Mine development assets' once the technical feasibility and commercial viability of extracting the mineral resources supports the future development of the property and such development has been appropriately approved by management. Prior to transferring the exploration and evaluation assets to mine development assets, an impairment test is completed.

Mine development assets represents the costs incurred in preparing mines for production and includes plant and equipment under construction incurred before production commences. These costs are capitalised to the extent they are expected to be recouped through the successful exploitation of the related mining leases. Once production commences, these costs are transferred to property, plant and equipment or mining assets, as relevant.

Mining assets

Once the development phase is complete and production starts, assets included in 'Mine development assets' are transferred to 'Mining assets'.

Amortisation of mining asset, except land, is computed using the units of production method based on the estimated run-of- mine ore included in the life of mine plan to which they relate. Land is not depreciated.

The amortisation is calculated from recoverable proven and probable reserves and a predetermined percentage of the recoverable resource. This percentage is reviewed annually.

Pre-strip costs

In open pit mining operations, it is necessary to perform overburden and waste material extraction to first access the coal and establish mining operation. This process is referred to as stripping and the Group capitalises stripping costs incurred during the development phase of a mine (or pit) as part of the investment in constructing the mine ('pre-strip'). These costs are subsequently amortised over the run-of-mine coal included in the life of mine plan on a units of production basis.

Post-production stripping costs

After the commencement of production, further development of the mine may require a phase of unusually high stripping that is similar in nature to development phase stripping. The cost of such stripping is accounted for in the same way as development phase stripping (Pre-strip costs as outlined above).

Production stripping generally results in the production of inventory and as such the production stripping costs are accounted for as part of the cost of producing those inventories and is charged to the profit and loss as operating costs as incurred. Where there are periods of production stripping that is unusually high and considered to result in improved access to coal to be mined, it is only recognised as a non-current 'stripping activity asset' if the following criteria are met:

- Future economic benefits (being improved access to the coal reserves) and probable
- The component of the coal reserves for which access will be improved can be accurately identified
- The costs associated with the improved access can be reliably measured

If any of the criteria are not met, the production stripping costs are charged to profit or loss as operating costs as they are incurred. If the criteria are satisfied, the stripping activity asset will be amortised on a units of production basis.

Rehabilitation costs

Costs of site restoration are provided over the life of the mining facility from when exploration commences and are capitalised only to extent there is future economic benefit to be recovered. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the exploration and mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation.

Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the Group estimates the asset's recoverable amount using estimated future cash discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. If the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The Group bases its impairment calculation on detailed budgets and forecasts, which are prepared separately for each asset, based on the life-of-mine plans. The estimated cash flows are based on expected future production, coal selling prices, operating costs and forecast capital expenditure, and cash flows beyond five years are based on life-of-mine plans.

Impairment losses of continuing operations, including impairment of inventories, are recognised in the statement of profit or loss and other comprehensive income in those expense categories consistent with the function of the impaired asset.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed either its recoverable amount, or the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the statement of profit or loss and other comprehensive income as other income.

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Non-current assets		
Buildings and improvements – at cost	13,391,815	–
Less: Accumulated depreciation	(677,440)	–
	12,714,375	–
Plant and equipment – at cost	48,122,145	329,653
Less: Accumulated depreciation and impairments	(2,549,593)	(20,824)
	45,572,552	308,829
Right of use assets – at cost	455,887	150,867
Less: Accumulated depreciation	(37,852)	(75,227)
	418,035	75,640
Mine development assets – at cost	79,883,850	20,862,235
Mining assets – at cost	27,360,642	22,761,651
Less: Accumulated depreciation and impairments	(5,640,232)	(559,003)
	21,720,410	22,202,648
	160,309,222	43,449,352

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

RECONCILIATIONS

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

Consolidated	Buildings and improvements $	Plant and equipment $	Right of use asset $	Mine development assets* $	Mining assets* $	Total $
At 1 July 2021	–	8,758	125,930	–	–	134,688
Additions	–	320,120	–	17,204,761	–	17,524,881
Additions through asset acquisition	–	–	–	15,518,395	–	15,518,395
Transfer from exploration & evaluation assets (note 20)	–	–	–	5,629,681	–	5,629,681
Remeasurement of rehabilitation (note 25)	–	–	–	5,271,048	–	5,271,048
Transfer from mine development assets	–	–	–	(22,761,650)	22,761,650	–
Depreciation expense	–	(20,049)	(50,290)	–	(559,002)	(629,341)
At 30 June 2022	**–**	**308,829**	**75,640**	**20,862,235**	**22,202,648**	**43,449,352**
Additions	44,261	590,307	–	66,354,093	–	66,988,661
Additions through asset acquisition (note 22)	–	–	–	22,481,544	–	22,481,544
New lease addition (note 24)	–	–	435,706	–	–	435,706
Transfer from exploration and evaluation assets to mine development assets (note 20)	–	–	–	67,954,974	–	67,954,974
Remeasurement of rehabilitation (note 25)	(340,417)	(3,319,791)	–	(12,403,128)	7,016,654	(9,046,682)
Transfer from mine development assets	13,687,971	50,815,663	–	(85,365,868)	20,862,234	–
Depreciation expense	(677,440)	(2,604,423)	(93,311)	–	(9,481,502)	(12,856,676)
Impairment expense (note 8)	–	(218,033)	–	–	(18,879,624)	(19,097,657)
Balance at 30 June 2023	**12,714,375**	**45,572,552**	**418,035**	**79,883,850**	**21,720,410**	**160,309,222**

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

All property, plant and equipment are encumbered, as disclosed in note 23.

The consolidated entity leases floorspace for its offices. On 29 March 2023, the Company entered a new lease agreement for its head office for a period of three years, with no option to extend. The lease agreement commences on 1 April 2023 with lease payments monthly and a fixed annual increase of 4.00% included in the lease terms.

KEY JUDGEMENT AND ESTIMATES

Recoverability of non-current assets

Impairment assessments require the use of estimates and assumptions such as long-term commodity prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, closure and rehabilitation costs, exploration potential, reserves and operating performance (which includes production and sales volumes). These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or cash generating units (CGUs). In such circumstances, some or all of the carrying amount of the assets/CGUs may be further impaired or the impairment charge reduced with the impact recognised in the statement of profit or loss and other comprehensive income. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (note 8).

Unit of production (UOP) depreciation

Estimated economically recoverable reserves are used in determining the depreciation and/or amortisation of mine-specific assets. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life-of- mine production. The life of each item, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation/amortisation could be impacted to the extent that actual production in the future is different from current forecast production based on economically recoverable reserves, or if future capital expenditure estimates change. Changes to economically recoverable reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- The effect on economically recoverable reserves of differences between actual commodity prices and commodity price assumptions.
- Unforeseen operational issues.

Changes in estimates are accounted for prospectively.

Right of use assets

At the inception of a lease agreement, the group assesses whether a contract contains a lease based on whether the contract conveys the right to use or control the use of an identified asset for a period of time in exchange for consideration. Determining whether there is a right to use or control requires significant judgement in particular assessment of substantive substitution rights.

NOTE 19. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Non-current assets		
Investments accounted for using the equity method	938,688	–

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Non-current liabilities		
Investment accounted for using the equity method	–	53,810

Refer to note 39 for further information on interests in joint ventures.

RECONCILIATION

Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Opening carrying amount	(53,810)	(65,000)
Profit after income tax	992,498	11,190
Closing carrying amount	938,688	(53,810)

NOTE 20. EXPLORATION AND EVALUATION ASSETS

ACCOUNTING POLICY

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 as an asset 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 is 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.

The future recoverability of capitalised exploration and evaluation expenditure is dependent upon a number of factors, including whether the Group decides to develop the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact future recoverability include the level of reserves and resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, the amounts are written off to profit and loss in the period in which the determination is made. When capitalised exploration and evaluation costs are transferred to mine development, it is assessed for impairment.

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Non-current assets		
Exploration and evaluation assets	10,989,468	10,250,911

RECONCILIATIONS

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

Consolidated	Broadmeadow Project $	Hillalong Project $	Isaac River Project $	Burton Project $	Other Projects $	Total $
Balance at 1 July 2021	3,158,727	1,732,160	2,589,780	–	5,167,523	12,648,190
Additions	2,470,954	432,610	696,855	–	16,048	3,616,467
Receipt for exploration costs from farmee	–	(384,065)	–	–	–	(384,065)
Transfer from exploration and evaluation assets to mine development assets (note 18)	(5,629,681)	–	–	–	–	(5,629,681)
Balance at 30 June 2022	**–**	**1,780,705**	**3,286,635**	**–**	**5,183,571**	**10,250,911**
Additions	–	1,373,404	228,077	–	64,629	1,666,110
Additions through asset acquisition (note 22)	–	–	–	67,954,974	–	67,954,974
Transfer from exploration and evaluation assets to mine development assets (note 18)	–	–	–	(67,954,974)	–	(67,954,974)
Receipt for exploration costs from farmee	–	(927,553)	–	–	–	(927,553)
Balance at 30 June 2023	**–**	**2,226,556**	**3,514,712**	**–**	**5,248,200**	**10,989,468**

KEY JUDGEMENT

Exploration and evaluation

Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

The Group performs impairment testing on specific exploration assets as required in AASB 6 para. 20. During current and previous period no impairment indicator was noted.

NOTE 21. TRADE AND OTHER PAYABLES

ACCOUNTING POLICY

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Current liabilities		
Trade payables	32,573,328	12,553,732
Payable to joint venture partner	1,963,151	–
Farm-in funds received in advance	–	927,553
State and private royalties payable	23,648,707	2,465,945
Accrued expenses	61,212,326	15,729,542
Other payables	1,233,691	194,520
	120,631,203	31,871,292

Refer to note 30 for further information on financial instruments.

