Bowen Coking Coal Limited

ABN 72 064 874 620

Interim Financial Report - 31 December 2023

General information

These financial statements are the consolidated financial statements of the consolidated entity consisting of Bowen Coking Coal Limited and the entities it controlled at the end of, or during, the half-year.

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

Bowen Coking Coal Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Registered office	**Principal place of business**
Level 4, 167 Eagle Street Brisbane QLD 4000	Level 4, 167 Eagle Street 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 financial statements were authorised for issue, in accordance with a resolution of directors, on 15 March 2024.

Directors	Nicholas Jorss (Executive Chairman) Gerhard Redelinghuys (Managing 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) Stephen Downs (Alternate Director) (resigned 25 July 2023)
Chief Executive Officer	Daryl Edwards (appointed 29 January 2024) Mark Ruston (resigned effective 25 May 2024)
Chief Financial Officer	Daryl Edwards
Company Secretary	Duncan Cornish
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
Stock exchange listing	Australian Securities Exchange (ASX code: BCB)
Website	www.bowencokingcoal.com

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 half-year ended 31 December 2023.

Directors

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

Nicholas Jorss	Executive Chairman
Neville Sneddon	Non-Executive Director
David Conry AM	Non-Executive Director

Executive Team

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

Mark Ruston	Chief Executive Officer (resigned effective 25 May 2024)
Daryl Edwards	Chief Executive Officer (appointed 29 January 2024)
	Chief Financial Officer
Duncan Cornish	Company Secretary

Principal activities

During the period, the principal continuing activities of the Group is the development, production and sale of coal in Queensland, Australia, with a primary focus on metallurgical coal. The Group also continues to review potential future projects and conduct exploration activity.

Review of Financial Results

The Group's financial highlights for the half-year ended 31 December 2023 are described below:

- Record half-year revenue from sales with customers achieved of $231.6 million (31 December 2022: $27.2 million);
- Net cash from operating activities of $22.4 million (31 December 2022: $89.6 million net cash used in operating activities);
- Fully underwritten $56.8 million equity raising to provide balance sheet flexibility to fund mining at Ellensfield South Mine;
- Successful agreements reached with senior and subordinated lenders, amending the loan facilities to extend term and revise repayment profile along with agreements entered with the Queensland Office of State Revenue to defer the timing of State royalty payments over a longer period;
- Capital investment of $53.2 million primarily for the continued ramp up at the Burton complex, which is forecast to create a long-life, low-cost mining complex; and
- Strong closing cash on hand balance of $69.9 million (30 June 2023: $48.9 million).

Financial performance

	Consolidated	
	31 Dec 2023	**31 Dec 2022**
	$	**$**
Revenue from contracts with customers	231,614,145	27,240,184
Other income	4,123,725	83,344
Other expenses	(290,309,483)	(80,892,531)
Operating loss	(54,571,613)	(53,569,003)
Finance income	8,447,644	2,423,565
Finance expense	(20,588,748)	(10,126,955)
Share of profit/(loss) from joint ventures	1,653,194	105,241
Loss before income tax expense	(65,059,523)	(61,167,152)
Income tax expense	-	-
Loss after income tax for the half-year	**(65,059,523)**	**(61,167,152)**

The Group's operating loss for the half-year ended 31 December 2023 was driven primarily by lower than planned production performance from the Bluff mine, which has been placed into care and maintenance during the period, as well as Ellensfield South operation at Burton complex not yet at steady-state mining rates by the end of the half year, resulting in lower production and sales volumes achieved.

Costs were impacted by an elevated mining strip ratio at the Broadmeadow East pit due to weather delays towards the end of the half year which impacted coal presentation and available coal stocks going into the wet season. In addition, logistical constraints meant that planned December shipments were delayed into January 2024, unfavourably impacting revenue and gross profits for the current half-year.

Sales and Average Realised Prices

Managed Sales of Produced Coal (100%)		**H1 FY2024**	**H1 FY2023**	**Movement**
Coking Coal Sales	Kt	252.5	-	100.0%
PCI Coal Sales	Kt	314.9	40.3	681.8%
Thermal Coal Sales	Kt	492.4	41.5	1,085.7%
Total Managed Produced Coal Sales	Kt	**1,059.8**	**81.8**	**1,195.5%**
Volume Mix of Coking Sales	%	23.8%	0.0%	100.0%
Volume Mix of PCI Sales	%	29.7%	49.2%	(39.6%)
Volume Mix of Thermal Sales	%	46.5%	50.8%	(8.5%)
Average Realised Sales Price				
Coking Coal Sales	US$/t	$205.13	$0.00	100.0%
PCI Coal Sales	US$/t	$179.24	$239.27	(25.1%)
Thermal Coal Sales	US$/t	$91.98	$220.00	(58.2%)
Total Managed Produced Coal Sales	US$/t	**$144.86**	**$229.49**	**(36.9%)**

The Group sold its first coking coal sale in July 2023, out of Broadmeadow East, with total revenues during the half year continuing to benefit from the strong metallurgical coal prices throughout the period and ramp up in sales with Ellensfield South product from Burton complex coming on line from September 2023. The Group achieved 252Kt of coking sales at an average realised price of US$205.13/t overall for the half year, however this was expected to be higher, as logistical issues in December 2023 resulted in the revenue from two high priced vessels from the Burton complex delayed into January 2024.

Thermal prices have declined significantly since December 2022, with average price realised of US$91.98/t for the current half-year, compared to US$220.00/t for the prior half-year period. PCI coking sales were also impacted by lower market prices, achieving an average realised price of US$179.24/t compared to US$239.27/t. Despite the lower prices, the Group benefited from improved revenue mix with 23.8% of sales volume being higher priced coking product, and overall sales volume mix of 53.5% met coal and 46.5% thermal for the current half year period.

Review of Operations

Bowen Coking Coal Limited achieved a number of production and financial milestones with the focus during the half year being on Ellensfield South pit at the Burton Complex ramping-up mining activity and transitioning the Bluff mine into safe care and maintenance, while continuing to mine the Broadmeadow East pit and progress exploration activities at the Hillalong Coking Coal Project (a farm-in arrangement with Sumitomo Corporation).

