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2 November 2020

Quarterly Activities Report

For the quarter: 1st July 2020 – 30th September 2020

HIGHLIGHTS:

- **Completed the acquisition of the 33Mt Broadmeadow East Coking Coal project**
- **Hillalong North coal quality & washability results show potential to wash a 10.5% ash coking coal with CSN up to 8 at laboratory yields as high as 93% in some areas of the resource**
- **Isaac River Environmental Authority lodged**

Bowen Coking Coal Ltd **("BCB" or "the Company")** is pleased to provide shareholders the following update in respect of the Company's activities carried out across its portfolio of projects located in Queensland's Bowen Basin, for the quarter ended 30 September 2020.

PROJECTS

Broadmeadow East Coking Coal Project (ML 70257) ("Broadmeadow East")

In a significant milestone, on the 24 June 2020, the Company announced that it had executed binding agreements with Peabody (Burton Coal) Pty Ltd ("Peabody"), a wholly owned subsidiary of US headquartered Peabody Energy Corporation, whereby BCB will acquire the Broadmeadow East coking coal project, located within undeveloped Mining Lease 70257 ("Project" or "Broadmeadow East"). On 30 September, all conditions relating to the acquisition of Broadmeadow East were satisfied and the transaction is now complete.

The Company's independent consultants, Xenith Consulting, were commissioned to review all available and relevant data and have completed a Resource Estimate of 33Mt, in accordance with the JORC Code (2012), as per Table 1 below.

The transaction includes access rights to both the New Lenton Joint Venture Coal Handling and Preparation Plant ("CHPP") and the Train Load Out Facility ("TLO"), which are connected by an established haul road passing immediately adjacent to ML 70257, as shown in Figure 2. The Company has secured throughput capacity of a minimum of 1Mtpa, with the ability to potentially increase this capacity to a total of 2Mtpa, subject to agreement.

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Table 1. Summary of the Resource Estimate for Broadmeadow East

SEAM	RESOURCE CATEGORY (MT)			
	MEASURED	INDICATED	INFERRED	TOTAL
< 100m	6.4	1.9	3	11
> 100m	0.1	2.2	20	22
TOTAL RESOURCES	**6.5**	**4.1**	**23**	**33**

**Note – Some rounding to the nearest significant figure has occurred and this may reflect in minor differences in the overall reported resource.*

Table 2 – Average Raw Coal Quality Summary by Resource Category (air dried basis)

RAW COAL QUALITY – BY RESOURCE CATEGORY						
Category	Relative Density in situ g/cm3	Inherent Moisture % ad	Ash % ad	Volatile Matter % ad	Fixed Carbon % ad	Total Sulphur % ad
Measured	1.52	2.0	25.4	23.7	48.9	0.53
Indicated	1.54	1.9	26.5	23.7	48.0	0.57
Inferred	1.50	1.8	21.0	23.2	54.5	0.58
TOTAL	**1.52**	**2.0**	**25.2**	**23.6**	**49.2**	**0.55**

The Company has commenced analysing the washability data and has determined that the coal can be washed at lower density levels (albeit at lower primary yields) to create a higher quality coking coal at ~8.7% ash with CSN as high as 7 whilst still producing a high energy secondary thermal coal.