NOTE 22. ASSET ACQUISITION

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

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

CLASSIFICATION AS AN ASSET ACQUISITION

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

i. the set of assets and activities transferred did not include an organised workforce critical to the ability to develop or convert the mine to production;

ii. there were no strategic management or operational processes in place in relation to production given the mine was in care and maintenance phase only; and the existing mine and areas of exploration required significant investment in order to restart production.

CONSIDERATION AND ROYALTIES PAYABLE

Total consideration payable was as follows:

- Cash consideration of $20.7 million, including completion adjustments; and
- Up to $7.5 million in payments based on the achievement of production or time-based milestone payments, whichever occurs earlier.

Transaction costs incurred in relation to the acquisition were $2.9 million.

In addition there are royalties are payable (refer to note 34).

COST OF ACQUISITION

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

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

* Based on fair value of expected future consideration – at 30 June 2023 the current portion of the liability was $2.5 million and the non-current portion was $3.8 million.

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

During the year ended 30 June 2022, $1.0 million deposit and $224,334 transaction costs were paid and recorded as 'increase in prepayment' in the statement of cash flows. During the year ended 30 June 2023, the balance of the transaction costs and the cash consideration paid totalling $22.5 million.

ALLOCATION OF COST TO ASSETS AND LIABILITIES ACQUIRED

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

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

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

KEY JUDGEMENT AND ESTIMATES

Asset acquisition

The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date.

NOTE 23. INTEREST BEARING LOANS & BORROWINGS

ACCOUNTING POLICY

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Compound financial instruments

The initial carrying value of the host instruments is the residual amount after separating the derivative liability. The derivative liability component is initially recognised at fair value.

Subsequent to initial recognition, the host liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The derivative component of a compound financial instrument is measured at fair value through profit and loss.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Current liabilities		
Taurus facility		
– Loan at amortised cost	75,245,990	8,726,924
Loan – New Hope facility		
– Loan at amortised cost	55,585,295	–
Convertible Notes		
– Host debt contract at amortised cost	–	19,471,637
– Derivative liability (conversion rights) at fair value though profit and loss	–	20,528,363
	130,831,285	48,726,924
Non-current liabilities		
Taurus facility		
– Loan at amortised cost	–	5,817,949
Convertible Notes		
– Host debt contract at amortised cost	21,285,416	–
– Derivative liability (conversion rights) at fair value though profit and loss	6,736,088	–
	28,021,504	5,817,949

Taurus Facility

At 30 June 2023, $77.1 million (US$51.0 million) was drawn down on the Taurus facility and $1.9 million of transaction costs comprising establishment, corporate and legal advisory fees have been offset.

The Taurus Mining Finance Fund No.2, L.P. ('Taurus facility') is senior secured with an aggregate limit of US$55.0 million with the use of proceeds for capital expenditure, general working capital and expenses incurred in recommissioning the Burton CHPP, developing the Burton and Broadmeadow East projects and operating the Bluff Mine. The Taurus facility was structured as an amortisable term loan comprising five equal quarterly repayments over its term of 18 months. The first principal payment was made on 30 December 2022. The Taurus facility has a front-end fee of 2.00% of the facility limit and a coupon rate of 8.00% per annum, in addition the facility attracts a royalty of 0.25% of produced coal sales from the Burton complex and 1.00% of produced coal sales from the Bluff mine the tenement.

On 30 March 2023, the Company and Taurus agreed to an amendment to the facility which deferred the March 2023 and June 2023 quarterly repayments of US$11.0 million each to 31 December 2023 and 31 March 2024, respectively. In addition to the repayment deferments, a further liquidity facility of US$7.0 million at a 10% per annum interest rate was provided, which the Group drew down in June 2023, bringing the total drawn balance on the Taurus facility to US$51.0 million (A$ 77.1 million) at period end. As part of the facility amendment, the royalty payable to Taurus increased from 0.25% to 0.35% on sales of coal from the Burton complex.

Security over the debt facilities involve first ranking security over all assets.

New Hope facility

The Company entered into a new bilateral facility agreement with New Hope Corporation Limited ('New Hope facility'). The New Hope facility is secured on a second ranking basis to the Taurus facility. The New Hope facility has an aggregate limit of $70.0 million with funds drawn accreting by 8.00% per annum up to repayment as a redemption premium and a maximum term of 24 months. The New Hope facility has an interest rate of three-month BBSY plus an initial margin of 8.00% per annum for the first twelve months of the facility and 10.00% per annum for the remainder of its term, in each case payable quarterly or capitalised in certain circumstances.

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

On 23 June 2023, a replacement guarantee was issued by NHC for and on behalf of New Lenton Coal Pty Ltd (a wholly owned subsidiary of Bowen Coking Coal Limited), which effectively reduced the performance bonding facility by $13.7 million. The replacement guarantee resulted from a reduction to the ERC for Burton, following a review of the volumes of actual disturbance and updated cost estimations.

At period end, the performance bonding facility had a balance of $55.6 million ($47.9 million principal and $7.7 million of capitalised interest).

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

Convertible Notes

On 20 June 2022, the Company achieved financial close on a convertible note deed for the issuance of $40.0 million convertible loan notes (Convertible Notes) with the Crocodile Capital 1 Global Focus Fund and the Crocodile Capital Offshore Fund.

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

The Convertible Notes have an interest rate of 3.00% per annum and an initial conversion price of A$0.325 per note. The Company has the ability to capitalise interest to the outstanding convertible loan note balance in lieu of cash at an interest rate of 4.00% per annum. Adjustments to the conversion price include an increase of $0.005 per share every six months commencing one year after financial close, a proportionate reduction should the Company issue shares at a lower price and other adjustments for dividends, capital reductions and other corporate actions. Additional adjustments to the conversion price exist if ordinary shares are issued by the Company at a price lower than the conversion price. There have been two such share issuances in October/November 2022 at $0.30 per share and in June/July 2023 at $0.17 per share (refer to note 26). Accordingly, the conversion price has been amended and is currently $0.300321 per conversion note.

At the date of recognition of the convertible note, a derivative liability was recognised at fair value (refer to note 43). The fair value was determined utilising a Monte Carlo simulation which utilised Level 2 inputs. At 30 June 2023 the remeasurement of the fair value resulted in the recognition of a fair value adjustment of $13.7 million, included in finance income (refer note 10).

NOTE 24. LEASE LIABILITY

ACCOUNTING POLICY

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Current liabilities		
Lease liability	141,062	53,596
Non-current liabilities		
Lease liability	280,902	29,201

	Consolidated	
Reconciliation of movements	30 Jun 2023 $	30 Jun 2022 $
Opening balance	82,797	129,535
New lease addition	435,706	–
Interest expense	10,161	8,702
Profit on disposal of lease	(3,137)	–
Repayments	(103,563)	(55,440)
	421,964	82,797

Refer note 30 for further information on Financial Instruments.

KEY JUDGEMENT

Lease liability

At the inception of a lease agreement, the group assesses whether a contract contains a lease based on whether the contract conveys the right to use or control the use of an identified asset for a period of time in exchange for consideration. Determining whether there is a right to use or control requires significant judgement in particular assessment of substantive substitution rights.

NOTE 25. PROVISIONS

ACCOUNTING POLICY

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

EMPLOYEE BENEFITS

Short-term employee benefit obligations:

Liabilities for wages and salaries, including non-monetary benefits expected to be settled wholly within 12 months after the end of the reporting period in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits:

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense:

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

REHABILITATION PROVISIONS

Rehabilitation costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with the requirements of the mining permits.

The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred up to when the producing mine properties are expected to cease operations. These provisions have been created based on the Group's internal estimates. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions because of changes in laws and regulations, public expectations, prices, discovery and analysis of site conditions and changes in technology to restore the mine sites. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in turn, will depend upon future coal prices, which are inherently uncertain.

Additions through remeasurements of the rehabilitation is included in the cost of the related asset and amortised over the life of the project using the estimated unit of production method and the rehabilitation provision is accreted periodically as the discounting of the liability unwinds. The unwinding of the discount is recorded as a finance cost. Changes in estimates to the rehabilitation cost and discount rate is accounted for prospectively.

The discount rate used in the calculation of the provision at 30 June 2023 equalled 4.03% (2022: 2.73%).

PROVISION FOR ONEROUS CONTRACTS

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Current liabilities		
Employee leave entitlements	664,397	135,818
Rehabilitation provision	2,941,318	–
Provision for onerous contracts	16,454,000	–
	20,059,715	135,818
Non-current liabilities		
Long service leave	106,295	–
Rehabilitation provision	66,332,210	15,777,762
	66,438,505	15,777,762

REHABILITATION PROVISION

Movements in provisions

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

	Consolidated	
Rehabilitation provision	30 Jun 2023 $	30 Jun 2022 $
Carrying amount at the start of the year	15,777,762	201,324
Additions through asset acquisition (note 22)	60,461,126	10,518,397
(Reductions)/Additions through remeasurement of rehabilitation (note 18)	(9,046,681)	5,271,048
Unwinding of discount (note 11)	2,081,322	(213,007)
Carrying amount at the end of the year	69,273,529	15,777,762

KEY ESTIMATES AND ASSUMPTIONS

Rehabilitation provision

The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial result. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

Other long-term employee benefits

The liability for annual leave and long service leave which is not expected to be wholly settled within 12 months of the reporting date is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTE 26. ISSUED CAPITAL

ACCOUNTING POLICY

Ordinary shares are classified as equity. Transaction costs (net of tax where the deduction can be utilised) arising on the issue of ordinary shares are recognised in equity as a reduction of the share proceeds received.