Highlights from the Group's H1 FY2024 operations

Managed Basis (100%)		**H1 FY2024**	**H1 FY2023**	**%**
ROM coal produced	Kt	1,425.6	593.8	140.1%
ROM Strip Ratio[1]	Prime (BCM:t)	13.5	16.2	16.6%
Saleable coal produced	Kt	1,023.8	258.2	296.5%
Sales of produced coal	Kt	1,059.8	81.8	1195.5%
Saleable coal stocks at period end	Kt	158.0	182.4	(13.4%)
Number of vessels shipped	Number	20.0	3.0	566.7%

1 Inclusive of Ellensfield South pit box cut development.

The key highlights from the Group's H1 FY2024 operations:

- The Company delivered a strong safety performance with a total recordable injury frequency rate (TRIFR) of 2.9 for the rolling 12-months to 31 December 2023;
- Consolidated Run-of-mine (ROM) production of 1,425.6Kt, saleable production of 1,023.8Kt and total sales of produced coal of 1,059.8Kt;
- First production and coal sales from the Ellensfield South Mine during H1 FY2024;
- First coking sales from the Burton complex; and
- Burton CHPP, which was commissioned during June 2023 quarter end, showed continued improvements, operating above nameplate capacity.

Broadmeadow East (BME)
BME has transitioned to an annual steady-state production rate of 0.8 – 1.2Mtpa producing a combination of coking coal with a secondary thermal product. The coal is processed through the Burton CHPP and railed from the Mallawa train load out to the coal terminal at Dalrymple Bay for export.

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 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 will allow for increased coal blending options to target specific markets and will facilitate a more streamlined coal processing operation. Completion of the sale is subject to the usual conditions, including Foreign Investment Review Board approval.

In August 2023, the Group announced it was deferring the relocation of a high voltage power line at BME to the southern tenement boundary. The 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 powerline easement, however due to the total cost of the powerline relocation project increasing from $14.0 million to $20.0 million, a decision was made to delay the powerline relocation project until market conditions improve and an economic solution is determined.

Ellensfield South Mine

Ellensfield South is an opencut deposit that is part of the greater Burton Complex, located immediately south of the Burton CHPP. It is the Company's third open-cut mining area made operational, producing a high yield coking coal at a planned low strip ratio.

First coal was mined from Ellensfield South in August 2023. Three mining fleets were operating on site from August 2023 after a 350t excavator was relocated from BME to join the 400t and 300t machines already in operation. In November 2023, a high capacity 600t excavator was commissioned to replace a 350t digger on site to provide increased capacity and lower production unit costs.

While still in ramp up phase at the end of December 2023, Ellensfield South produced a total of 441Kt of ROM coal and shipped 152Kt of coal sales during the period. The Ellensfield South pit has a longer-term target ROM strip ratio of 7:1 (BCM:t).

Burton Infrastructure

Module 1 of the Burton CHPP, commissioned in June 2023, is showing continuing strong performance and is operating above nameplate capacity. Consequently, the recommissioning work on Module 2 of the CHPP has been deferred, saving capital outlay. Optionality exists to capitalise on the upside at the Burton Complex by completing the Module 2 upgrade which will increase CHPP throughput from 2.75Mtpa to 5.5Mtpa. Refurbishment of the skyline automatic loading facility at the Mallawa Train Load Out was completed in September 2023, reducing coal rehandling and dozer costs as well as lowering coal fines generation in the final product.

Bluff Mine

Operational constraints at the Bluff PCI mine resulted in lower than forecast ROM production for the period with the annual guidance revised to 0.6 - 0.9Mtpa for FY2024. A series of actions were undertaken to improve performance at the Bluff mine, including revising the mine plan to target lower strip ratio areas and remove high-cost coal seams from the mine design, however falling PCI prices and the high cost of mining ultimately led to the decision in September 2023 to place the mine into care and maintenance. Bluff's last coal was mined in November 2023, with the sale of all closing coal stocks continuing into the H2 FY2024 period. The mine is being maintained in a state that may enable a quick restart should coal prices recover sufficiently.

Lenton deposit

Lenton is an undeveloped open-cut deposit in the north-western part of the greater Burton Complex. It is part of the New Lenton Joint Venture, of which the Company holds a 90% interest through its wholly owned subsidiary, New Lenton Coal Pty Ltd.

In November 2023, the Company announced a Coal Reserve upgrade for its Lenton Deposit. Total ROM Coal Reserves increased to 19Mt* (13Mt proved and 5.8Mt probable) at 6% total moisture, which is a 32% increase on previous Reserves.

The proposed pits at Lenton, once operational, will produce low ash metallurgical coal and moderately high ash thermal coal. Total Marketable Coking Coal Reserves are now 6.6Mt (4.4Mt proved and 2.2Mt probable) at 10% total moisture, with the total Marketable Thermal Coal Reserves at 6.1Mt (4.1Mt proved and 2.0Mt probable) at 9.3% total moisture, representing an upgrade of 18%* for Marketable Coal.

The average strip ratio for the deposit is planned at 7.5:1 (BCM:t) over a mine life of 13 years. The total coal Resource at Lenton Deposit is 140Mt**.

*Refer ASX announcement dated 1 November 2023: Lenton Deposit Coal Reserve Update.

**Refer ASX announcement dated 4 August 2021: Transformational Acquisition and Equity Capital Raising.

Hillalong

The Hillalong Coal Project is jointly owned by Bowen (85%) and Japanese conglomerate, Sumitomo Corporation (15%), with Sumitomo electing to invest further in the Project by funding the Phase 2b Work Program, which will provide Sumitomo the option to increase their holding to 20%.

In August 2023, the Company reported a 45% upgrade in the Resource Estimate for Hillalong South***. The Resource Estimate for Hillalong South now stands at 64Mt (35Mt Indicated and 28Mt Inferred) taking the total Resource Estimate for the Hillalong Project to 106Mt, of which 56Mt is classified in the Indicated category and 50Mt as Inferred.

The existing work program will focus on the Hillalong South area to further define the Resource through a series of infill drill holes and extensions to the north and west. In addition to this exploration drilling, feasibility and long-term environmental studies will also be undertaken.