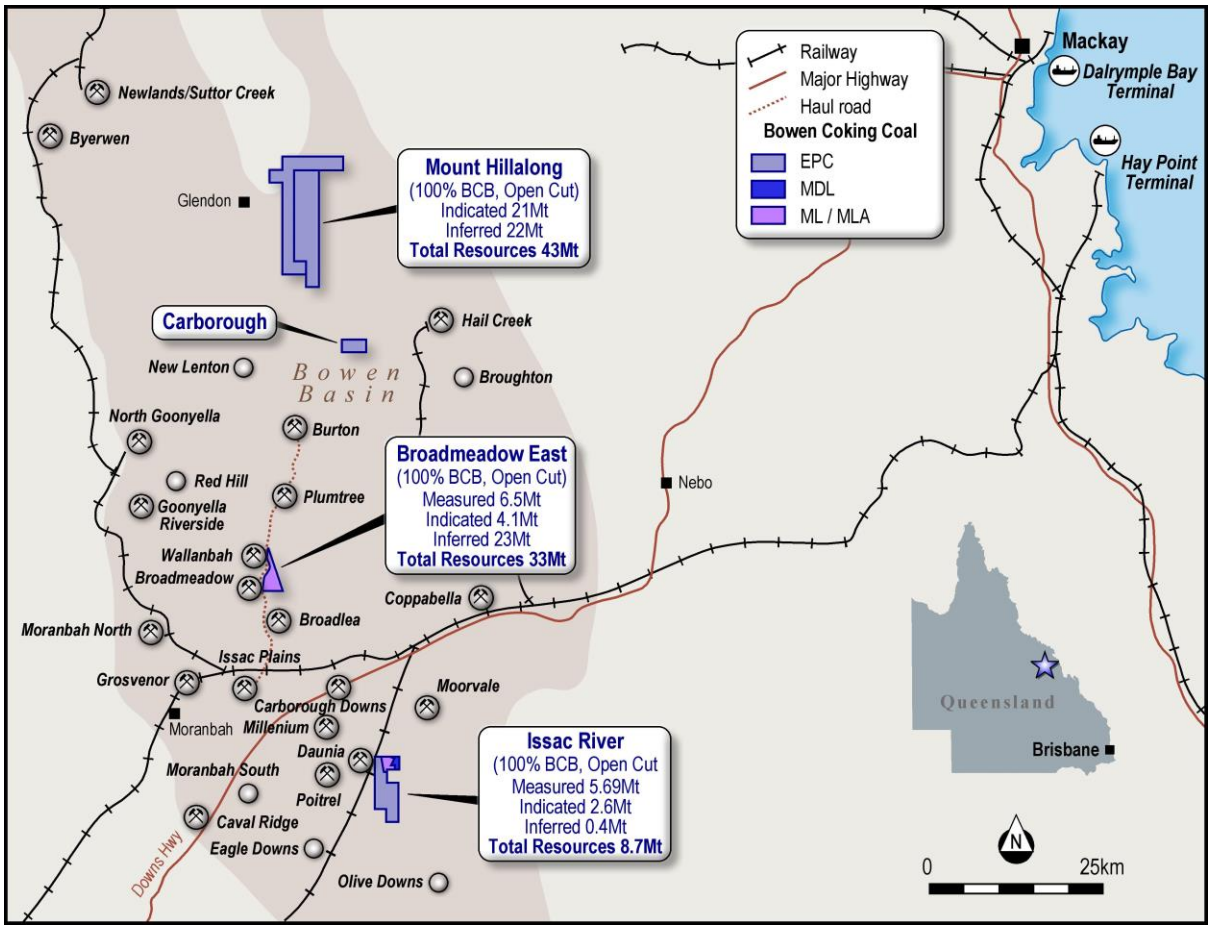
Next steps

The project has a low capital intensity and a short development timeframe due to the availability of existing regional infrastructure. The Company has advanced its analysis of the various mining options to determine the best value proposition. The selected option will inform environmental impact assessments undertaken by specialist environmental consultants engaged by the Company. Although ML 70257 will come with certain Environmental Authorisations, it is planned to apply for an Environmental Authority ("EA") amendment. Application will then be made for a site-specific EA after environmental impact assessments have been completed, reflecting the optimal mine plan as referred to above.

Coal washability optimisation in terms of quality, yield and final product specifications will be undertaken, aiming to support an optimal configuration to maximise financial value. Previously, all coal quality analysis was based on full seam analysis, presenting potential value optimization by washing the different seam plies separately (a typical top and bottom seam split as suggested at Isaac River). Planning for a mini exploration program to test the different seam plies is well advanced. A potential

extension of the resource towards the South will be tested during this program with simultaneous collection of relevant environmental impact assessment data to support the EA amendment.