	Consolidated			
	30 Jun 2023 Shares	30 Jun 2022 Shares	30 Jun 2023 $	30 Jun 2022 $
Ordinary shares – fully paid	2,110,496,831	1,542,124,952	261,285,098	134,113,511

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 Jul 2021	978,462,262		63,917,409
Exercise of options	4 Aug 2021	2,100,000	$0.07	147,000
Exercise of options	4 Aug 2021	600,000	$0.08	48,000
Placement	10 Aug 2021	149,253,731	$0.07	10,000,000
Rights Issue	30 Aug 2021	81,763,969	$0.07	5,478,186
Placement	18 Nov 2021	68,750,000	$0.02	11,000,000
Issue of Bluff consideration shares	29 Dec 2021	27,941,177	$0.17	4,750,000
Performance rights conversion	29 Dec 2021	4,000,000	$0.05	200,000
Placement	24 Feb 2022	207,353,813	$0.20	41,470,762
Exercise of options	25 May 2022	21,000,000	$0.10	2,100,000
Exercise of options	25 May 2022	700,000	$0.80	54,740
Performance rights conversion	30 Jun 2022	200,000	$0.31	61,000
Transaction costs associated with share issues				(5,113,586)
Balance	30 Jun 2022	1,542,124,952		134,113,511
Issue of employee shares	5 Jul 2022	948,560	$0.23	218,168
Performance rights conversion	9 Aug 2022	4,000,000	$0.08	332,000
Performance rights conversion	5 Sep 2022	450,000	$0.31	137,250
Placement	27 Oct 2022	253,547,544	$0.30	76,064,263
Placement	30 Nov 2022	29,785,790	$0.30	8,935,737
Performance rights conversion	11 Jan 2023	4,000,000	$0.05	200,000
Exercise of options	16 Feb 2023	5,821,000	$0.10	582,100
Performance rights conversion	13 Apr 2023	425,000	$0.35	129,625
Performance rights conversion	13 Apr 2023	600,484	$0.27	162,131
Performance rights conversion	3 May 2023	109,337	$0.27	29,521
Performance rights conversion	17 May 2023	55,536	$0.27	14,995
Placement	13 Jun 2023	209,805,071	$0.17	35,666,856
Share purchase plan	28 Jun 2023	5,804,557	$0.17	986,775
Share purchase plan	30 Jun 2023	53,019,000	$0.17	9,013,230
Transaction costs associated with share issues				(5,301,064)
Balance	30 June 2023	2,110,496,831		261,285,098

Movements in Unlisted Options

Details	Date	Options	Issue price	Weighted average exercise price $
Balance	1 Jul 2022	43,000,000		9,374,000
Option Exercised	16 Feb 2023	(5,821,000)	$0.08	(499,111)
Balance	30 June 2023	37,179,000		8,874,889

Movements in Performance Rights

Details	Date	Shares	Issue price
Balance	1 Jul 2022	13,300,000	
Issued	5 Jul 2022	2,165,913	$nil
Converted	9 Aug 2022	(4,000,000)	$nil
Converted	5 Sep 2022	(450,000)	$nil
Issued	11 Nov 2022	765,357	$nil
Converted	11 Jan 2023	(4,000,000)	$nil
Issued	27 Feb 2023	15,000,000	$nil
Converted	13 Apr 2023	(425,000)	$nil
Converted	13 Apr 2023	(600,484)	$nil
Converted	3 May 2023	(109,337)	$nil
Converted	17 May 2023	(55,536)	$nil
Balance	30 June 2023	21,590,913	

Refer note 9: Share-based payments for more details on Options and Performance Rights.

Ordinary shares

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

Capital Management

For the purpose of the Group's capital management, capital includes issued capital, interest bearing loans and borrowings and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise the shareholder's value.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to its interest-bearing loans and borrowings that form part of its capital structure requirements. Breaches in the financial covenants would permit the lender to immediately call interest bearing loans and borrowings. There have been no breaches in the financial covenants of any interest bearing loans and borrowings in the current or prior period. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the requirements of the financial covenants.

There have been no changes to the capital management policies during the year.

NOTE 27. RESERVES

	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Share-based payment reserve	4,726,236	4,149,174

Movements in reserves

Movements in each class of reserve during the current financial year are set out below:

Consolidated	$
Balance at 1 July 2022	4,149,174
Share-based payment	1,800,752
Conversion of performance shares	(1,223,690)
Balance at 30 June 2023	4,726,236

The share-based payment reserve is used to recognise the fair value of options and performance shares issued to directors, employees and consultants. This reserve can be reclassified as retained earnings if options lapse or performance hurdles attached to the performance rights are not achieved.

NOTE 28. ACCUMULATED LOSSES

	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Accumulated losses at the beginning of the financial year	(68,026,815)	(49,724,401)
Loss after income tax expense for the year	(162,937,109)	(18,302,414)
Accumulated losses at the end of the financial year	(230,963,924)	(68,026,815)

NOTE 29. DIVIDENDS

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

NOTE 30. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial instruments comprises cash balances, receivables and payables, loans and convertible notes. The main purpose of these financial instruments is to provide finance for Group operations.

TREASURY RISK MANAGEMENT

Key executives of the Group meet on a regular basis to analyse exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management is responsible for developing and monitoring the risk management policies and reports to the board.

FINANCIAL RISKS

The main risks the Group is exposed to through its financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and equity risk. These risks are managed through monitoring of forecast cash flows, interest rates, economic conditions and ensuring adequate funds are available.

MARKET RISK

Foreign currency risk

The Australian dollar is the functional currency of the Group and as a result, currency exposure arises from transactions and balances in currencies other than Australian dollar.

The Group potential currency exposure comprise:

- Coal sales are denominated in United States (US) dollar. The Group is therefore exposed to volatility in the US$:A$ exchange rates. The Group generally aligns all coking coal prices to relevant coking coal indexes. The Group has not used any derivative products to mitigate fluctuations in the relevant coal price indexes or US$:A$ exchange rates.
- The Group has fully drawn down on its US$51.0 million finance facility with Taurus. As noted above, the Group's coal sales are denominated in US$, which provides a natural economic hedge in relation to adverse foreign currency movements that affect the drawn down facility position and the current policy is not to hedge foreign exchange risk.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	30 Jun 2023 A$	30 Jun 2022 A$	30 Jun 2023 A$	30 Jun 2022 A$
US dollars denominated	–	–	–	–
Cash and cash equivalents	1,511,461	19,141,150	–	–
Trade and other receivable	32,940,999	11,587,700	–	–
Trade and other payables	–	–	(528,360)	–
Loans – Taurus facilities	–	–	(77,109,162)	(20,207,253)
	34,452,460	30,728,850	(77,637,522)	(20,207,253)

The Group had net liabilities denominated in foreign currencies of US$28.3 million (assets of US$23.1 million less liabilities of US$51.3 million as at 30 June 2023 (2022: US$7.7 million (assets of US$21.7 million less liabilities of US$14.0 million). Based on this exposure, had the Australian dollars weakened by 5%/strengthened by 5% (2022: weakened by 10%/strengthened by 10%) against these foreign currencies with all other variables held constant, the Group's profit before tax for the year would have been A$2.3 million lower/A$2.1 million higher (2023: A$1.2 million lower/A$981,054 higher) and equity would have been A$1.6 million lower/A$ 1.4 million higher (2022: A$397,585 lower/A$686,738 higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 3 months each year and the spot rate at each reporting date. The foreign exchange gain for the year ended 30 June 2023 was A$509,787 (2022: A$1,407).

Price risk

The Group's exposure to commodity price risk is predominantly changes in coal prices, which impacts the royalty expense on the Taurus debt facility. Coal prices are driven by various factors, including but not limited to, changes in seaborne supply, geopolitical economic activity, commodity substitution, international demand and contract sales negotiations. Currently, the Group does not hedge against coal price volatility.

Interest rate risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's cash flows or fair value will fluctuate as a result of changes in market interest rates, arises in relation to the Group's bank balances, debt facilities and the derivative liability (conversion rights). The risk of fluctuation in interest rates on bank balances and New Hope facility is managed through the use of variable interest rate while the interest rate risk on the Taurus debt facility and Convertible Note are managed through the interest rate on these facilities being fixed.

	Basis points increase			Basis points decrease		
Consolidated – 30 June 2023	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Australian Dollar-denominated cash balances	200	905,770	634,039	200	(905,770)	(634,039)
US Dollar-denominated cash balances	200	30,229	21,160	200	(30,229)	(21,160)
Australian Dollar-denominated loan balances	200	(1,246,427)	(872,499)	200	1,246,427	872,499
		(310,428)	(217,300)		310,428	217,300

	Basis points increase			Basis points decrease		
Consolidated – 30 June 2022	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Australian Dollar-denominated cash balances	200	1,062,378	743,665	200	(1,062,378)	(743,665)
US Dollar-denominated cash balances	200	388,223	271,756	200	(388,223)	(271,756)
		1,450,601	1,015,421		(1,450,601)	(1,015,421)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, Queensland Government Authorities and financial institutions, foreign exchange transactions and other financial instruments and sale of coal to customers.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is their carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk is managed and reviewed regularly by key executives. The key executives monitor credit risk by actively assessing the rating quality and liquidity of counterparties:

- only banks, financial institutions and Queensland Government Authorities with an 'A' rating are utilised for banking transactions and financial surety for rehabilitation;
- sales to customers are governed by trade finance instruments such as letters of credit and on open credit to creditworthy customers, and
- all other entities are rated for credit worthiness taking into account their size, market position and financial standing.