Hillalong is planned to operate as a satellite pit within the Burton complex and is strategically well placed to utilise the existing Burton CHPP infrastructure to process its coal and ship to market.

***Refer announcement dated 9 August 2023: Shipping Update and Hillalong South Resources Upgrade.

Isaac River

Having reached a mining lease compensation agreement with the landowners of Isaac River, Bowen has applied for a Mining Lease with the Queensland Government which is expected to be granted in the second half of financial year ended 30 June 2024. The Isaac River Project, once operational, is expected to produce high quality, high yielding metallurgical coal of up to 500,000 tonnes**** per year for approximately five years.

****Refer announcement dated 28 July 2021: Production Targets for Broadmeadow East and Isaac River Projects.

Corporate

In July 2023, the Company completed the $4.3 million remainder (before transaction costs) of its June 2023 capital raise. Included in the $4.3 million was $2.2 million of director participation. A total of 25,489,047 ordinary shares were issued at the issue price of $0.17.

In November 2023, the Company completed a fully underwritten $56.8 million (before transaction costs) capital raising with funds primarily directed to the ramp up of mining (completion of box cut activities) at the Ellensfield South Pit, prepayments, guarantees, and general working capital.

The capital raising consisted of a fully underwritten offer of fully paid ordinary shares issued at a price of $0.09 with:

- $16.8 million raised through a fully underwritten placement of 186,680,723 new fully paid ordinary shares on 13 November 2023; and
- a further $33.2 million raised through a fully underwritten 1 for 6 pro rata accelerated non-renounceable entitlement offer of 368,874,832 shares to eligible shareholders, completed by 27 November 2023.

As at 31 December 2023 the Company had 2,843,962,633 ordinary shares, 29,981,276 performance rights, 19,179,000 options, 40,000,000 Convertible Notes and 100,000,000 warrants on issue.

Revised Debt Terms – Taurus and New Hope

In September 2023, Bowen successfully reached agreements with its senior and subordinated lenders, Taurus Mining Finance Fund No. 2, L.P. and New Hope Corporation respectively, amending the loan facilities.

The material amendments include extension of tenor, deferment of principal amortisation for the next 12 months and a modest increase in interest margins and royalties payable. The extended maturities provide headroom for the Company's debt repayment while steady-state production is achieved at the Ellensfield South Pit.

Taurus Debt Facility

Changes to the Taurus debt facility of US$51.0 million (A$74.6 million) included an extension to loan termination date to 31 December 2025 (previously 31 March 2024) and revised repayment profile. The facility interest rate (paid quarterly) has increased to 10.0% (previously 8.0%) on the facility drawn balance of US$44.0 million (A$67.9 million). In addition, royalties increased for both Broadmeadow East and Burton tenements (now 0.75%, previously 0.35%). Bluff royalties were unchanged at 1.00%.

New Hope Performance Bonding Facility

Changes to the New Hope performance bonding subordinated debt facility include an extension to the loan termination date to 31 March 2026 (previously 30 June 2024) and a Share Purchase Agreement (summarised below). The interest rate of 3-month BBSY Bid plus 10% per annum remains unchanged.

Key terms of Bowen and New Hope's share purchase agreement are:

- $10.0 million issuance of shares (76,923,076 shares at $0.13 per share) used to immediately repay $9.1 million of historical capitalised interest and accrued interest owing on the New Hope facility up to 29 September 2023 as well as $0.9 million towards principal loan repayment.
- Future interest repayments up to 30 September 2024 are planned to be settled in quarterly warrants (options) tranches of 25,000,000 each.

Matters subsequent to the end of the financial half-year

On 29 January 2024, the Company announced a change in executive leadership with the appointment of Mr. Daryl Edwards as Chief Executive Officer (CEO) of the Group, effective immediately. Mr. Edwards has previously served as the Group's Chief Financial Officer since 2 February 2021. The former CEO, Mr. Mark Ruston will be available to assist the Company through to his resignation effective date of 25 May 2024.

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.

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.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Nicholas Jorss
Executive Chairman and Director

15 March 2024

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Auditor's Independence Declaration to the Directors of Bowen Coking Coal Limited

As lead auditor for the review of Bowen Coking Coal Limited for the half-year ended 31 December 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 review;

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

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

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

Ernst & Young

Ernst & Young

Tom du Preez
Partner
15 March 2024

BOWEN COKING COAL LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	Consolidated 31 Dec 2023 $	31 Dec 2022 $
Revenue			
Revenue from contracts with customers	2	231,614,145	27,240,184
Other income	3	4,123,725	83,344
		235,737,870	**27,323,528**
Expenses			
Employee benefits expense	4	(5,051,742)	(2,944,955)
Other expenses	5	(25,218,000)	(14,577,344)
Operating expenses	6	(207,770,383)	(120,434,597)
Net inventory movements		(21,744,366)	67,074,108
Foreign exchange gains		2,341,325	1,057,203
Depreciation and amortisation expense	14	(8,914,987)	(3,363,876)
Onerous contract adjustment	21	8,962,000	-
Royalties expense		(31,548,850)	(7,054,933)
Share based payments		(1,364,480)	(648,137)
Operating loss		**(54,571,613)**	**(53,569,003)**
Finance income	7	8,447,645	2,423,565
Finance expense	8	(20,588,748)	(10,126,955)
Share of profit from joint ventures	15	1,653,194	105,241
Loss before income tax expense		**(65,059,522)**	**(61,167,152)**
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Bowen Coking Coal Limited		**(65,059,522)**	**(61,167,152)**
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year attributable to the owners of Bowen Coking Coal Limited		**(65,059,522)**	**(61,167,152)**
		Cents	**Cents**
Basic loss per share	9	(2.81)	(3.72)
Diluted loss per share	9	(2.81)	(3.72)

