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**ASX ANNOUNCEMENT**

## **Heads of Agreement reached on revised debt terms**

**Bowen Coking Coal Ltd (ASX:BCB, Bowen or Company)** is pleased to announce that it has executed a Heads of Agreement with its senior and subordinated lenders, Taurus Mining Finance Fund No. 2, L.P. (**Taurus**) and New Hope Corporation (**New Hope**) respectively, agreeing to enter into long form agreements to amend their respective loan facilities.

The Heads of Agreement provides for a deferral of principal loan repayments and extension of tenor, and a material reduction in interest and royalty costs, in return for an equity issuance and conditional on minimum A\$25 million equity raise and no insolvency event.

The material amendments include extension of tenor, deferment of principal amortisation in respect of the Taurus facility so that the next payment is due at the earlier of the end of March 2025 and the sale of the Isaac River Project and final repayment occurs in September 2026, substitution of obligations to New Hope with cash or equity, subject to shareholder approval, and a net decrease in interest margins and royalties payable. BCB's senior and subordinated debt providers remain supportive of the Company.

The extended maturities provide headroom for the business debt repayment while the Company considers further options to relieve working capital constraints and provide balance sheet strength to take advantage of Bowen's current positive operating performance, significant cost reduction initiatives and improved operational outlook.

The Company will separately confirm the details of any equity raise. It is a condition of the Heads of Agreement that at least A\$25 million is raised pursuant to an equity capital raising.

BCB's Chief Executive Officer, Mr Daryl Edwards, said: *"Recent operational success has provided the Company with an opportunity to secure amended debt terms with our lenders Taurus and New Hope. The heads of agreement for amendments with our lenders provides the Company with debt repayment headroom while we secure additional liquidity for the business during the transition from Ellensfield South to Plumtree North. Plumtree North is planned to provide run-of-mine coal for the next five years. The Burton operations are performing well with steady-state production and ample stockpiles and we are grateful to our financiers for recognising this. The team has worked hard to achieve steady-state operations at the Burton Complex and made great strides in addressing costs across the board. Our focus remains on our ongoing cost reduction and performance improvement plan to drive further savings in the face of recent coal price reductions."*

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## Summary Senior Facility Terms

<b>Financier</b>	Taurus Mining Finance Fund No. 2, L.P.
<b>Principal</b>	US\$44,000,000 (previously US\$51,000,000).
<b>Interest</b>	Increase from current rate (10% p.a.) to 11% p.a. from Financial Close.
<b>Shares</b>	BCB to issue A\$600,000 equity in consideration for the revised terms noted below.
<b>Termination Date</b>	30 September 2026 (previously 31 December 2025).

**Royalty Rate** Increase from current rate 0.75% to 1.0% from Financial Close.

### Repayment Instalments

Repayment Date	Repayment Instalment
Earlier of sale of Isaac River Project or 31 March 2025	US\$12,000,000
31 March 2025	US\$3,000,000
30 June 2025	US\$3,000,000
30 September 2025	US\$3,000,000
31 December 2025	US\$3,000,000
31 March 2026	US\$6,000,000
30 June 2026	US\$6,000,000
30 September 2026	US\$8,000,000

Voluntary and mandatory prepayments will reduce the “Repayment” amounts firstly against the initial US\$12,000,000 repayment due at the earlier of sale of Isaac River or 31 March 2025 then pro-rata for the remaining amortisation amounts by the amount repaid or prepaid.

### Ability to elect to repay scheduled 31 March 2025 principal repayment in full by share issuance

Subject to BCB obtaining shareholder approval and to BCB indemnifying Taurus for any breach of BCB’s undertaking to comply with law in respect of any actions taken with the new shares, BCB will discharge in full the 31 March 2025 (US\$3,000,000) scheduled **repayment** by the issue of the equivalent of US\$3,000,000 new fully-paid ordinary shares to Taurus priced at the New Equity Offer Price.

### Intercreditor Arrangements

Cash interest now payable under the Junior Facility (subject to certain conditions).

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## Summary Subordinated Facility Terms

<b>Financier</b>	New Hope Corporation Limited ACN 010 653 844.
<b>Principal</b>	A\$45,188,758.94 (previously A\$47,894,772.49).
<b>Termination Date</b>	31 March 2027 (previously 31 March 2026).
<b>Security</b>	Second Ranking Secured (as per current security trust and intercreditor deed)
<b>Full Extinguishment of Other New Hope liabilities</b>	Subject to no insolvency of BCB, compliance with law, BCB undertaking a minimum A\$25 million equity raise and BCB obtaining shareholder approval for the share issuances noted below, BCB may elect to extinguish in full the Acquisition Royalties and Deferred Consideration milestone payments under the Burton mine acquisition agreements ( <b>Milestone Payments</b> ) in cash or by the issue of new fully paid ordinary shares as follows:

- i. in respect of all Acquisition Royalties, by issuing up to A\$3 million in new fully-paid ordinary shares to New Hope priced at the anticipated price for the conditional equity capital raising (the **New Equity Offer Price**) (or some combination of cash and new fully-paid ordinary shares provided that the total value provided is equal to A\$3,000,000) on or before the date that is 18 months after the date of the revised debt terms. At the end of the 18-month period after the date of the revised debt terms, New Hope will subscribe for such number of additional new shares as is equal to the remaining balance of the A\$3 million not settled in cash or scrip divided by the New Equity Offer Price in consideration for extinguishing BCB's liabilities in respect of the Acquisition Royalties in full; and
- ii. in respect of all Deferred Consideration milestone payments, by issuing up to A\$5 million in new fully-paid ordinary shares to New Hope priced at the New Equity Offer Price (or some combination of cash and new fully-paid ordinary shares provided that the total value provided is equal to A\$5,000,000) on or before the date that is 12 months after the revised debt terms. At the end of the 12-month period after the date of the revised debt terms, New Hope will subscribe for such number of additional new shares as is equal to the remaining balance of the A\$5 million not settled in cash or scrip divided by the New Equity Offer Price in consideration for extinguishing BCB's liabilities in respect of the Deferred Consideration milestone payments in full,

provided that BCB is not permitted to issue shares to satisfy Milestone Payments to the extent that the issue or receipt of the shares by New Hope cannot be made in compliance with law, would result in New Hope's relevant interest in BCB voting shares exceeding 19.9% or might otherwise oblige New Hope to make a takeover offer for BCB.

New Hope to exercise such number of existing warrants (up to 100 million existing warrants) outstanding on or before 30 September 2024 (on a cumulative basis in respect of the equity capital raising proposed to occur) at the exercise price calculated in accordance with the definition of Exercise



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Price in the Warrant Deed such that New Hope's obligation to pay the exercise price is offset against BCB's obligations to repay New Hope debt liabilities comprising any redemption premium and all capitalised interest payable under the existing New Hope Junior Debt Facility (\$8.2m as at June 2024), subject to compliance with law and the ASX Listing Rules, no insolvency process commencing and New Hope's relevant interest in the Company's voting shares not exceeding 19.9% or otherwise obliging New Hope to make a takeover bid for the shares it does not hold in the Company. The exercise of these warrants will fully offset the capitalised interest and all redemption premiums associated with the junior facility (without reducing the prevailing principal balance owing).

**Pricing**

Interest payable in cash (interest payable quarterly) subject to Pricing Table set out below determined by outstanding Principal Balance:

	<b>Outstanding Principal Balance ≥A\$45m</b>	<b>Outstanding Principal Balance &lt;A\$45m but ≥A\$35m</b>	<b>Outstanding Principal Balance &lt;A\$35m but ≥A\$25m</b>	<b>Outstanding Principal Balance &lt;A\$25m</b>
31 March 2025	4.00% p.a.			
From 1 April 2025 to 30 September 2025	7.75% p.a.	5.75% p.a.	4.75% p.a.	4.00% p.a.
From 1 October 2025	12.00% p.a.	8.75% p.a.	7.75% p.a.	6.75% p.a.

The previous interest rate was 3-month BBSY Bid plus 10% per annum. To the extent the bank guarantee provided by New Hope for rehabilitation performance bonding for the Burton Complex is called by the Queensland State Government, Pricing to increase to 14% with incremental pricing to Payment-In-Kind.

**Review Event**

A review event will occur if BCB has not by 30 September 2025:

- provided New Hope (and agreed with New Hope at its absolute discretion) a Repayment Plan with New Hope that outlines an amortisation profile for the loan; or
- reduced either of the following debt balances by a minimum of A\$20,000,000 by 30 September 2025:
  - New Hope Junior Debt Facility Principal Balance; or
  - Taurus Senior Secured Debt Facility Amortised Principal Balance in line with the Amortisation Repayment Schedule set out above

**Early Refinance**

With 30 days' prior notice, BCB can prepay the whole or any part of the Facility without penalty



- Intercreditor terms** Amended to allow cash interest payable (subject to Pricing Table set out above) under the amended New Hope Junior Debt Facility
- Conditions**
- Completion of the amendment of the Taurus Senior Facility Terms and proposed accelerated entitlement offer; and
  - No insolvency of BCB

Note that no amendments are proposed to the Convertible Note Deed dated 20 June 2022.

Grant Samuel is acting as financial adviser and Gilbert + Tobin as legal counsel in assisting the Company on the debt extension.

End

**The Board of the Company has authorised the release of this announcement to the market. For further information please contact:**

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### **About Bowen Coking Coal**

Bowen Coking Coal has established a strategic hard coking coal position in Queensland's world class Bowen Basin. The Company's flagship Burton Mine Complex (90% owned) near Moranbah encompasses multiple operations with the Ellensfield South and Broadmeadow East Mines serving a co-located Coal Handling and Preparation Plant and train load out facility connected by a haul road.

Additionally, Bowen fully owns the Bluff PCI Mine near Blackwater (in care and maintenance) and holds the Isaac River (100%), Hillalong (85%) Cooroorah (100%), Carborough (100%) and Comet Ridge (100%) coking coal projects and is a joint venture partner in Lilyvale (15% interest) and Mackenzie (5% interest) with Stanmore Resources 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. A low-cost, cash flow positive Burton Mine Complex underpins the business strategy.

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