The below table summarises the assets which are subject to credit risk:

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Cash and cash equivalents	48,944,668	72,520,051
Trade and other receivables	36,514,257	15,088,758
Security deposit	76,577,509	18,316,725
Loans to related parties	–	255,000
	162,036,434	106,180,534

Trade and other receivables

Customer credit risk is managed by Marketing Co subject to the Group's established policy, procedures and control relating to customer credit risk management. The Group trades only with recognised creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures, Sales transactions are secured by letters of credit when deemed appropriate. Individual credit limits are defined in accordance with this assessment. In addition, outstanding receivable balances are regularly monitored on an ongoing basis, with the result that the Group's exposure to credit-impaired balances and bad debts is not considered to be a significant risk.

At 30 June 2023, the Group had two customers (2022: one customer) that each owed the Group more than US$10.0 million and accounted for approximately 71% (2022: 100%) of all receivables owing.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Liquidity risk

Liquidity risk is the risk that the Group will not be able meet its financial obligations as they fall due. This risk is managed by ensuring, to the extent possible, that there is sufficient liquidity to meet liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's activities are funded from cash flow generated from operations as well as from capital raise proceeds and debt facilities for project financing and capital investment. Refer to note 23 for information on borrowings.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated – 30 June 2023	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	–	120,631,203	–	–	–	120,631,203
Deferred consideration	9.60%	2,500,000	2,500,000	2,500,000	–	7,500,000
Interest bearing – fixed rate						
Lease liability	–	141,062	163,163	127,490	–	431,715
Interest bearing loans and borrowings	–	130,831,285	–	–	38,506,104	169,337,389
Total non-derivatives		254,103,550	2,663,163	2,627,490	38,506,104	297,900,307

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Equity price risk

Equity price risk is the risk of changes in fair value due to changes in the share prices.

The Convertible Notes are convertible into fully ordinary paid shares in Bowen Coking Coal Ltd at maturity date (20 June 2027) or earlier if redeemed or converted in accordance with their terms and conditions, and may be for a higher number of shares issued than originally anticipated, due to various actions undertaken by the Group which impact the Convertible Note's conversion price. Refer to note 23 for information on borrowings.

Fair value of financial instruments

At 30 June 2023 the carrying value of financial instruments approximated the fair values of financial assets and liabilities. This is on the basis that the effective interest rates are considered to approximate a market rate for these instruments.

NOTE 31. KEY MANAGEMENT PERSONNEL DISCLOSURES

DIRECTORS

The following persons were directors of Bowen Coking Coal Limited during the financial year:

Nicholas Jorss	
Gerhard Redelinghuys	Resigned on 23 August 2023
Matthew Latimore	Resigned 25 July 2023
Neville Sneddon	
David Conry AM	Appointed 23 June 2023
Stephen Downs	Appointed 4 November 2022 and resigned 25 July 2023

OTHER KEY MANAGEMENT PERSONNEL

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, during the financial year:

Mark Ruston	*Chief Executive Officer*
Daryl Edwards	*Chief Financial Officer*

COMPENSATION

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Short-term employee benefits	1,854,406	1,048,200
Long-term benefits	204,480	58,153
Post-employment benefits	101,885	66,624
Share-based payments	842,179	1,709,329
	3,002,950	2,882,306

Refer to note 36 for other transactions with key management personnel. The comparative information was updated to align the disclosure with current year's presentation.

NOTE 32. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the Company, and its network firms as well as to RSM Australia Partners, the Company's prior auditors:

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Audit services – Ernst & Young		
Amount paid/payable for audit and review of the financial statements	195,000	–
Audit services – RSM Australia Partners		
Amount paid/payable for audit and review of the financial statements	49,745	99,000
Other services – RSM Australia Partners		
Amount paid/payable for preparation and lodgement of QLD stamp duty	34,932	15,000
Amount paid/payable for Long Service Leave Audit	5,932	–
Amount paid/payable for file review	2,100	–
	42,964	15,000
	92,709	114,000

NOTE 33. CONTINGENT ASSETS

There were no contingent assets as at 30 June 2023.

NOTE 34. CONTINGENT LIABILITIES

BROADMEADOW EAST PROJECT (ML 70257)

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

BLUFF PCI COAL PROJECT (ML 80194, EPC 1175, EPC 1999)

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

Base Royalty payable: if Benchmark price for the quarter is more than USD$120/tonne, the royalty applicable is $2/tonne on all coal produced and sold from ML 80194, EPC 1175 and EPC 1999, subject to a maximum amount payable of $10.0 million;

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

On the 6 July 2023 the Group, MACA Ltd and Nolec TC Pty Ltd as trustee for the Carbon Royalty Trust No. 2 signed a Deed of Novation – Royalty Deed, as a result the royalty above will be paid to Nolec TC Pty Ltd going forward.

NEW LENTON COAL PTY LTD (WHICH OWNS A 90% INTEREST IN THE LENTON JOINT VENTURE)

As part of the Company's acquisition of 100% of the shares in New Lenton Coal Pty Ltd from New Hope Corporation Limited in July 2022 (refer to note 22), consideration payable included a contingent item being payment of royalties as follows:

- A non-indexed royalty of 90% of coal sold (expressed in metric tonnes) by or on behalf of the Lenton Joint Venture multiplied by a royalty rate of A$0.55 per metric tonne, capped at A$16.0 million;
- Average Price Royalty; A non-indexed royalty of 90% of coal sold (expressed in metric tonnes) by or on behalf of the Lenton Joint Venture multiplied by a royalty rate of A$0.00 per metric tonne where the Benchmark Price is equal to or less than USD$160 per metric tonne or multiplied by a royalty rate of A$1.65 per metric tonne where the Benchmark Price is more than USD$160 per metric tonne, capped at A$24.0 million; and
- High Price Royalty; A non-indexed royalty of 90% of coal sold (expressed in metric tonnes) by or on behalf of the Lenton Joint Venture multiplied by a royalty rate of A$0.00 per metric tonne where the Benchmark Price is equal to or less than USD$190 per metric tonne or multiplied by a royalty rate of A$3.30 per metric tonne where the Benchmark Price is more than USD$190 per metric tonne, capped at A$30.0 million.

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

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

NOTE 35. COMMITMENTS

EXPLORATION COMMITMENTS

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

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	502,000	362,106
One to five years	780,500	862,500
More than five years	–	25,000
	1,282,500	1,249,606

CAPITAL COMMITMENTS

At 30 June 2023 the Group had $5.7 million in capital purchase commitments.

NOTE 36. RELATED PARTY TRANSACTIONS

PARENT ENTITY

Bowen Coking Coal Limited is the parent entity.

SUBSIDIARIES

Interests in subsidiaries are set out in note 38.

JOINT VENTURES

Interests in joint ventures are set out in note 39.

JOINT OPERATIONS

Interests in joint operations are set out in note 40.

KEY MANAGEMENT PERSONNEL

Disclosures relating to key management personnel are set out in note 31.

TRANSACTIONS WITH RELATED PARTIES

Bowen Coking Coal Ltd and Marmilu Pty Ltd, and entity controlled by Matthew Latimore formed a 50/50 joint venture via Bowen Coking Coal Marketing Pty Ltd.

Matthew Latimore is the sole Director and owner of M Resources Trading Pty Ltd which is exclusively contracted to provide marketing and logistics services to the Group via the Bowen Coking Coal Marketing joint venture. During the year Bowen Coking Coal Marketing joint venture paid a marketing fee to M Resources Trading Pty Ltd based on 0.75% of the sales of coal.

Bowen Coking Coal Marketing joint venture charges the Group a 1.75% marketing fee on sales of produced coal.

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Payment for goods and services:		
Marketing fee paid and payable to joint venture	4,091,630	249,648
Marketing fee paid and payable to M Resources Trading Pty Ltd*	760,862	53,496
Total expenses	4,852,492	303,144

* These expenses related to the 50% of the fees paid by the Group.

RECEIVABLE FROM AND PAYABLE TO RELATED PARTIES

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Current receivables:		
Trade receivables from joint venture	31,960,949	11,587,700

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Current payables:		
Trade payables to joint venture	528,360	–
Trade payables to M Resources Trading Pty Ltd	68,402	–
Accrued marketing fees payable to joint venture	565,280	249,648
	1,162,042	249,648

LOANS TO/FROM RELATED PARTIES

There were no loans to or from related parties at the current reporting date.

At the end of the previous reporting date there was a loan of $255,000 to the Bowen Coking Coal Marketing joint venture, which was fully repaid in the current period.

TERMS AND CONDITIONS

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest-free and settlements occurs in cash and are presented as part of trade receivable and trade payables as appropriate. They have been no guarantees provided or received from any related party receivable or payables. An assessment of the expect credit losses relating to related party receivables is undertaken upon initial recognition and each financial year by examining the financial position of the related party and the market in which the related party operate applying the general approach of the ECL impairment models of IFRS 9.

NOTE 37. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Bowen Coking Coal Ltd at 30 June 2023. This information has been prepared using consistent accounting policies as presented in note 1.

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as follows:

- Investments in subsidiaries, associates and joint ventures are accounted for at cost less any impairment.

Set out below is the supplementary information about the parent entity.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Parent	
	30 Jun 2023 $	30 Jun 2022 $
Loss after income tax	(173,666,574)	(8,646,339)
Total comprehensive loss	(173,666,574)	(8,646,339)

STATEMENT OF FINANCIAL POSITION

	Parent	
	30 Jun 2023 $	30 Jun 2022 $
Total current assets	23,960,994	66,629,105
Total assets	195,673,449	140,712,063
Total current liabilities	132,511,720	45,405,405
Total liabilities	160,912,600	60,033,290
Equity		
Issued capital	261,285,098	134,113,511
Share-based payment reserve	4,726,235	4,149,174
Accumulated losses	(231,250,484)	(57,583,912)
Total equity	34,760,849	80,678,773

GUARANTEES ENTERED INTO BY THE PARENT ENTITY IN RELATION TO THE DEBTS OF ITS SUBSIDIARIES

The parent entity had no guarantees in relation to the debts of its subsidiaries.