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

BOWEN COKING COAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	Consolidated 31 Dec 2023 $	Consolidated 30 Jun 2023 $
Assets			
Current assets			
Cash and cash equivalents	10	69,850,855	48,944,668
Trade and other receivables	11	16,516,468	36,514,257
Inventories	12	38,740,803	60,485,170
Other assets	13	9,136,224	4,250,602
Total current assets		134,244,350	150,194,697
Non-current assets			
Property, plant and equipment	14	177,020,955	160,309,222
Investments accounted for using the equity method	15	2,591,882	938,688
Exploration and evaluation assets	16	11,263,228	10,989,468
Other assets	13	84,599,727	85,364,117
Total non-current assets		275,475,792	257,601,495
Total assets		**409,720,142**	**407,796,192**
Liabilities			
Current liabilities			
Trade and other payables	17	132,691,634	120,631,203
Deferred consideration	18	-	2,500,000
Interest-bearing loans and borrowings	19	25,937,758	75,245,990
Lease liability	20	148,340	141,062
Provisions	21	11,021,125	20,059,715
Total current liabilities		169,798,857	218,577,970
Non-current liabilities			
Deferred consideration	18	4,258,168	3,844,606
Interest-bearing loans and borrowings	19	126,942,659	83,606,799
Lease liability	20	205,072	280,902
Provisions	21	67,843,475	66,438,505
Total non-current liabilities		199,249,374	154,170,812
Total liabilities		**369,048,231**	**372,748,782**
Net assets		**40,671,911**	**35,047,410**
Equity			
Issued capital	22	330,712,616	261,285,098
Reserves	23	5,982,741	4,726,236
Accumulated losses		(296,023,446)	(230,963,924)
Total equity		**40,671,911**	**35,047,410**

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

Consolidated	**Issued capital $**	**Share based payment reserve $**	**Convertible note reserve $**	**Accumulated losses $**	**Total equity $**
Balance at 1 July 2022 - as previously stated	134,113,511	4,149,174	13,210,888	(68,026,815)	83,446,758
Adjustment for correction of error	-	-	(13,210,888)	-	(13,210,888)
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 half-year	-	-	-	(61,167,152)	(61,167,152)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	-	(61,167,152)	(61,167,152)
Issue of shares	85,000,000	-	-	-	85,000,000
Conversion of performance shares	687,418	(687,418)	-	-	-
Share-based payments	-	648,137	-	-	648,137
Share issue costs	(3,402,877)	-	-	-	(3,402,877)
Balance at 31 December 2022	**216,398,052**	**4,109,893**	-	**(129,193,967)**	**91,313,978**

Consolidated	**Issued capital $**	**Share based payment reserve $**	**Convertible note reserve $**	**Accumulated losses $**	**Total equity $**
Balance at 1 July 2023	261,285,098	4,726,236	-	(230,963,924)	35,047,410
Loss after income tax expense for the half-year	-	-	-	(65,059,522)	(65,059,522)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	-	(65,059,522)	(65,059,522)
Issue of shares	73,393,409	-	-	-	73,393,409
Conversion of performance shares	107,975	(107,975)	-	-	-
Share-based payments	-	1,364,480	-	-	1,364,480
Share issue costs	(4,073,866)	-	-	-	(4,073,866)
Balance at 31 December 2023	**330,712,616**	**5,982,741**	-	**(296,023,446)**	**40,671,911**

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

	Note	Consolidated 31 Dec 2023 $	31 Dec 2022 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		267,059,624	38,778,384
Payments to suppliers and employees (inclusive of GST)		(244,018,001)	(125,633,319)
Interest received		86,156	74,633
Other revenue		4,779,386	-
Interest and other finance costs paid		(5,500,900)	(2,843,937)
Net cash from/(used in) operating activities		**22,406,265**	**(89,624,239)**
Cash flows from investing activities			
Payments for property, plant and equipment	14	(53,231,355)	(28,792,671)
Payments for exploration and evaluation	16	(687,557)	(513,957)
Payments for asset acquisition	18	(2,500,000)	(22,479,435)
Receipt for exploration costs from farmee		1,860,258	-
Payments for security and other deposits		(1,476,443)	(5,603,308)
Net cash used in investing activities		**(56,035,097)**	**(57,389,371)**
Cash flows from financing activities			
Proceeds from issue of shares	22	61,085,717	85,000,000
Share issue transaction costs	22	(4,073,866)	(3,402,877)
Proceeds from borrowings		-	61,448,603
Repayment of borrowings		(965,430)	(16,236,162)
Payment of financing transaction cost		(1,370,022)	-
Payment of principal portion of lease liabilities		(68,552)	(43,639)
Net cash from financing activities		**54,607,847**	**126,765,925**
Net increase/(decrease) in cash and cash equivalents		20,979,015	(20,247,685)
Cash and cash equivalents at the beginning of the financial half-year		48,944,669	72,520,051
Effects of exchange rate changes on cash and cash equivalents		(72,829)	-
Cash and cash equivalents at the end of the financial half-year	10	**69,850,855**	**52,272,366**

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

Note 1. General information and significant accounting policies

These consolidated financial statements for half-year reporting period ended 31 December 2023 are condensed general purpose financial statements prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

The consolidated financial statements are for the Group consisting of Bowen Coking Coal Ltd and its Controlled Entities. Bowen Coking Coal Ltd is a listed public company, incorporated and domiciled in Australia. The financial statements have been prepared on an accruals basis and are based on historical cost, modified by the measurement at fair value of certain financial assets and liabilities.

These consolidated financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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.

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.

Note 1. General information and significant accounting policies (continued)

Going concern

The financial statements 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 half-year ended 31 December 2023 the Group generated a consolidated loss of $65,059,522 (2022: $61,167,153) and generated operating cash inflows of $22,406,265 (outflow in 2022: $89,624,239). As at 31 December 2023 the Group has cash and cash equivalents of $69,850,855 (30 June 2023: $48,944,668) and net assets of $40,671,911 (30 June 2023: $35,047,410).

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 mine's 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 31 March 2025 which indicates that the Group will have sufficient cash to continue as a going concern. This cashflow forecast contemplates existing arrangements in place with the Queensland Government to defer certain payments, if required. However, 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.

Should one or a combination of these events occur, the Group may need to seek funding assistance through debt, equity or farm out/sell down 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, there is no guarantee that such new funding will be on terms acceptable to the Group. Global credit 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 banking 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.