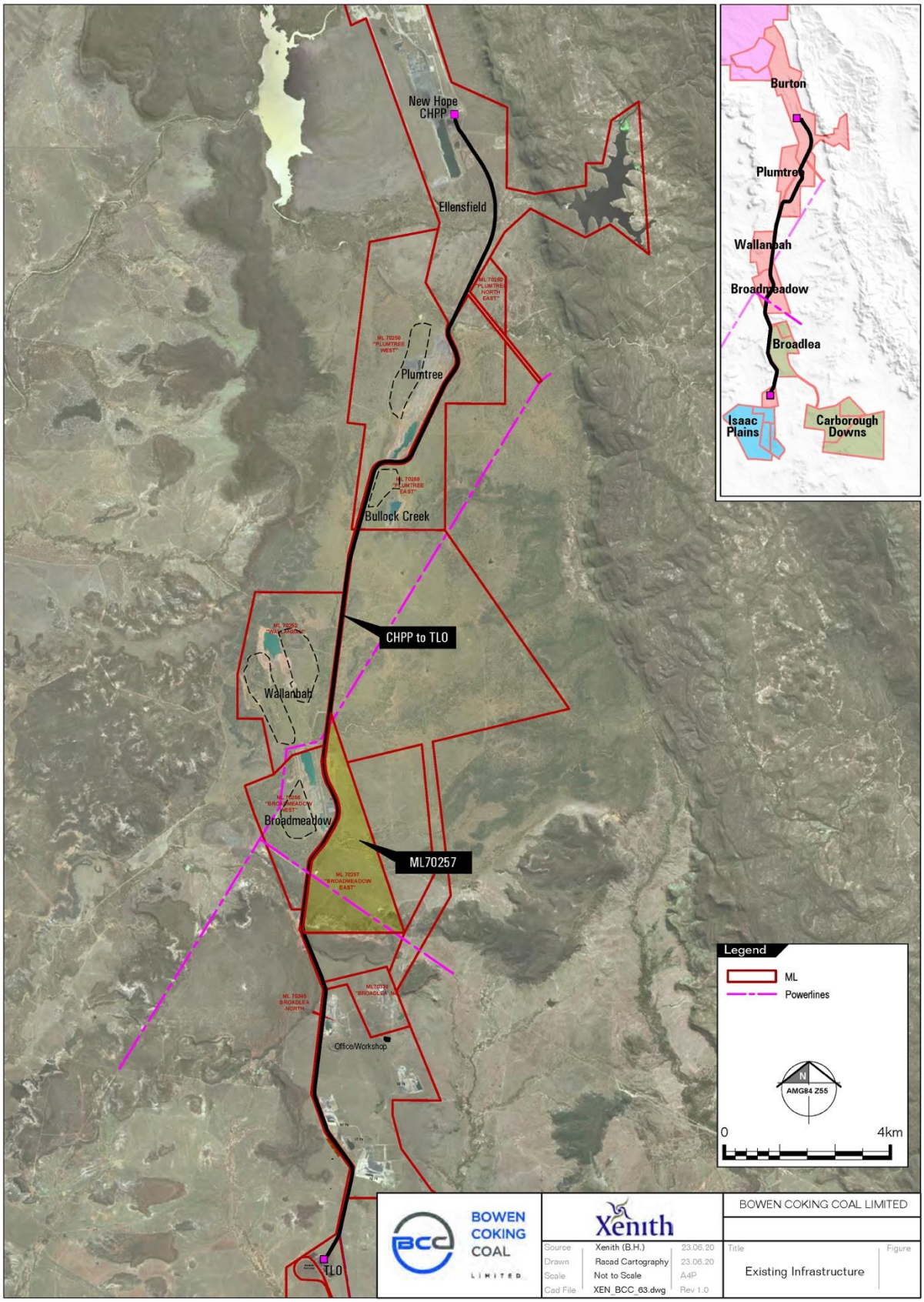
Figure 1. Regional Location of Nothern Projects