CONTINGENT LIABILITIES

The parent entity had no contingent liabilities, other than the transactions described in note 34.

CAPITAL COMMITMENTS – PROPERTY, PLANT AND EQUIPMENT

The parent entity had no capital commitments for property, plant and equipment, other than the transactions described in note 35.

The Company and its Australian controlled entities have formed a tax consolidated Group as at the date of this report.

NOTE 38. INTERESTS IN SUBSIDIARIES

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

		Ownership interest	
Name	Principal place of business/ Country of incorporation	30 Jun 2023 %	30 Jun 2022 %
Bowen PCI Pty Ltd	Australia	100.00%	100.00%
Coking Coal One Pty Ltd	Australia	100.00%	100.00%
New Lenton Coal Pty Ltd	Australia	100.00%	–
Lenton Management and Marketing Pty Ltd	Australia	90.00%	–
Cabral Metais Ltd (dormant)	Brazil	100.00%	100.00%

NOTE 39. INTERESTS IN JOINT VENTURES

ACCOUNTING POLICY

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the Group's policy.

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

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

Information relating to joint ventures that are material to the Group are set out below:

Name	Principal place of business/ Country of incorporation	Ownership interest 30 Jun 2023 %	Ownership interest 30 Jun 2022 %
Bowen Coking Coal Marketing Pty Ltd	Australia	50.00%	50.00%

SUMMARISED FINANCIAL INFORMATION

	30 Jun 2023 $	30 Jun 2022 $
Summarised statement of financial position		
Cash and cash equivalents	565,674	–
Trade and other receivables	33,571,832	14,265,609
Total assets	34,137,506	14,265,609
Trade and other payables, including tax liabilities	32,260,136	14,118,229
Other current liabilities	–	255,000
Total liabilities	32,260,136	14,373,229
Net assets/(liabilities)	1,877,370	(107,620)
Reconciliation of the Group's carrying amount		
Group's share in equity – 50%	938,688	(53,810)
Group's carrying amount of the investment (note 19)	**938,688**	**(53,810)**

	30 Jun 2023 $	30 Jun 2022 $
Summarised statement of profit or loss and other comprehensive income		
Revenue	4,002,708	249,648
Operating expense	(1,521,724)	(226,992)
Other expenses	(55,165)	(276)
Profit before income tax	2,425,819	22,380
Income tax expense	(440,823)	–
Profit after income tax expense for the year	1,984,996	22,380
Total comprehensive income for the year	1,984,996	22,380
Group's share of the profit for the year (note 19)	**992,498**	**11,190**

CONTINGENT LIABILITIES

There are no significant contingent liabilities.

COMMITMENTS

There are no significant commitments.

SIGNIFICANT RESTRICTIONS

There are no significant restrictions.

DISTRIBUTIONS

The joint venture must, unless the Board determine otherwise, pay a dividend every financial year out of the funds of the funds of the joint venture available for distribution under the Corporation Act, less certain allowances, having regard to prudent financial management and relevant taxation considerations.

NOTE 40. INTERESTS IN JOINT OPERATIONS

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

		Ownership interest	
Name	Principal place of business/ Country of incorporation	30 Jun 2023 %	30 Jun 2022 %
Hillalong Joint Venture (un-incorporated)	Australia	85.00%	85.00%
New Lenton Joint Venture (un-incorporated)	Australia	90.00%	–

NOTE 41. OPERATING SEGMENTS

ACCOUNTING POLICY

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors.

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

IDENTIFICATION OF REPORTABLE OPERATING SEGMENTS

The Group operates in one geographical location being Australia and its operations are organised into two business units from which the Group's expenses are incurred and revenues are earned, being for the exploration and development of coal and mining and sale of coal, which align to the table below.

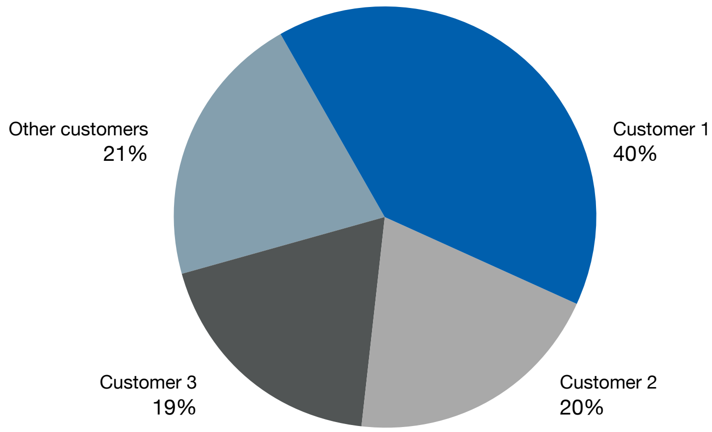
The non-current assets included in the exploration and development of coal are associated with coal projects located in Queensland, Australia. All corporate (unallocated) expenditure, assets and liabilities relate to incidental operations carried out in Australia. Liabilities included within Corporate are the Group's borrowings.

Transfer prices between operating segments are on an arm's-length basis in a manner similar to transactions with third parties.

MAJOR CUSTOMERS

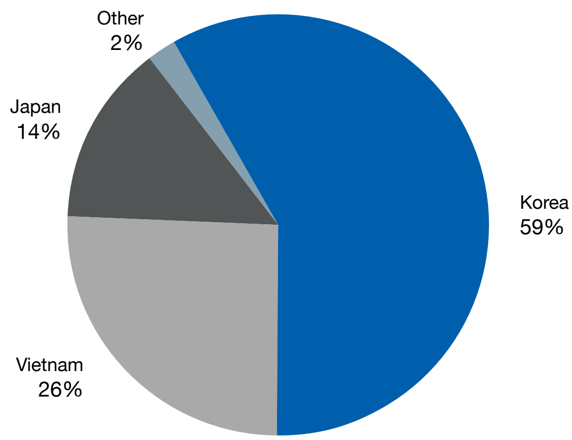
The following chart summarises any customer to whom it sells export coal whose revenue individually represented 10% or more of the Group's total revenue in the years ended 30 June 2023:

Total Revenue



The following chart presents revenues as a percent of total revenue from external customers by geographic region:

Geographic Region



During the year ended 30 June 2022, 100% of the Group's coal sales revenue was derived from a single sale of coal, with only the Bluff mine in operation at that time.

OPERATING SEGMENT INFORMATION

As at – 30 June 2023	Mining and sale of coal $	Exploration and development of coal $	Corporate (Unallocated) $	Total $
Revenue				
– from contracts with customers	204,475,121	–	–	204,475,121
Other income	5,461,456	–	3,136	5,464,592
Total Revenue	**209,936,577**	**–**	**3,136**	**209,939,713**
Expenses				
Employee benefits expense	(632,131)	(2,618,624)	(4,721,677)	(7,972,432)
Operating expenses	(286,044,873)	–	–	(286,044,873)
Other expenses	(10,523,120)	(22,532,529)	(4,986,604)	(38,042,253)
Net inventory movements	54,175,963	–	–	54,175,963
Foreign exchange gains	3,059,987	–	(2,558,162)	501,825
Depreciation and amortisation expense	(9,542,472)	(3,196,386)	(117,818)	(12,856,676)
Impairment expense	(19,097,657)	–	–	(19,097,657)
Onerous contract expense	(16,454,000)	–	–	(16,454,000)
Royalties expense	(35,142,157)	–	–	(35,142,157)
Share-based payments	–	–	(1,800,752)	(1,800,752)
Finance income	240	3,010	13,911,345	13,914,595
Finance expense	(628,471)	(1,725,007)	(22,697,425)	(25,050,903)
Share of profit from joint ventures	992,498	–	–	992,498
Loss before income tax expense	**(109,899,616)**	**(30,069,536)**	**(22,967,957)**	**(162,937,109)**
Income tax expense	–	–	–	–
Loss after income tax expense for the year	**(109,899,616)**	**(30,069,536)**	**(22,967,957)**	**(162,937,109)**
For the period ended 30 June 2023				
Property, plant and equipment	21,729,070	138,049,313	530,839	160,309,222
Investments accounted for using the equity method	938,688	–	–	938,688
Exploration and evaluation assets	–	10,898,468	–	10,898,468
Other assets	81,359,140	4,004,977	–	85,364,117
Total non-current assets	104,026,898	152,952,758	530,839	257,510,495
Total assets	**205,405,677**	**175,750,330**	**26,640,185**	**407,796,192**
Total liabilities	**(125,863,930)**	**(131,225,946)**	**(115,658,906)**	**(372,748,782)**