Taking into account the Group's ability to raise further capital and restructure its debts, the Directors believe that the Group will have adequate resources to fund its future operational requirements.

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.

Note 2. Revenue from contracts with customers

	Consolidated	
	31 Dec 2023 $	31 Dec 2022 $
Sale of coal	231,614,145	27,240,184

Sale of coal is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Typically, the transfer of control and the recognition of a sale occurs when the coal passes the ship rail when loading at the port.

Note 3. Other income

	Consolidated 31 Dec 2023 $	Consolidated 31 Dec 2022 $
Rental income	43,200	45,000
Other income	4,080,525	38,344
	4,123,725	83,344

Note 4. Employee benefits expense

	Consolidated 31 Dec 2023 $	Consolidated 31 Dec 2022 $
Salaries & wages	3,553,049	1,785,537
Directors fees	509,224	553,336
Employee benefits	989,469	606,082
	5,051,742	2,944,955

Note 5. Other expenses

	Consolidated 31 Dec 2023 $	Consolidated 31 Dec 2022 $
Accounting and audit fees	116,416	197,223
Administration and other expenses	9,380,168	8,479,551
Corporate compliance expenses	697,965	1,438,101
Operational accommodation and travel expenses	10,930,385	3,956,257
Sales and marketing expenses	4,093,066	506,212
	25,218,000	14,577,344

Note 6. Operating expenses

	Consolidated 31 Dec 2023 $	Consolidated 31 Dec 2022 $
Mining costs	157,715,187	110,396,337
Processing costs	21,232,246	7,486,511
Transport and logistics	28,822,950	2,551,749
	207,770,383	120,434,597

Note 7. Finance income

	Consolidated 31 Dec 2023 $	Consolidated 31 Dec 2022 $
Interest income, calculated using the effective interest rate method	86,157	74,633
Convertible note, derivative liability fair value adjustment	-	2,348,932
Derivative liability revaluation gain	4,919,419	-
Net gain on debt modification*	3,442,069	-
	8,447,645	2,423,565

* The Group's net gain on debt modification includes a $5.7 million gain relating to the amendment of the Taurus facility and offset by a $2.3 million net loss on debt modification relating to the amendment of the New Hope facility (refer to note 19).

Note 8. Finance expense

	Consolidated 31 Dec 2023 $	Consolidated 31 Dec 2022 $
Convertible note - Interest expense	2,882,142	855,036
Interest expense	15,616,785	8,107,908
Rehabilitation provision unwinding of discount	1,395,862	1,164,011
Deferred consideration unwinding of discount	413,562	-
Convertible note, derivative liability fair value adjustment	280,397	-
	20,588,748	10,126,955

Note 9. Earnings per share

	Consolidated 31 Dec 2023 $	Consolidated 31 Dec 2022 $
Loss after income tax attributable to the owners of Bowen Coking Coal Limited	(65,059,522)	(61,167,152)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic loss per share	2,317,908,961	1,642,620,191
Weighted average number of ordinary shares used in calculating diluted loss per share	2,317,908,961	1,642,620,191
	Cents	**Cents**
Basic loss per share	(2.81)	(3.72)
Diluted loss per share	(2.81)	(3.72)

Note 10. Cash and cash equivalents

	Consolidated 31 Dec 2023 $	Consolidated 30 Jun 2023 $
Current assets		
Cash at bank	69,850,855	48,944,668

Note 11. Trade and other receivables

	Consolidated	
	31 Dec 2023 $	30 Jun 2023 $
Current assets		
Receivable from joint venture entity*	9,384,108	31,960,949
Other receivables	1,213,418	1,869,079
GST & fuel tax credit receivable	5,918,942	2,684,229
	16,516,468	36,514,257

* 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.

Note 12. Inventories

	Consolidated	
	31 Dec 2023 $	30 Jun 2023 $
Current assets		
Run-of-mine (ROM) stockpiles (at mine)	13,120,385	16,260,193
Run-of-mine (ROM) stockpiles (at wash plant)	1,723,251	6,979,716
Coal product stockpiles	23,406,407	36,935,787
Coal inventories	38,250,043	60,175,696
Fuel on hand	490,760	309,474
Total inventories	38,740,803	60,485,170

During the half-year, $10.5 million (31 December 2022: $9.5 million) 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 $209.6 million (31 December 2022: $55.1 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.

Note 13. Other assets

	Consolidated	
	31 Dec 2023 $	30 Jun 2023 $
Current assets		
Prepayments	4,152,929	4,250,602
Other financial asset	4,983,295	-
	9,136,224	4,250,602
Non-current assets		
Prepayments	6,494,354	8,735,186
Rehabilitation bonds	69,769,633	69,769,633
Security deposits	8,284,318	6,807,876
Other receivable	51,422	51,422
	84,599,727	85,364,117

Note 14. Property, plant and equipment

	Consolidated	
	31 Dec 2023	**30 Jun 2023**
	$	**$**
Non-current assets		
Land and buildings - at cost	13,391,815	13,391,815
Less: Accumulated depreciation	(1,340,948)	(677,440)
	12,050,867	12,714,375
Plant and equipment - at cost	52,376,544	48,422,429
Less: Accumulated depreciation	(5,930,450)	(2,631,844)
Less: Accumulated impairment	(218,033)	(218,033)
	46,228,061	45,572,552
Right of use assets - at cost	455,887	455,887
Less: Accumulated depreciation	(114,388)	(37,852)
	341,499	418,035
Mine development assets - at cost	101,549,856	79,883,850
Mining assets - at cost	50,640,541	50,640,541
Less: Accumulated depreciation	(14,910,245)	(10,040,507)
Less: Accumulated impairment	(18,879,624)	(18,879,624)
	16,850,672	21,720,410
	177,020,955	160,309,222

Note 14. Property, plant and equipment (continued)