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Figure 2. Broadmeadow East Project and Infrastructure Location



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Hillalong Coking Coal Project (EPC 1824 & EPC 2141) ("Hillalong")

The Hillalong Coking Coal Project is located in the northern Bowen Basin approximately 105 km west-southwest of Mackay (See Figure 1). The 99 km^2 Project comprises EPC 1824 and EPC 2141 which is currently the subject of a farm-in agreement with Sumitomo Corporation (the "Sumitomo Farm-In"), who have earned a 10% interest in the project post expending $2.5m on the Phase 1 exploration program. The Sumitomo Farm-In, which is being converted to a formal JV, provides Sumitomo with the option to spend a further $5m to earn an additional 10% in the Project. (*See ASX Release 4 May 2020 and 18 November 2019*).

During the quarter, the Company received the washability results from four holes not affected by intrusions, which demonstrated that the Elphinstone seam has the potential to produce a single primary coking coal with 10.5% ash at an average yield of 84% over the deposit. The Hynds Upper seam has the potential to produce a high quality, 8.5% ash primary coking coal product with a secondary high energy thermal coal at a combined yield of 87%.

An average of the key quality parameters of the drillholes that did not encounter any heat affected coal are provided in Table 1 and Table 2 below.

Table 1. Elphinstone seam. Primary Coking Coal (High yield option)*[1]

Seam	Primary Coking Coal								
	Thickness (m)	Product Ash%	Yield %	CSN	Volatile Matter %	Phos %	Total Sulphur %	Max.Fluidity (ddpm)	Rv.Max %
Elphinstone	1.94	10.5%	84	7	28.8	0.003	0.4	348	0.95

*[1] Laboratory yields without any dilution or losses, air dried basis, inherent moisture of 2%. Average values of 4 non-heat affected drill holes.

Table 2 – Hynds Upper seam. Primary coking coal (High quality option with secondary energy coal)*[1]

Seam	Primary coking								
	Thickness (m)	Product Ash%	Yield %	CSN	Volatile Matter %	Phos %	Total Sulphur %	Max.Fluidity (ddpm)	Rv.Max %
Hynds Upper	2.32	8.5%	66	7½	28.2	0.043	0.4	361	0.99

Seam	Secondary Energy						
	Thickness (m)	Product Ash%	Yield %	CV (kcal/kg)	Volatile Matter %	HGI	Total Sulphur %
Hynds Upper	2.32	16.5%	21	6730	24.3	49	0.31
TOTAL			**87**				

*[1] Laboratory yields without any dilution or losses, air dried basis, inherent moisture of 2%. Average values of 4 non-heat affected drill holes.

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As announced previously, two drill holes encountered heat affected coal in varying degrees in the Hynds Upper seam, one of the main target seams, whilst intrusions were more common in the lower, secondary target seams. Pleasingly, the heat affected coal still demonstrated the ability to produce, post washing, a low ash, high CV energy coal.

Design of Phase 2 of the exploration plan at Hillalong is now complete and discussions with Sumitomo have commenced in terms of (a) formalising the Joint Venture and (b) Sumitomo's option to fund a further $5m to earn an additional 10% of the Project, which would take their interest to 20%.

Xenith Consulting has estimated a total resource of 43Mt in accordance with the JORC Code, of which 19.5Mt is shallower than 150 m deep, a typical depth cut-off for open cut resources. (See Table 3 below). Importantly, the resource area remains open in both directions (East and South West), providing opportunities to expand on this maiden resource estimate. Raw coal quality data is extremely positive in terms of coking coal indicators for both the Elphinstone and Hynds seams as can be seen in Table 4 below.

