

Quarterly Report

For the Quarter ending 30 September 2024

Issued 17 October 2024

September Quarter 2024 (3Q 2024)

- A\$170/t average realised coal price.
- \$430 million increase in cash balance.¹
- \$1.98 billion cash balance at 30 Sept 2024.
- 17.5Mt ROM coal production (100% basis).
- 13.2Mt Saleable coal production (100% basis).
- 10.2Mt Attributable saleable coal production.
- 10.4Mt Attributable coal sales.

Performance Summary

During September, an incident occurred during closure operations at Austar Coal Mine which resulted in a fatality. The contractor involved was working for a contracting company part of a team conducting mine closure activities. The Resources Regulator is conducting an investigation into the incident.

Our Total Recordable Injury Frequency Rate 7.21 remains below the comparable industry weighted benchmark.²

Total ROM coal volumes increased 26% compared to the second quarter, and our attributable saleable coal volume increased 24%. These production rate increases reflect the second-half weighted production profile we anticipated and reconfirms the production rates that our portfolio of high-quality mines can achieve.

The A\$170/tonne overall realised coal price in 3Q 2024, comprised a 4% lower realised thermal coal price and a 19% lower realised metallurgical coal price compared to 2Q 2024. The realised thermal coal price was in line with relevant coal index trends. The realised metallurgical coal price was better than the relevant indices due to continued higher priced carryover tonnes from prior periods, product blending and optimisation strategies.

CEO Comment

I, along with the Yancoal team, are greatly saddened by the loss of a former long-standing employee. He was working for a contracting company at the Austar Coal Mine during closure operations when the incident occurred. Our thoughts are with his family, friends and colleagues. We have offered Yancoal's full support to them and to all our people affected by this event.

In the September quarter, we produced 17.5Mt of ROM coal. A notable uplift at our three large open-cut mines underpinned this anticipated increase in our production. This achievement keeps Yancoal on track to meet our operational guidance for 2024.

An average realised coal price of A\$170/tonne was achieved for the quarter; this, along with 10.4 million tonnes of sales, continued to generate robust cash inflows. As a result, the Company improved its financial position, holding almost \$2 billion in cash at the end of September.

In thermal coal markets, short-term influences continue to affect indices and market sentiment. In recent weeks, Middle East tensions and a hotter than average summer in the northern hemisphere provided price support.

Yancoal's large-scale, low-cost coal production profile is well suited to all coal market conditions. With no interest-bearing loans, a large net cash position and robust operating margins, we have the capacity to pursue suitable growth opportunities as they arise.

2024 Production Guidance (unchanged)

- 35-39Mt attributable saleable production.
- \$89-97/tonne cash operating costs.
- \$650-800 million attributable capital expenditure; likely at low end of the range as disclosed in August.

¹ Increase in cash balance is the increase from 30-Jun-24 to 30-Sept-24. All financial figures are Australian dollars, unless otherwise stated.

² Details page 3.