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

Consolidated	Buildings and improvements $	Plant and equipment $	Right of use asset $	Mine development assets $	Mining assets $	Total $
Balance at 1 July 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 18)	-	-	-	22,481,544	-	22,481,544
New lease addition (note 20)	-	-	435,706	-	-	435,706
Transfer from exploration and evaluation assets (note 16)	-	-	-	67,954,974	-	67,954,974
Remeasurement of rehabilitation	(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	-
Impairment expense*	-	(218,033)	-	-	(18,879,624)	(19,097,657)
Depreciation expense	(677,440)	(2,604,423)	(93,311)	-	(9,481,502)	(12,856,676)
Balance at 30 June 2023	**12,714,375**	**45,572,552**	**418,035**	**79,883,850**	**21,720,410**	**160,309,222**
Additions	-	113,638	-	53,117,718	-	53,231,356
Transfer to operating expenses**	-	-	-	(27,604,636)	-	(27,604,636)
Transfer from mine development assets	-	3,847,076	-	(3,847,076)	-	-
Depreciation expense	(663,508)	(3,305,205)	(76,536)	-	(4,869,738)	(8,914,987)
Balance at 31 December 2023	**12,050,867**	**46,228,061**	**341,499**	**101,549,856**	**16,850,672**	**177,020,955**

*During the year ended 30 June 2023, as the result of the Bluff mine not having reached steady-state operations and as a 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.

**During the period, $15.2 million was transferred out of mine development assets to recognise development production from the Ellensfield South box cut as well as $12.4 million charge to operating expenses relating to Ellensfield South coal sales.

Note 15. Investments accounted for using the equity method

	Consolidated	
	31 Dec 2023	**30 Jun 2023**
	$	**$**
Non-current assets		
Investments accounted for using the equity method	2,591,882	938,688

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

Opening carrying amount	938,688	(53,810)
Share of profit from joint ventures	1,653,194	992,498
Closing carrying amount	**2,591,882**	**938,688**

Refer to note 29 for further information on interests in joint ventures.

Note 16. Exploration and evaluation assets

	Consolidated	
	31 Dec 2023	**30 Jun 2023**
	$	**$**
Non-current assets		
Exploration and evaluation assets	11,263,228	10,989,468

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

Consolidated	**Exploration and evaluation assets** $
Balance at 1 July 2022	10,250,911
Additions	1,666,110
Additions through asset acquisition (note 18)	67,954,974
Transfer from exploration and evaluation assets to mine development assets (note 14)	(67,954,974)
Receipt for exploration costs from farmee	(927,553)
Balance at 30 June 2023	**10,989,468**
Additions	687,557
Receipt for exploration costs from farmee	(413,797)
Balance at 31 December 2023	**11,263,228**

Note 17. Trade and other payables

	Consolidated	
	31 Dec 2023	30 Jun 2023
	$	$
Current liabilities		
Trade payables	32,197,836	32,573,328
Payable to joint venture partner	10,991,684	1,963,151
State and private royalties payable	46,204,730	23,888,308
Unearned Revenue	13,610,585	-
Accrued expenses	27,565,760	60,972,725
Other payables	2,121,039	1,233,691
	132,691,634	120,631,203

Note 18. Asset Acquisition

The Company acquired 100% of the shares in New Lenton Coal Pty Ltd (whose 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 and development 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:

- 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;
- 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 payable.

Note 18. Asset Acquisition (continued)

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 31 December 2023 there was no current portion of the liability as this was settled during the period (30 June 2023: $2.5 million) and the non-current portion remaining was $4.3 million (30 June 2023: $3.8 million) which is triggered through achievement of certain milestones.

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 totalled $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

Note 19. Interest bearing loans & borrowings

	Consolidated	
	31 Dec 2023	30 Jun 2023
	$	$
Current liabilities		
Taurus facility		
- Loan at amortised cost	21,929,825	75,245,990
New Hope facility		
- Derivative liability	3,064,460	-
Borrowings	943,473	-
	25,937,758	75,245,990
Non-current liabilities		
Taurus facility		
- Loan at amortised cost	51,878,721	-
New Hope facility		
- Loan at amortised cost	43,879,895	55,585,295
Convertible Notes		
- Host debt contract at amortised cost	24,167,558	21,285,416
- Derivative liability (conversion rights) at fair value though profit and loss	7,016,485	6,736,088
	126,942,659	83,606,799

Taurus Facility
The Taurus Mining Finance Fund No.2, L.P. ("Taurus facility") is senior secured with an aggregate limit of US$51.0 million with the use of proceeds for capital expenditure, general working capital and expenses incurred in recommissioning the Burton coal handling and preparation plant, developing the Burton and Broadmeadow East projects and operating the Bluff Mine.

On 29 September 2023, the Company and Taurus agreed to amend the loan facility, the changes include an extension to loan termination date to 31 December 2025 (previously 31 March 2024) and revised repayment profile. The facility interest rate (paid quarterly) has increased to 10.0% (previously 8.0%) on the facility drawn balance of US$44.0 million (A$67.9 million). In addition, royalties have increased for both Broadmeadow East and Burton tenements to 0.75% (previously 0.35%). Bluff royalties were unchanged at 1.00%.

At date of amendment of the loan facility, the debt was remeasured at the fair value of U$49.5 million (A$76.7 million) on 29 September 2023 and $0.6 million of transaction costs comprising establishment, corporate and legal advisory fees have been offset. The remeasurement of fair value resulted in the recognition of a gain on debt modification of US$3.7 million (A$5.7 million), included within finance income (refer to note 7 for net gain on debt modification amount recognised in the period).

Security over the debt facilities involve first ranking security over assets, including charges over movable and immovable property and mining leases, development licences and exploration permits.

New Hope facility
The New Hope Corporation Limited facility ("New Hope facility") is secured on a second ranking basis to the Taurus facility.

On 29 September 2023, the Company and New Hope Corporation Limited agreed to amend the loan facility, which included an extension to the loan termination date to 31 March 2026 (previously 30 June 2024) and a share purchase agreement (summarised below). The interest rate of 3-month BBSY Bid plus 10% per annum remains unchanged.

Key terms of the share purchase agreement are:
- $10.0 million issuance of shares (76,923,076 shares at $0.13 per share) used to immediately repay $9.1 million of historical capitalised interest and accrued interest owing on the New Hope facility up to 29 September 2023 as well as $0.9 million towards principal loan repayment.
- Future interest repayments up to 30 September 2024 are planned to be settled in quarterly warrants (derivative liability) tranches of 25,000,000 each.