Table 4. Summary of the resource estimate for Hillalong North

DEPTH	SEAM	RESOURCE CATEGORY (MT)			
		MEASURED	INDICATED	INFERRED	TOTAL
<150m	**Elphinstone**		4.0	4.5	8.5
	Hynds Upper		9.1	1.9	11.0
	Subtotal		**13.1**	**6.4**	**19.5**
>150m	**Hynds Upper**		7.7	15.9	23.7
	Subtotal		**7.7**	**15.9**	**23.7**
TOTAL			**21**	**22**	**43**

See ASX Release dated 9 June 2020 for full detail of the resource estimate. Note – Some rounding to the nearest significant figure has occurred and this may reflect in minor differences in the overall reported resource. Tonnes were calculated for an in situ Relative Density (RD). No total moisture or moisture holding capacity analysis results were available to use as in situ moisture.

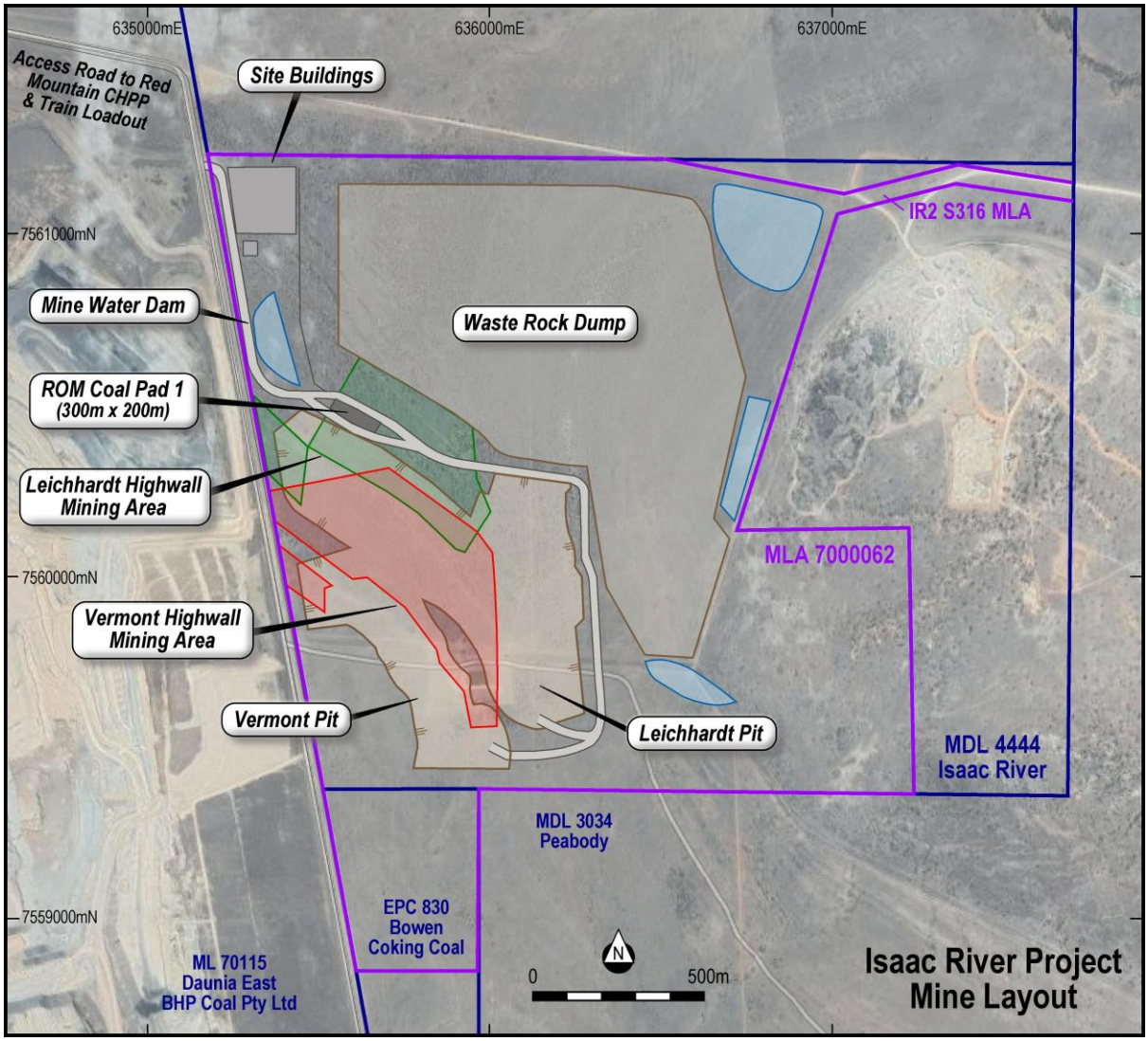
Isaac River Coking Coal Project (MLA 700062,700063, MDL 444 & EPC 830)