PRODUCTION AND SALES DATA

			3Q 2024	2Q 2024	PP Change	3Q 2023	PCP change	9mth YtD 2024	9mth YtD 2023	Change
ROM coal production, Mt	Mine type	Economic interest								
Moolarben	OC / UG	95%	6.1	4.9	24%	5.3	15%	17.0	14.4	18%
Mount Thorley Warkworth	OC	83.6%	4.7	4.2	12%	4.5	4%	12.3	12.1	2%
Hunter Valley Operations	OC	51%	4.5	2.7	67%	4.5	—%	9.5	10.3	(8)%
Yarrabee	OC	100%	0.9	0.5	80%	0.6	50%	1.9	1.7	12%
Middlemount	OC	49.9997%	0.9	0.9	—%	0.9	—%	2.8	2.3	22%
Ashton	UG	100%	0.4	0.7	(43)%	0.1	300%	1.8	0.7	157%
Stratford Duralie	OC	100%	0.0	0.0	—%	0.2	(100)%	0.1	0.6	(83)%
Total – 100% Basis			17.5	13.9	26%	16.1	9%	45.4	42.1	8%
Total – Attributable			13.2	10.8	22%	12.1	9%	35.0	32.1	9%
Saleable coal production, Mt	Coal type	Attributable Contribution								
Moolarben	Thermal	95%	5.3	4.5	18%	4.5	18%	14.8	11.9	24%
Mount Thorley Warkworth	Met. & Thermal	83.6%	3.3	2.5	32%	3.3	—%	8.0	7.9	1%
Hunter Valley Operations	Met. & Thermal	51%	3.2	2.0	60%	3.0	7%	8.0	7.2	11%
Yarrabee	Met. & Thermal	100%	0.7	0.4	75%	0.5	40%	1.5	1.4	7%
Middlemount	Met. & Thermal	(equity accounted)	0.5	0.6	(17)%	0.6	(17)%	1.6	1.6	—%
Ashton	Met.	100%	0.2	0.3	(33)%	0.0	—%	0.8	0.3	167%
Stratford Duralie	Met. & Thermal	100%	0.0	0.0	—%	0.2	(100)%	0.1	0.4	(75)%
Total – 100% Basis			13.2	10.3	28%	12.1	9%	34.8	30.7	13%
Total – Attributable			10.2	8.2	24%	9.3	10%	27.2	23.7	15%
Sales volume, Mt										
Thermal coal			9.0	7.6	18%	7.7	16%	24.0	19.7	22%
Metallurgical coal			1.4	1.0	40%	0.9	56%	3.4	3.3	3%
Total – Attributable			10.4	8.6	21%	8.6	20%	27.3	23.0	19%
Avg. realised price, A\$/tonne										
Thermal coal			157	163	(4)%	178	(12)%	159	224	(29)%
Metallurgical coal			259	318	(19)%	360	(28)%	299	384	(22)%
Overall avg. realised price			170	181	(6)%	197	(14)%	177	247	(28)%

Notes:

- ROM = Run of Mine; the volume extracted and available to be processed.
- Mount Thorley Warkworth Operational Integration Agreement was renewed from 1 February 2024 increasing the Warkworth joint venture contribution from 65% to 80% and reducing the Mt Thorley joint venture's contribution from 35% to 20%, resulting in Yancoal's effective interest increasing to 83.6% from 82.9%.
- Attributable figures exclude production from Middlemount (incorporated joint venture and equity-accounted).
- 'Sales volumes by coal type' excludes the sale of purchased coal.
- Realised prices are provided on an ex-mine basis, excluding purchased coal and corporate contract volumes.

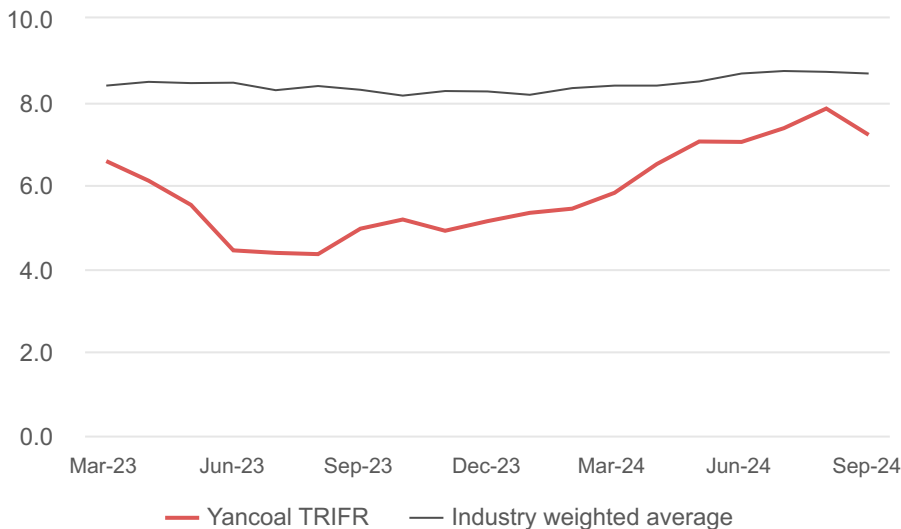
1Q = March quarter period
 2Q = June quarter period
 3Q = September quarter period
 4Q = December quarter period