As at – 30 June 2022	Mining and sale of coal $	Exploration and development of coal $	Corporate (Unallocated) $	Total $
Revenue				
– from contracts with customers	11,862,313	–	–	11,862,313
Total revenue	**11,862,313**	**–**	**–**	**11,862,313**
Expenses				
Employee benefits expense	–	–	(1,311,427)	(1,311,427)
Operating expenses	(24,000,041)	–	–	(24,000,041)
Administration expenses	(377,102)	(365,002)	(4,416,376)	(5,158,480)
Net inventory movements	5,999,733	–	–	5,999,733
Depreciation and amortisation expense	(575,179)	–	(54,162)	(629,341)
Royalties expense	(2,200,798)	–	–	(2,200,798)
Share-based payments	–	–	(2,164,809)	(2,164,809)
Finance income	–	–	5,506	5,506
Finance expense	–	–	(716,260)	(716,260)
Share of profit from joint ventures	11,190	–	–	11,190
Loss before income tax expense	**(9,279,884)**	**(365,002)**	**(8,657,528)**	**(18,302,414)**
Income tax expense	–	–	–	–
Loss after income tax expense	**(9,279,884)**	**(365,002)**	**(8,657,528)**	**(18,302,414)**
For the period ended 30 June 2022				
Trade and other receivables	–	–	255,000	255,000
Property, plant and equipment	22,480,159	20,862,234	106,959	43,449,352
Exploration and evaluation assets	–	10,250,911	–	10,250,911
Other assets	13,043,775	5,272,950	3,216,078	21,532,803
Total non-current assets	35,523,934	36,386,095	3,578,037	75,488,066
Total assets	**63,956,565**	**37,438,516**	**71,307,141**	**172,702,222**
Total liabilities	**(30,058,902)**	**(15,394,165)**	**(57,013,285)**	**(102,466,352)**

NOTE 42. EVENTS AFTER THE REPORTING PERIOD

10% SALE OF BME MINE TO FORMOSA

On 11 July 2023, the Company announced the sale by Coking Coal One Pty Ltd (a wholly owned subsidiary of Bowen Coking Coal Limited) of a 10% interest in the Broadmeadow East Mine to MPC Lenton Pty Ltd (MPC), a wholly owned subsidiary of the Formosa Plastics Group. The proposed structure of the transaction will result in the Broadmeadow East (BME) project being transferred into the Burton-Lenton Joint Venture (BLJV) in a cash and royalties transaction. MPC already owns a 10% interest in the Lenton Joint Venture which owns the Burton complex infrastructure and Burton and New Lenton tenements.

The incorporation of BME into the BLJV simplifies coal blending options to target specific markets and facilitates a reduction in operational complexity associated with coal processing from the Burton and BME assets, by streamlining the ownership structure.

Consideration to be paid by MPC to BCC for the 10% interest in the BME project is:

- $13.0 million cash on completion of the sale, plus:
- An 'acquisition' royalty of $2.10 per ROM tonne of MPC's 10% share of production from the BME mine on a quarterly basis from the date of economical disposal to 31 December 2026, subject to certain coal price indexes being triggered.

If underground mining is conducted in future at BME, MPC shall pay an underground royalty on a quarterly basis of $5.00 per ROM tonne of MPC's participating interest share of underground production, providing MPC's share of revenue after all costs is at least $5.00 per ROM tonne in that quarter.

The transaction also resulted in MPC paying $20.0 million as a pre-payment of its future contributions to the BLJV, monies which has been received subsequent to reporting date.

Completion of the sale are subject to the usual conditions, including FIRB approval and indicative State Minister for Resources approval.

OTHER EVENTS

On 25 July 2023, the Company announced that Matthew Latimore has tendered a resignation notice, resigning as a Non-Executive Director. As a result Stephen Downs also resigned (as Matthew Latimore's appointed Alternate Director).

On 27 July 2023, the Company announced that Gerhard Redelinghuys has tendered a resignation notice, resigning as an Executive Director. Gerhard Redelinghuys served a notice period to 23 August 2023.

On 28 August 2023, the Company announced that the Company is working with its lenders to extend the maturity of its senior and subordinated debt facilities. The terms of any potential extension are currently under consideration and subject to further negotiation.

On 28 August 2023, the Company announced that the Bluff mine is currently undergoing a strategic review. The Company is currently in discussion with customers, contractors and other key stakeholders about the future operational stats of mine in the current pricing environment. It is expected that a final decision on the near-term future of the Bluff operations will be forthcoming.

Since 30 June 2023, the following securities were issued:

- 25,489,047 Ordinary fully paid shares were issued on 24 July 2023 raising $4.3 million.
- 9,100,652 performance rights were issued to staff and management (under the Company's Employee and Executive Incentive Plan).

During August 2023, 240,832 performance rights lapsed.

As at the date of this report the Company had 2,135,985,878 ordinary shares, 30,450,733 performance rights, 37,179,000 options and 40,000,000 Convertible Notes on issue.

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

NOTE 43. RESTATEMENT OF PRIOR PERIOD

In June 2022, the Company achieved financial close on a convertible note deed (the 'Deed') for the issuance of A$40 million convertibles loan notes ('Convertible Notes'). The Convertible Notes are convertible into fully paid ordinary shares of the Company and have a maturity of five years, unless redeemed or converted earlier in accordance with the terms of issue (see note 23). In accordance with the Deed, maturity of the Convertible Notes would accelerate to 15 July 2022 in the event the acquisition of the Burton Mine and Lenton Project did not reach completion by 5 July 2022. The acquisition of the Burton Mine and Lenton projected was completed on 1 July 2022. The Convertible Notes have an initial conversion price of $0.325 per note. Adjustments to the conversion price arise for dividends, capital reductions and other corporate actions (hereinafter referred to as 'anti-dilution' clauses). In the consolidated financial statements for the year ended 30 June 2022, the Group accounted for the conversion right as a separate equity instrument and classified the host debt contract as a non-current liability.

During the year ended 30 June 2023 the Group reviewed the accounting applied to the Convertible Notes recognised at 30 June 2022. Following this review, it was determined that the holder's conversion right did not meet the definition of an equity instrument due to the impact of the anti-dilution clauses and as a result, the conversion right should have been accounted for as a derivative liability at fair value through profit or loss. Furthermore, as the Group did not have the unconditional right to defer settlement of the Convertible Notes for at least twelve months after the balance sheet date, the Convertible Notes should have been classified as a current liability as at 30 June 2022. Transaction cost associated with the Convertible Notes were not material. The error has been corrected by restating each of the affected financial statement line items in the comparative period.

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

STATEMENT OF FINANCIAL POSITION AT THE END OF THE EARLIEST COMPARATIVE PERIOD

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

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

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

NOTE 44. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES

	Consolidated	
	30 Jun 2023 $	30 Jun 2022 $
Loss after income tax expense for the year	(162,937,109)	(18,302,414)
Adjustments for non-cash items:		
Depreciation and amortisation	12,856,676	629,341
Impairment of property, plant and equipment	19,097,657	–
Profit on disposal of lease	(3,137)	–
Foreign exchange loss	815,525	–
Share-based payments	1,800,752	2,164,809
Finance income (fair value adjustment)	(13,792,275)	–
Unwinding of the discount on provisions	2,081,322	–
Finance expense	13,386,654	8,702
Share of profit of joint ventures	(992,495)	(11,190)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(21,425,499)	(14,938,632)
Increase in inventories	(54,485,438)	(5,999,733)
Increase in prepayments	(7,393,931)	(6,793,050)
Increase in trade and other payables	88,759,909	24,357,470
Increase in provisions for onerous contracts	16,454,000	–
Increase/(decrease) in other provisions	634,874	(127,593)
Net cash used in operating activities	(105,142,515)	(19,012,290)

DIRECTORS' DECLARATION

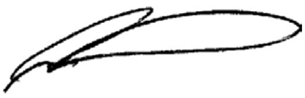
In the directors' opinion:

- the attached consolidated financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached consolidated financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 of the consolidated financial statements;
- the attached consolidated financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- subject to the matters disclosed in note 1 of the consolidated financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Nicholas Jorss

Executive Chairman and Director

4 September 2023

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Bowen Coking Coal Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2023, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key

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audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Acquisition of interest in the Lenton Joint Venture

Why significant	How our audit addressed the key audit matter
On 1 July 2022, the Group completed the acquisition of the shares in New Lenton Coal Pty Ltd whose only significant asset was a 90% interest in the unincorporated Lenton Joint Venture. The Group determined the transaction was an asset acquisition under Australian Accounting Standards, as the acquired interest in the unincorporated Lenton Joint Venture did not meet the definition of a business under AASB 3 *Business Combinations*. The details of the Asset Acquisition accounting are disclosed in Note 22 of the financial statements. In undertaking the asset acquisition accounting, the Group is required to measure the purchase consideration and allocate purchase consideration based on the relative fair values of identifiable assets and liabilities acquired at the date of the acquisition. The fair value measurement of identifiable assets and liabilities requires significant judgement and complex estimation, including: • The identification and measurement of all assets and liabilities. • The fair valuation of non-current assets, including property, plant and equipment, mineral rights (including coal reserves and resources) and exploration and evaluation assets which are dependent upon, amongst other factors, the existence and extent of underlying coal reserves and resources and key forecast assumptions such as discount rates, commodity prices and operating and capital costs.	Our audit procedures included the following: • Assessed the Group's determination of the acquisition date of the asset acquisition. • Evaluated the Group's determination of the purchase consideration with reference to Australian Accounting Standards including the treatment of contingent consideration payable and transaction costs. • Evaluated the qualifications, competence and objectivity of the Group's experts used to estimate coal reserves and resources quantities and estimate the fair values of the acquired property, plant and equipment, mining rights, exploration and evaluation assets, and restoration liabilities used to allocation purchase consideration. • In conjunction with EY's valuation specialists, we: ▸ Considered whether the valuation methodology used by the Group's external expert to measure fair value was in accordance with the requirements of Australian Accounting Standards. ▸ Evaluated the reasonableness of the key input assumptions including discount rates and forecast commodity prices with reference to a variety of third-party forecasts, peer information and market data. ▸ Performed valuation cross checks on the acquired property, plant and equipment, mining rights and exploration and evaluation assets with

Why significant	How our audit addressed the key audit matter
• The valuation of restoration and rehabilitation liabilities, which in turn are dependent upon the extent of environmental disturbances at the acquisition date, the timing of proposed rehabilitation and decommissioning activities and applicable regulatory and compliance requirements. As a result, we considered the Group's asset acquisition accounting and the related disclosures in the financial statements to be a key audit matter.	reference to reserve and resource transaction and trading multiples. ▸ Assessed decommissioning and restoration liability amounts recognised with reference to internal and third-party restoration cost estimates. We considered the composition of the cost estimates and methodologies used as well as the appropriateness of contingency rates and the other market inputs applied, such as inflation and discount rates. • Tested the working capital balances, including cash, inventory, trade receivable and payables at the acquisition date. • Assessed the adequacy of the disclosures in Note 22 to the financial statements.