At the end of the quarter the Company lodged a site-specific Environmental Authority ("EA") application with the Queensland Government Department of Environment and Science for Isaac River. Further to the lodging of the Mining Lease Application ("MLA") in Q1 this year, the lodgement of the EA application for Isaac River represents a significant milestone in the critical path to converting the project into a producing asset.

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The requirement for new EA applicants to develop and submit a progressive rehabilitation and closure plan ("PRCP") became effective on 1 November 2019. Given this is a relatively new legislative framework with little precedence, considerable effort has been given to ensuring the project meets the Queensland Government Mined Land Rehabilitation Policy. Mine planning and design studies were undertaken to ensure that BCB could comply with the policy whilst maintaining the economic integrity of the project. The Initial Development Plan submitted with the MLA proposes a contractor operated open cut operation along with highwall mining, utilizing off site infrastructure and toll washing of mined coal at a nearby facility. Discussions with regional infrastructure providers are underway.

Figure 4 – Isaac River Mine Licence Application area



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CORPORATE

Director Resignations

Long servicing Directors Steve Formica and James Agenbag both tendered their resignations, effective 31 October 2020. The Board would like to extend their gratitude to both Steve and James for the valuable contribution they both made during their tenure and we wish then all the best for the future.

Other

The Company is in the process of relocating the corporate office and will temporarily be housed at Level 6, 10 Market Street in Brisbane.

Several opportunities to acquire Queensland coking coal projects have recently emerged on the back of lower coking coal prices and the Company is actively conducting business development activities in line with its strategy to become a coking coal producer. A market announcement, in accordance with the Company's Continuous Disclosure Policy, will be made should any opportunities materialise.

Cash Position

As at 30 September 2020, the Company held $1.7m cash at bank.

ASX Listing Rule disclosure

During the Quarter the Company paid $1.0m as part of the acquisition cost of Broadmeadow East coking coal project. Approximately $0.3m was spent on exploration at the Company's Hillalong Project, which is expected to be recovered from Sumitomo as part of Phase 2 of the farm-in agreement (once formally agreed to), plus a further $0.4m exploration on the Company's other projects.

$0.5m was spent on corporate and administration costs during the quarter, which is higher than normal due to recent business development activities, including the acquisition of the Broadmeadow East coking coal project. The Company has incurred significant additional costs for technical studies, analysis and due diligence (legal and financial). While the Company expects to continue actively assessing business development opportunities, the recent work (and costs) were higher than normal.

$0.2m was spent during the quarter to Related Parties, as reported in clause 6.1 of the ASX Appendix 5B (Cash Flow Report). This comprises directors' fees, directors' consulting fees (inclusive of GST) & associated superannuation.

METALLURGICAL COAL MARKETS

COVID-19 has significantly affected global economic growth and subsequently steel production. Metallurgical coal is a key ingredient in the manufacturing of steel. One tonne of steel made in a blast furnace uses approximately 780 kilograms of coal, and therefore steel market dynamics have a big impact on metallurgical coal demand which led coking coal prices to fall to their lowest level in four years.

