

18 November 2019

**Directors**  
Gerhard Redelinghuys  
Blair Sergeant  
Neville Sneddon  
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## Hillalong Farm-In Agreement Signed with Sumitomo

**Company Secretary**  
Duncan Cornish

### Highlights

- **Formal Farm-In Agreement now executed with Japanese conglomerate, Sumitomo Corporation (“Sumitomo”), on the Hillalong Coking Coal Project**
- **Sumitomo to earn an initial 10% for funding \$2.5m of exploration expenditure with the right to earn an additional 10% for a further \$5m in funding**
- **Sumitomo to provide support to Hillalong to secure future Project development funding**
- **The Farm-In Agreement formalises the Term Sheet executed with Sumitomo, as announced on 7 October 2019**



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**Bowen Coking Coal Ltd (ASX: BCB, “Company”)** is pleased to advise that it has today executed a formal, binding Farm-In Agreement on the Hillalong Coking Coal Project (“**Hillalong**”), with SCAP Hillalong Pty Ltd, a wholly owned subsidiary of the Japanese Conglomerate, Sumitomo Corporation. The execution of Farm-In Agreement follows the previous signing of a Term Sheet with Sumitomo, as announced on 7 October 2019.

Commenting on the execution of the Farm-In Agreement with Sumitomo, the Company’s Managing Director, Mr Gerhard Redelinghuys said, *“The execution of the binding and formal Farm-In Agreement with Sumitomo represents an exciting phase in the Company’s growth, together with it being a significant milestone in Hillalong’s development. As I have said before, we are so delighted to have secured a partner of the calibre of Sumitomo Corporation, and both parties willingness to quickly convert the Term Sheet into a formal, binding Agreement has set the tone for a long lasting and successful relationship between the two companies.”*

Sumitomo is a multi -billion dollar diversified Japanese conglomerate with a long history of investing in Australian mines. Sumitomo currently holds interests in Hail Creek, Clermont, Rolleston and Oaky Creek mines in the Bowen Basin, Queensland, mainly through Glencore managed joint ventures.

A summary of the key terms and conditions of the Farm-In Agreement are as follows:

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

The Hillalong Coking Coal Project (EPC 1824 & EPC2141) is located in the northern Bowen Basin approximately 105 km west-southwest of Mackay. The tenement comprises 31 sub-blocks (approximately 99km<sup>2</sup>) located to the west of the Mount Hillalong Anticline and is approximately 16 km northwest of the Hail Creek mine, owned by Glencore, Marubeni and Sumitomo. The tenement contains the Moranbah, Rangal and Fort Cooper Coal Measures commencing at surface. Two economic coal seams, Elphinstone and Hynds (Leichardt and Vermont equivalents) within the Rangal Coal Measures are currently being mined at proximate mines. Historical exploration by Rio Tinto proved the existence of these seams within the boundaries of the tenement with indicative coking coal qualities aligned with neighbouring mines.

### **Phase 1 Drilling**

As announced on the 11 October 2019, the Company has already commenced a drilling program at Hillalong South, which forms part of the Phase 1 earn in under the Hillalong Farm-In Agreement with Sumitomo. A total of 5 holes were initially planned with a further 2 holes to test for any coal above the interpreted sub crop line. The drilling program is nearing completing and the Company will release the results as soon as the geophysical logs have been completed and interpreted.

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### **ABOUT BOWEN COKING COAL**

*Bowen Coking Coal Ltd is a Queensland based coking coal exploration company with advanced exploration assets. The Company fully owns the Isaac River, Cooroora, 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 with Stanmore Coal Limited in the Lilyvale (15% interest) and Mackenzie (5% interest) coking coal Projects. 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 exploration and development program underpin the business strategy.*

**Figure 1. Location of Hillalong Coking Coal Project (EPC 2141 and EPC 1824)**