Impairment Assessment of Non-Current Assets

Why significant	How our audit addressed the key audit matter
At 30 June 2023, the Group had non-current assets of $160,309,222 comprising mining assets and mine development assets, property, plant and equipment, right of use assets and office equipment as disclosed in Note 18 to the financial statements. At the end of each reporting period, the Group exercises judgment in determining whether there is any indication of impairment of these assets. If any such indicators exist, the Group estimates the recoverable amount of the cash generating units (CGUs). The Group assessed whether any indicators of impairment were present at 30 June 2023 and concluded that indicators of impairment were present in respect of the Bluff Mine CGU. It was determined that the recoverable amount of the Bluff mine CGU was less than the carrying value and therefore an impairment loss was recognised for the year ended 30 June 2023 as disclosed in Note 18 to the financial statements. In addition to this adjustment, an onerous contract provision of $16,454,000 was	Our audit procedures included the following: • Evaluated the Group's assessment as to whether any indicators of impairment existed. • Read operational reports, board reports, minutes and market announcements. • Assessed changes to reserves and resources and other macro-economic factors including the coal price and discount rates. • Evaluated the impact of changes in royalty regimes and its impact on recoverable amount. • Compared the Group's market capitalisation relative to its net assets. Our audit procedures related to the impairment assessment made by the Group following the identification of impairment indicators included the following: • Assessed the Group's impairment methodology was in accordance with the requirements of Australian Accounting Standards.

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Why significant	How our audit addressed the key audit matter
recognised to reflect unavoidable contractual obligations at 30 June 2023. We considered this to be a key audit matter because of the significant: • Judgment involved in determining whether there are indicators of impairment. • Judgment and estimation involved in the measuring the recoverable amount of the Bluff mine CGU including assumptions relating to future coal prices, operating and capital costs, the discount rate used to reflect the risks associated with the forecast cash flows having regard to the current status of the CGU. • Judgment and estimation associated with the recognition of the measurement of onerous contact liabilities.	• Evaluated the assumptions used by the Group to determine forecast cash flows. This included assessing, with involvement from our valuation specialists, where appropriate, the coal prices with reference to market prices, broker consensus, historical performance, accuracy of historical forecasting and discount rates. • Tested the mathematical accuracy of the Group's discounted cash flow impairment model and agreed relevant data, including assumptions on timing and future capital and operating expenditure, to the Group's feasibility analysis of the CGU and the latest Board approved life of mine plan (as appropriate). • Assessed the work of the Group's internal and external experts with respect to the capital and operating assumptions used in the cash flow forecasts (where relevant). • We also considered the competence, qualifications and objectivity of the Groups experts and assessed whether key capital and operating expenditure assumptions were consistent with information in Board reports and releases to the market. • Assessed the work of the Group's experts with respect to the reserve and resource assumptions used in the cash flow forecasts. This included understanding the estimation process. • Assessed the impact of a range of sensitivities to the economic assumptions underpinning the Group's impairment assessment. • Evaluated the Group's assessment of the onerous contract liability at balance date given the unavoidable costs of operating the Bluff mine CGU exceed the economic benefits expected to be received. • Evaluated the adequacy of the Group's disclosures in the Notes to the financial statements.

Accounting for Convertible Notes

Why significant	How our audit addressed the key audit matter
In June 2022, the Group achieved financial close on a convertible note deed for the issuance of $40 million convertible loan notes. At 30 June 2022, the Group determined the convertible notes were equity. As disclosed in Note 43 *"Restatement of prior period"* the Group revisited the accounting applied to the convertible notes and determined the conversion features did not satisfy the requirements for recognition as equity in accordance with Australian Accounting Standards and were better characterised as a financial liability. The accounting for convertible notes is a key audit matter due to: • The judgement involved in determining the equity or debt classification of the component parts of the convertible notes; • The size of the liability; • The judgement involved in valuation and estimation of the embedded derivative liability; and • The associated profit and loss volatility that can result from movements in the fair value of the derivative liability.	Our audit procedures included the following: • In conjunction with our technical specialists, reviewed the convertible loan deed and considered the appropriateness of recognition and measurement of the convertible notes in accordance with Australian Accounting Standards. • Reviewed the valuation performed by managements expert and involved our valuation specialists in assessing the competence of managements expert and considering the appropriateness of valuation methodology used including key assumptions. • Assessed the adequacy of the disclosures included in the Notes to the financial statements, including disclosure of significant judgements and estimates adopted by management and the disclosure associated with the restatement of the prior period.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2023 annual report other than the financial report and our auditor's report thereon. We obtained the directors' report and shareholders information that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

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Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 31 to 37 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Bowen Coking Coal Limited for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Tom du Preez
Partner
Brisbane
4 September 2023

SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 4 October 2023.

A. DISTRIBUTION OF EQUITY SECURITIES

The number of holders, by size of holding, in each class of security are:

	Ordinary Shares	
	No. Holders	No. Shares
1 – 1,000	181	32,292
1,001 – 5,000	661	2,047,471
5,001 – 10,000	535	4,276,076
10,001 – 100,000	1,959	84,446,290
100,001 and over	1,015	2,122,446,860
Total	**4,351**	**2,213,248,989**

There are 640 shareholders holding less than a marketable parcel of 3,704 shares.

	Options ($0.25 @ 30 Sep 24)		Options ($0.10 @ 30 Nov 24)	
	No. Holders	No. Options	No. Holders	No. Options
1 – 1,000	–	–	–	–
1,001 – 5,000	–	–	–	–
5,001 – 10,000	–	–	–	–
10,001 – 100,000	–	–	–	–
100,001 and over	5	34,000,000	1	3,179,000
Total	**5**	**34,000,000**	**1**	**3,179,000**

	Performance Rights		Convertible Notes	
	No. Holders	No. Perf Rights	No. Holders	No. Con Notes
1 – 1,000	–	–	–	–
1,001 – 5,000	–	–	–	–
5,001 – 10,000	–	–	–	–
10,001 – 100,000	4	321,660	–	–
100,001 and over	30	29,789,038	2	40,000,000
Total	**34**	**30,110,698**	**2**	**40,000,000**

SHAREHOLDER INFORMATION

B. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of Quoted Ordinary Shares are:

Rank	Name	No. Shares	% IC
1	BNP PARIBAS NOMINEES PTY LTD	219,505,997	9.9%
2	CITICORP NOMINEES PTY LIMITED	208,072,236	9.4%
3	BNP PARIBAS NOMS PTY LTD	199,623,975	9.0%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	162,723,660	7.4%
5	UBS NOMINEES PTY LTD	128,166,988	5.8%
6	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	82,609,699	3.7%
7	LATIMORE FAMILY PTY LTD*	78,033,164	3.5%
8	NEW HOPE CORPORATION LIMITED	76,923,076	3.5%
9	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	59,264,479	2.7%
10	CAPE COAL PTY LTD*	56,145,696	2.5%
11	METRES INVEST PTY LTD	55,000,000	2.5%
12	ST LUCIA RESOURCES CAPITAL FUND PTY LTD	40,439,261	1.8%
13	NEWECONOMY COM AU NOMINEES PTY LIMITED	38,989,293	1.8%
14	BRAZIL FARMING PTY LTD*	36,533,517	1.7%
15	NORFOLK ENCHANTS PTY LTD	23,000,000	1.0%
16	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	17,238,823	0.8%
17	BOND STREET CUSTODIANS LIMITED	17,000,000	0.8%
18	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	15,688,457	0.7%
19	WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	15,097,203	0.7%
20	M RESOURCES PTY LTD	15,022,261	0.7%
	Top 20 Total	**1,545,077,785**	**69.8%**
	Total of Securities	**2,213,248,989**	**100.0%**

* Denotes merged holding.

C. SUBSTANTIAL HOLDERS

The latest substantial shareholder notices that the Company has received are set out below, along with known substantial holders per the register as at 4 October 2023:

Name/Group	Qty per register	% IC	Qty per notices received	% IC
BNP PARIBAS NOMINEES PTY LTD	219,505,997	9.9%		
CITICORP NOMINEES PTY LIMITED	208,072,236	9.4%		
BNP PARIBAS NOMS PTY LTD	199,623,975	9.0%		
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	162,723,660	7.4%		
M Resources Pty Ltd and Matthew Latimore	150,330,425	6.8%	144,448,072	7.87%
UBS NOMINEES PTY LTD	128,166,988	5.8%		
Ilwella Pty Ltd	–		136,096,934	7.56%
Regal Funds Management Pty Ltd	–		261,489,393	14.21%
Crocodile Capital and its related body VP Fund Solutions (Luxembourg) SA	–		128,120,642	8.43%
iolite Partners Ltd	–		110,000,000	5.15%

D. VOTING RIGHTS

All ordinary shares carry one vote per share without restriction.

Options and performance rights do not carry voting rights.

E. RESTRICTED SECURITIES

As at the date of this report, there are no ordinary shares subject to ASX escrow.

F. ON-MARKET BUY BACK

There is not a current on-market buy-back in place.

G. BUSINESS OBJECTIVES

The Group has used its cash and assets that are readily convertible to cash in a way consistent with its business objectives.