China's economy appears to be recovering sooner than expected from the COVID-19 pandemic, which represents roughly 26% of the seaborne market for metallurgical coal, historically a key catalyst for a

higher price environment. China's crude steel production has been at very high levels though 2020. Uncertainty on China's import policy is however expected to impact prices in the short term whilst the rest of the seaborne demand is expected to slowly recover from Q4 2020 onwards as steel production is ramping up after the lifting of COVID-19 related restrictions.

The average price for Prime Hard Coking Coal during the July to September quarter was US$114, compared to US$120 in Q2 and US$ 156 in Q1 2020. On a positive note, as more and more of the steel manufacturing countries have restarted production coking coal prices had rebounded prior to the recent Chinese uncertainty, and the forward curve for coming coal futures pricing for 2021 also show price rises to close to pre-COVID-19 levels.

*Source: Department of Industry, Innovation and Science

KEY UPCOMING ACTIVITIES

Broadmeadow East (ML 70257)

Mine planning and operation options are being evaluated to determine the best value proposition. Environmental impact assessments are being undertaken by specialist environmental consultants to get the project "shovel ready" as soon as possible. Pre-work for the exploration program has already begun and drilling is expected to commence within the next quarter, weather permitting. Regional infrastructure discussions are underway.

Hillalong (EPC 1824 & EPC 2141)

Discussions with Sumitomo on the Phase 2 farm-in option (their option to fund a further $5m of the second phase exploration program to earn an additional 10% in the Hillalong Joint Venture) are expected to result into a decision within the next quarter. Regardless of the outcome of that decision, the Company intends to advance exploration on this exciting asset as soon as possible

Isaac River (MLA 700062,700063, MDL 444 & EPC 830)

The key focus remains on permitting and access to infrastructure with studies now being competed. Further negotiations are advancing on infrastructure access, whilst interaction with the Department of Environment and Science will continue to advance the EA application.

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Project Information required by Listing Rule 5.3.3.

Country	Location	Project	Tenement	Change in Holding (%)	Current Interest (%)
Australia	Queensland	Cooroorah	MDL 453	-	100%
Australia	Queensland	Mt Hillalong	EPC 1824	-	100%*
Australia	Queensland	Hillalong East	EPC 2141	-	100%*
Australia	Queensland	Carborough	EPC 1860	-	100%
Australia	Queensland	Lilyvale	EPC 1687	-	15%
Australia	Queensland	Lilyvale	EPC 2157	-	15%
Australia	Queensland	Comet Ridge	EPC 1230	-	100%
Australia	Queensland	Isaac River	MLA 700062, 700063	-	100%
Australia	Queensland	Isaac River	MDL 444	-	100%
Australia	Queensland	Isaac River	EPC830	-	100%

* Hilllalong Joint Venture, pending transfer of 10% to Sumitomo Corporation
The ML70257 Broadmeadow East transfer is still underway

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

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ABOUT BOWEN COKING COAL

Bowen Coking Coal is a Queensland based coking coal exploration company with advanced exploration assets. The Company fully owns the Broadmeadow East, Isaac River, Cooroorah, Hillalong and Comet Ridge coking coal Projects in the world- renowned Bowen Basin in Queensland, Australia. Bowen Coking Coal is also a joint venture partner in the Lilyvale (15% interest) and Mackenzie (5% interest) coking coal Projects with Stanmore Coal Limited.

The highly experienced Board and management aim to grow the value of the Company's coking coal projects to benefit shareholders by leveraging innovation and maximising the assets and network of the team. An aggressive two-year exploration and development program underpin the business strategy.

Listing Rule 5.23 Statement

All exploration results and Mineral Resources referred to in this quarterly report have previously been announced to the market by the Company in accordance with the requirements of Chapter 5 of the ASX Listing Rules and the JORC Code 2012, including as to the requirements for a statement from a Competent Person; and the relevant announcements have been referred to in the body of the quarterly report. The Company confirms that it is not aware of any new information or data that materially affects that information. In respect of the Mineral Resources, all material assumptions and technical parameters continue to apply and have not materially changed.