Note 19. Interest bearing loans & borrowings (continued)

At date of amendment of the loan facility, after the $10.0 million issuance of shares to New Hope, the loan facility had a total remaining balance of $48.3 million, made up of $8.0 million for warrants (derivative liability recognised at fair value), $39.0 million principal, $1.9 million accrued redemption premium and $0.6 million of transaction costs comprising establishment, corporate and legal advisory fees have been offset. The amendment to the loan facility resulted in a $2.3 million loss on extinguishment of debt through issue of equity, which is included within the amount disclosed in note 7 net gain on debt modification amount recognised in the period.

At 31 December 2023, the loan facility had a total balance of $46.9 million, made up of a warrant (derivative liability) of $3.1 million and principal amount of $43.9 million including redemption premium. The fair value remeasurement of the warrants resulted in the recognition of a derivative liability revaluation gain of $4.9 million, included in finance income (refer to note 7).

The New Hope facility was used to provide a bank guarantee under the Queensland financial provisioning regime for rehabilitation performance bonding. The Company's share of the bond for the Lenton/Burton Mine rehabilitation cost is $47.9 million.

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 carry an interest rate of 3.0% per annum and have an initial conversion price of $0.325 per share. The Company has the ability to capitalise interest to the outstanding convertible loan note balance in lieu of cash at an interest rate of 4.0% per annum. Adjustments to the conversion price include an increase of $0.005 per share every six months, 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 has been share issuance during the period (refer to note 22). Accordingly, at 31 December 2023 the conversion price has been amended and is currently $0.2537 per conversion note.

At the date of recognition of the convertible note, a derivative liability was recognised at fair value. The fair value was determined utilising a Monte Carlo simulation which utilised Level 2 inputs. At 31 December 2023, the remeasurement of the fair value resulted in the recognition of a fair value adjustment of $0.3 million, included in finance expense (refer note 8).

Note 20. Lease liability

	Consolidated	
	31 Dec 2023 $	30 Jun 2023 $
Current liabilities		
Lease liability	148,340	141,062
Non-current liabilities		
Lease liability	205,072	280,902

Note 20. Lease liability (continued)

	Consolidated	
	31 Dec 2023	**30 Jun 2023**
	$	**$**
Opening carrying amount	421,964	82,797
New lease addition	-	435,706
Interest expense	7,278	10,161
Profit on disposal of lease	-	(3,137)
Repayment	(75,830)	(103,563)
Closing carrying amount	**353,412**	**421,964**

Note 21. Provisions

	Consolidated	
	31 Dec 2023	**30 Jun 2023**
	$	**$**
Current liabilities		
Employee leave entitlements	587,807	664,397
Rehabilitation provision	2,941,318	2,941,318
Provision for onerous contracts	7,492,000	16,454,000
	11,021,125	20,059,715
Non-current liabilities		
Long service leave	115,403	106,295
Rehabilitation provision	67,728,072	66,332,210
	67,843,475	66,438,505

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

	Rehabilitation provision	**Provision for onerous contracts**	**Total**
	$	$	$
Carrying amount at 1 July 2022	15,777,762	-	15,777,762
Additions through asset acquisition (note 18)	60,461,126	-	60,461,126
Reductions through remeasurement of rehabilitation	(9,046,681)	-	(9,046,681)
Unwinding of discount	2,081,321	-	2,081,321
Provision for onerous contracts	-	16,454,000	16,454,000
Carrying amount at 30 June 2023	**69,273,528**	**16,454,000**	**85,727,528**
Onerous contract adjustment*	-	(8,962,000)	(8,962,000)
Unwinding of discount (note 8)	1,395,862	-	1,395,862
Carrying amount at 31 December 2023	**70,669,390**	**7,492,000**	**78,161,390**

* At 31 December 2023, management reassessed the provision for onerous contracts in relation to the Bluff mine transition into safe care and maintenance, this resulted in $9.0 million adjustment of the onerous provision, due to reduction in the assessed future commitments.

Note 22. Issued capital

	Consolidated			
	31 Dec 2023 Shares	30 Jun 2023 Shares	31 Dec 2023 $	30 Jun 2023 $
Ordinary shares - fully paid	2,843,962,633	2,110,496,831	330,712,616	261,285,098

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2023	2,110,496,831		261,285,098
Placement	24 July 2023	25,489,047	$0.17	4,333,137
Issued under a debt facility agreement	29 Sep 2023	76,923,076	$0.16	12,307,692
Performance rights conversion	4 Oct 2023	340,035	$0.23	78,208
Performance rights conversion	9 Oct 2023	43,595	$0.23	10,027
Placement and right issue	13 Nov 2023	375,040,092	$0.09	33,753,608
Rights issue	27 Nov 2023	180,515,463	$0.09	16,246,392
Placement	4 Dec 2023	75,028,667	$0.09	6,752,580
Performance rights conversion	21 Dec 2023	85,827	$0.23	19,740
Transaction costs associated with share issues				(4,073,866)
Balance	**31 December 2023**	**2,843,962,633**		**330,712,616**

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. The fully paid ordinary shares have no par value.

Note 23. Reserves

	Consolidated	
	31 Dec 2023 $	30 Jun 2023 $
Share based payment reserve	5,982,741	4,726,236

Note 24. Dividends

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

Note 25. Contingent assets

There were no contingent assets as at 31 December 2023.

Note 26. 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 $1.5 million 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:

Note 26. Contingent liabilities (continued)

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.

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, 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$160.00 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$190.00 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 27. 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	
	31 Dec 2023	30 Jun 2023
	$	$
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	545,000	502,000
One to five years	1,845,000	780,500
	2,390,000	1,282,500

Capital Commitments
At 31 December 2023 the Group had $310,380 in capital purchase commitments.