Mt = million tonnes
 YtD = Year to Date
 Met. = Metallurgical coal

PP = Prior quarter period
 PCP = Prior year corresponding period
 UG = Underground
 OC = Open-cut

SAFETY

Yancoal 12mth rolling TRIFR



The health and well-being of all Yancoal employees is always a key focus. The 12-month rolling Total Recordable Injury Frequency Rate (“TRIFR”) was 7.2 at the end of 3Q 2024, a small increase from the 7.0 rate at the end of 2Q 2024.

Whilst still below the comparable industry weighted average of 8.7, we remain committed to reversing the current trend through targeted safety intervention activities.

COAL SALES AND COAL MARKET OUTLOOK

During 3Q 2024, attributable sales of 10.4Mt was comparable to attributable saleable coal production.

Yancoal sells the majority of its thermal coal at prices associated with the GlobalCOAL NEWC 6,000kCal NAR index (GCNewc) and the All-Published Index 5 (API5) 5,500kCal index. Each contract has price adjustments for energy content and other coal characteristics. Typically, thermal coal produced in the Hunter Valley tends to have GCNewc index characteristics. In contrast, coal produced west of the Hunter Valley tends to have API5 Index characteristics, or sits between the indices. Multiple coal seams mined in each region, so the coal quality varies depending on where it was sourced in any given period. Yancoal’s metallurgical coal is typically sold at prices associated with the Platts Low Vol PCI FOB Australia and Platts Semi-Soft FOB Australia Indices.

During 3Q 2024, the API5 index averaged US\$87/t, down marginally from US\$89/t in 2Q 2024; however, the GCNewc index averaged US\$141/t, up from US\$136/t in 2Q 2024. Metallurgical coal indices were also mixed; the Low Vol PCI index averaged US\$174/t, up from \$164/t; and the Semi-Soft index averaged US\$138/t, down from US\$152/t.

Yancoal's realised prices in any given period tend to reflect relevant coal price indices from prior periods due to various sales contract structures. Factors influencing the realised price can include: premiums (or discounts) to reflect market conditions; the capacity to wash coal and improve the product specifications; and the availability of coal for purchase and blending.

After converting to Australian dollars, in 3Q 2024 Yancoal recorded an average realised thermal coal price of A\$157/t and an average realised metallurgical coal price of A\$259/t. Yancoal's overall average realised sales price in 3Q 2024 was A\$170/t, compared to A\$181/t in the prior quarter and A\$197/t in 3Q 2023.

	Units	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
API5, 5,500kCal	US\$/t	141	125	102	88	96	93	89	87
GCNewc, 6,000kCal	US\$/t	381	242	158	149	136	126	136	141
Low Vol PCI, FOB Aust.	US\$/t	273	311	207	169	185	164	164	174
Semi-Soft, FOB Aust.	US\$/t	234	266	181	167	161	150	152	138
AUD:USD		0.66	0.68	0.67	0.65	0.65	0.66	0.66	0.67
API5, 5,500kCal	A\$/t	215	183	153	135	148	142	134	137
GCNewc, 6,000kCal	A\$/t	579	354	237	228	208	191	206	210
Low Vol PCI, FOB Aust.	A\$/t	415	456	310	258	285	249	248	259
Semi-Soft, FOB Aust.	A\$/t	356	389	271	255	247	228	231	205
Realised Thermal price	A\$/t	430	338	197	178	180	159	163	157
Realised Metallurgical price	A\$/t	389	383	403	360	292	334	318	259
Overall realised price	A\$/t	422	347	226	197	196	180	181	170

Source: GlobalCOAL, Platts, Argus/McCloskey, Reserve Bank of Australia.³

Note: A\$/t prices are a simple conversion using the US\$/t price and relevant AUD-USD exchange rates for the period.

Thermal coal markets continue to experience relatively balanced supply and demand conditions, with small variations in market conditions affecting sentiment and coal indices. Thermal coal indices peaked in mid-August on Middle East tensions and the resultant gas market impacts, and a hotter than average summer in the northern hemisphere leading to additional electricity demand.