INTEREST IN TENEMENTS

Bowen Coking Coal Ltd held the following interests in tenements as at the date of this report:

Country	Location	Project	Tenement	Status	Current Interest (%)
Australia	Queensland	Cooroorah	MDL 453	Under renewal	100%
Australia	Queensland	Broadmeadow East	ML 70257	Under renewal	100%***
Australia	Queensland	Mt Hillalong	EPC 1824	Granted	85%*
Australia	Queensland	Hillalong East	EPC 2141	Granted	85%*
Australia	Queensland	Carborough	EPC 1860	Granted	100%
Australia	Queensland	Lilyvale	EPC 1687	Granted	15%
Australia	Queensland	Lilyvale	EPC 2157	Granted	15%
Australia	Queensland	Mackenzie	EPC 2081	Granted	5%
Australia	Queensland	Comet Ridge	EPC 1230	Under renewal	100%
Australia	Queensland	Isaac River	MDL 444	Granted	100%
Australia	Queensland	Isaac River	EPC 830	Granted	100%
Australia	Queensland	Isaac River	MLA 700062	Application	100%
Australia	Queensland	Isaac River	MLA 700063	Application	100%
Australia	Queensland	Bluff	EPC 1175	Granted	100%
Australia	Queensland	Bluff	EPC 1999	Granted	100%
Australia	Queensland	Bluff	ML 80194	Granted	100%
Australia	Queensland	Lenton**	EPC 766	Granted	90%
Australia	Queensland	Lenton North**	EPC 865	Granted	90%
Australia	Queensland	Lenton West**	EPC 1675	Granted	90%
Australia	Queensland	New Lenton**	ML 70337	Under renewal	90%
Australia	Queensland	New Lenton**	ML 700053	Granted	90%
Australia	Queensland	New Lenton**	ML 700054	Granted	90%
Australia	Queensland	Burton**	EPC 857	Granted	90%
Australia	Queensland	Burton**	MDL 315	Granted	90%
Australia	Queensland	Burton**	MDL 349	Granted	90%
Australia	Queensland	Burton**	ML 70109	Under renewal	90%
Australia	Queensland	Burton**	ML 70260	Under renewal	90%

* Sumitomo Corporation elected to proceed with the Hillalong Joint Venture ('Hillalong JV') following the completion of the $2.5 million on Phase 1 another $2.5 million on Phase 2a exploration program at Hillalong, resulting in Sumitomo solidifying a 15% interest in the Project. Completion of the first 10% transfer was completed on 13 April 2021 and a further 5% transfer was completed on 10 February 2022. Sumitomo Corporation is currently earning-in for a further 5% by spending $2.5 million under Phase 2b of the Farm-In Agreement. Post the completion of Phase 2b, Sumitomo has the option to obtain an additional 5% (for a total interest of 20%) in the project by spending a further $2.5 million on Phase 2b exploration.

** Bowen Coking Coal Ltd acquired the Burton and Lenton tenements on 1 July 2022 through the acquisition of New Lenton Coal Pty Ltd.

*** Bowen Coking Coal's ownership interest in the Broadmeadow East project will change to 90%, once the sale to Formosa of 10% of the project is complete.

ANNUAL MINERAL RESOURCES AND ORE RESERVE STATEMENT

RESOURCES STATEMENT AS AT 30 JUNE 2023 (JORC 2012, MT)

Project	Tenement	Measured Resource	Indicated Resource	Inferred Resource	Total	% Holding
Bluff	ML 80194	–	11	2	13	100%
Broadmeadow East	ML 70257	5	4	23	32	100%
Burton	ML 70109, ML 70260	36	18	11	64 *	90%
Lenton	ML 70337, EPC 766, EPC 865	60	50	30	140 **	90%
Comet Ridge	EPC 1230	8	9	43	60	100%
Cooroorah	MDL 453	–	96	81	177	100%
Hillalong	EPC 2141, EPC 1824	–	47	40	87 ∞	85%
Isaac River	MDL 444, EPC 830	6	3	–	9	100%
Lilyvale	EPC 1687, EPC 2157	–	–	33	33 #	15%
Mackenzie River	EPC 2081	–	26	117	143 Ω	5%
Total		115	264	380	758	

* Includes 6.4Mt attributable to Formosa Plastics Group as part of the Lenton Joint Venture.

** Includes 14Mt attributable to Formosa Plastics Group as part of the Lenton Joint Venture.

∞ Includes 13Mt attributable to Sumitomo Corporation following the completion of the Phase 1 farm in and Phase 2A farm in. See ASX release 11 December 2020 and 31 August 2021. It is the intention to move to 20% holding by Sumitomo Corporation with the Phase 2B farm in during FY24.

Includes 28Mt attributable to Stanmore Coal Ltd as part of the Lilyvale Joint Venture.

Ω Includes 136Mt attributable to Stanmore Coal Ltd as part of the Lilyvale Joint Venture.

Note 1: All Coal Resources are reported on a 100% bases; Bowen Coking Coal's economic interest in Burton is 90%, Lenton is 90%, Hillalong is 85%, Lilyvale is 15% and Mackenzie is 5%.

RESOURCES STATEMENT AS AT 30 JUNE 2022 (JORC 2012, MT)

Project	Tenement	Measured Resource	Indicated Resource	Inferred Resource	Total	% Holding
Bluff	ML 80194	–	11	2	13	100%
Broadmeadow East	ML 70257	6	4	23	33	100%
Comet Ridge	EPC 1230	8	9	43	60	100%
Cooroorah	MDL 453	–	96	81	177	100%
Hillalong	EPC 2141, EPC 1824	–	47	40	87 *	85%
Isaac River	MDL 444, EPC 830	6	3	–	9	100%
Lilyvale	EPC 1687, EPC 2157	–	–	33	33 **	15%
Mackenzie River	EPC 2081	–	26	117	143 ∞	5%
Total		20	196	339	555	

Prior year table has been updated to include comparatives for Mackenzie River.

* Includes 13Mt attributable to Sumitomo Corporation following the completion of the Phase 1 farm in and Phase 2A farm in. See ASX release 11 December 2020 and 31 August 2021.

** Includes 28Mt attributable to Stanmore Coal Ltd as part of the Lilyvale Joint Venture.

∞ Includes 136Mt attributable to Stanmore Coal Ltd as part of the Lilyvale Joint Venture.

Note 1: All Coal Resources are reported on a 100% bases; Bowen Coking Coal's economic interest in Burton is 90%, Lenton is 90%, Hillalong is 85%, Lilyvale is 15% and Mackenzie is 5%.

ANNUAL MINERAL RESOURCES AND ORE RESERVE STATEMENT

MOVEMENTS:

- The Broadmeadow East resource was depleted as at the end of June 2023 with a mined-out volume amounting to a total of 1.2Mt. The depleted resource was classified as a Measured Resource, less than 100m deep and North of the Powerline.
- The Bluff Resource was depleted as at the end of June 2023 with a mined-out volume amounting to a total of 0.51Mt. The depleted resource was classified as an Indicated Resource, less than 150m deep.
- Inclusion of Burton and Lenton Resources – On 1 July 2022 the Company announced the completion of the New Lenton Coal Pty Ltd acquisition. See ASX release 1 July 2022 "Completion of Transformational Acquisition of Burton Mine".

RESERVE STATEMENT AS AT 30 JUNE 2023 (JORC 2012, MT)

		ROM Coal Reserve			Marketable Coal Reserve			
Project	Tenement	Proved	Probable	Total	Proved	Probable	Total	% Holding
Broadmeadow East	ML 70257	2.6	0.5	3	1.9	0.3	2	100%
Burton	ML 70109	13	2	16 *	7	1	8	90%
Lenton	ML 70337	11	3	14 **	9	2	11	90%
Total		27	6	33	18	3	21	

* Includes 0.5Mt attributable Auger Mining.

* Includes 1.6Mt attributable to Formosa Plastics Group as part of the Lenton Joint Venture.

** Includes 0.3Mt attributable Auger Mining.

** Includes 1.4Mt attributable to Formosa Plastics Group as part of the Lenton Joint Venture.

Note 1: All Coal Reserves are reported on a 100% bases; Bowen Coking Coal's economic interest in Burton is 90% and Lenton is 90%.

MOVEMENTS:

- Inclusion of Burton and Lenton Reserves – On 1 July 2022 the Company announced the completion of the New Lenton Coal Pty Ltd acquisition. See ASX release 1 July 2022 "Completion of Transformational Acquisition of Burton Mine".
- Broadmeadow East Reserves Declared as of 30 June 2023.

The Group regularly reviews its Mineral Resources and Reserves to assess their reasonableness, engaging suitably qualified competent persons where required. A summary of the governance and controls applicable to the Group's Mineral Resources and Reserves processes is as follows:

- Review and validation of drilling and sampling methodology and data spacing, geological logging, data collection and storage, sampling and analytical quality control;
- Geological interpretation — review of known and interpreted structure, lithology and weathering controls;
- Estimation methodology — relevant to mineralisation style and proposed mining methodology;
- Comparison of estimation results with previous mineral resource models, and with results using alternate modelling methodologies;
- Visual validation of block model against raw composite data; and
- Peer review by independent consultants as required.

This Annual Mineral Resources and Ore Reserves Statement:

- is based on, and fairly represents, information and supporting documentation prepared by competent persons; and
- Resources have been approved by Mr Troy Turner who is a Member of the Australasian Institute of Mining and 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 has approved this Annual Mineral Resources and Ore Reserves Statement as a whole in the form and context in which it appears in this Annual Report.
- Reserves have been approved by Mr Sunil Kumar who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Kumar, Principal Mining Engineer 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 Kumar has approved this Annual Mineral Resources and Ore Reserves Statement as a whole in the form and context in which it appears in this Annual Report.

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