Note 28. 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:

Name	Principal place of business / Country of incorporation	Ownership interest 31 Dec 2023 %	Ownership interest 30 Jun 2023 %
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%	100.00%
Lenton Management and Marketing Pty Ltd	Australia	90.00%	90.00%
Cabral Metais Ltd (dormant)	Brazil	100.00%	100.00%

Note 29. Interests in joint ventures

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 the Latimore Parties are shareholders in equal proportion. Marketing Co. will market, promote and sell, all coal produced by and from any of the Company's projects as well as third party coal for blending purposes. M Resources Trading Pty Ltd will provide marketing support services to Marketing Co.

Interests in joint ventures are accounted for using the equity method of accounting. 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 31 Dec 2023 %	Ownership interest 30 Jun 2023 %
Bowen Coking Coal Marketing Pty Ltd	Australia	50.00%	50.00%

Note 30. 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:

Name	Principal place of business / Country of incorporation	Ownership interest 31 Dec 2023 %	Ownership interest 30 Jun 2023 %
Hillalong Joint Venture (un-incorporated)	Australia	85.00%	85.00%
New Lenton Joint Venture (un-incorporated)	Australia	90.00%	90.00%

Note 31. Operating segments

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.

Note 31. Operating segments (continued)

For the half-year ended 31 December 2023	Mining and sale of coal $	Exploration and development of coal $	Corporate (Unallocated) $	Total $
Revenue				
Revenue from contracts with customers	231,614,145	-	-	231,614,145
Other income	4,116,640	-	7,085	4,123,725
	235,730,785	**-**	**7,085**	**235,737,870**
Expenses				
Employee benefits expense	(1,989,570)	-	(3,062,172)	(5,051,742)
Other expenses	(22,574,385)	-	(2,643,615)	(25,218,000)
Operating expenses	(207,770,383)	-	-	(207,770,383)
Net inventory movements	(21,744,366)	-	-	(21,744,366)
Foreign exchange gains	(972,909)	-	3,314,234	2,341,325
Depreciation and amortisation expense	(8,815,612)	-	(99,375)	(8,914,987)
Onerous contract unwinding	8,962,000	-	-	8,962,000
Royalties expense	(31,548,850)	-	-	(31,548,850)
Share based payments	-	-	(1,364,480)	(1,364,480)
Operating loss	**(50,723,289)**	**-**	**(3,848,324)**	**(54,571,614)**
Finance income	764	-	8,446,881	8,447,645
Finance expense	(2,185,117)	-	(18,403,630)	(20,588,747)
Share of profit from joint ventures	1,653,194	-	-	1,653,194
Loss before income tax expense	**(51,254,449)**	**-**	**(13,805,072)**	**(65,059,521)**
Income tax expense	-	-	-	-
Loss after income tax expense for the half-year	**(51,254,449)**	**-**	**(13,805,072)**	**(65,059,521)**
For the period ended 31 December 2023				
Property, plant and equipment	75,039,635	101,549,855	431,465	177,020,955
Investments accounted for using the equity method	2,591,882	-	-	2,591,882
Exploration and evaluation assets	-	11,263,228	-	11,263,228
Other assets	84,599,727	-	-	84,599,727
Total non-current assets	162,231,244	112,813,083	431,465	275,475,792
Total assets	**222,441,660**	**112,813,082**	**74,465,400**	**409,720,142**
Total liabilities	**(197,404,916)**	**(1,446,461)**	**(170,196,854)**	**(369,048,231)**

Note 31. Operating segments (continued)

For the half-year ended 31 December 2022	Mining and sale of coal $	Exploration and development of coal $	Corporate (Unallocated) $	Total $
Revenue				
Revenue from contracts with customers	27,240,184	-	-	27,240,184
Other income	83,344	-	-	83,344
	27,323,528	**-**	**-**	**27,323,528**
Expenses				
Employee benefits expense	(299,155)	(997,489)	(1,648,311)	(2,944,955)
Other expenses	(3,391,527)	(7,473,917)	(3,711,901)	(14,577,345)
Operating expenses	(120,434,597)	-	-	(120,434,597)
Net inventory movements	67,074,108	-	-	67,074,108
Foreign exchange gains	1,324,919	-	(267,716)	1,057,203
Depreciation and amortisation expense	(3,300,500)	(18,130)	(45,246)	(3,363,876)
Royalties expense	(7,054,933)	-	-	(7,054,933)
Share based payments	-	-	(648,137)	(648,137)
Operating loss	**(38,758,156)**	**(8,489,536)**	**(6,321,313)**	**(53,569,005)**
Finance income	-	2,668	2,420,897	2,423,565
Finance expense	(215,367)	(948,644)	(8,962,944)	(10,126,955)
Share of profit from joint ventures	105,241	-	-	105,241
Loss before income tax expense	**(38,868,283)**	**(9,435,512)**	**(12,863,358)**	**(61,167,153)**
Income tax expense	-	-	-	-
Loss after income tax expense for the period	**(38,868,283)**	**(9,435,512)**	**(12,863,358)**	**(61,167,153)**
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	-	10,989,468	-	10,989,468
Other assets	81,359,140	4,004,977	-	85,364,117
Total non-current assets	104,026,898	153,043,758	530,839	257,601,495
Total assets	**205,405,677**	**175,750,330**	**26,640,185**	**407,796,192**
Total liabilities	**(125,863,927)**	**(131,225,946)**	**(115,658,909)**	**(372,748,782)**

Note 32. Events after the reporting period

On 29 January 2024, the Company announced a change in executive leadership with the appointment of Mr. Daryl Edwards as Chief Executive Officer (CEO) of the Group, effective immediately. Mr. Edwards has previously served as the Group's Chief Financial Officer since 2 February 2021. The former CEO, Mr. Mark Ruston will be available to assist the Company through to his resignation effective date of 25 May 2024.

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.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and

- subject to 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.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

____
Nicholas Jorss
Executive Chairman and Director

15 March 2024

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

Conclusion

We have reviewed the accompanying half-year financial report of Bowen Coking Coal Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 31 December 2023, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the Corporations Act 2001, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity (ASRE 2410). Our responsibilities are further described in the Auditor's responsibilities for the review of the half-year 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 of the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions 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.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Building a better working world

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

Tom du Preez
Partner
Brisbane
15 March 2024