The northern hemisphere summer conditions were observable through increased imports by Japan, Korea and China. In Japan, the increased demand was also met with a drawdown of existing coal stockpiles. Year-to-date imports by China are up compared to the first nine months of 2023, and there is the prospect that stimulus measures will be constructive for both thermal and metallurgical coal markets. By contrast, India's demand reduced as the monsoon season resulted in the usual uplift in hydro-power generation.

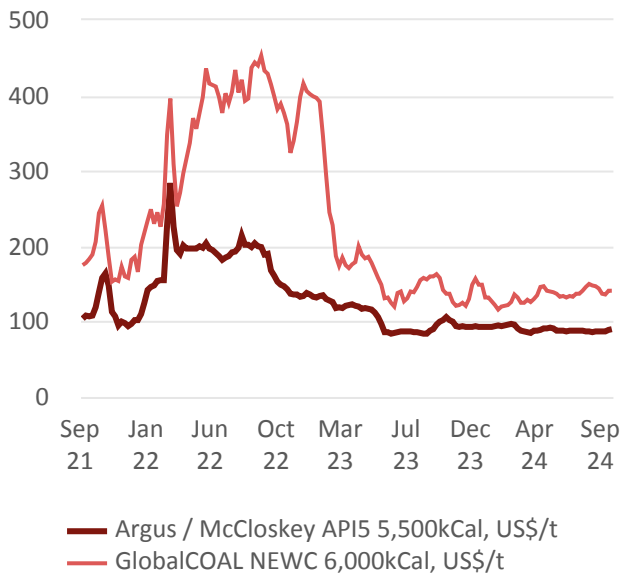
On the supply side of thermal coal markets: South Africa's exports remain constrained by rail capacity; competing uses for infrastructure affected Russian exports; and rail disruptions in Colombia impacted exports. Indonesian exports were not constrained and achieved good output levels.

As noted, the overall thermal coal markets still appear relatively balanced. For the GCNewc index, the maximum price during the quarter was 7% above the average and the minimum was only 2% below the average. The price range was even smaller in the API5 market. We retain our view that thermal coal markets and coal indices remain subject to short-term drivers and trader sentiment. The prospect of a cold winter in the northern hemisphere could result in increased demand during the December quarter.

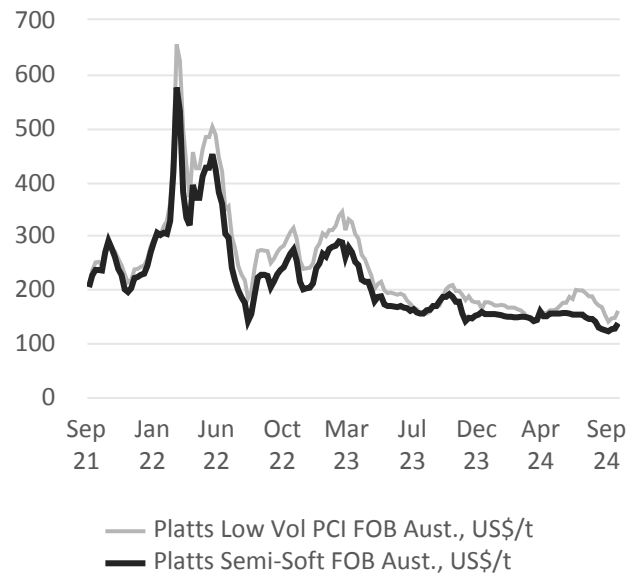
The metallurgical coal markets reflect weak steel market conditions. The average Low Vol PCI price benefited from reasonable demand early in the quarter. However, like the hard-coking and semi-soft-coking indices demand declined through the quarter, dragging down the price. The semi-soft coking index fell below the GCNewc price in recent weeks, but the modest price differential is unlikely to result in notable volumes switching between markets.

³ The data and information provided by GlobalCOAL, Platts and Argus/McCloskey may not be copied or used except as expressly permitted in writing by the data provider.

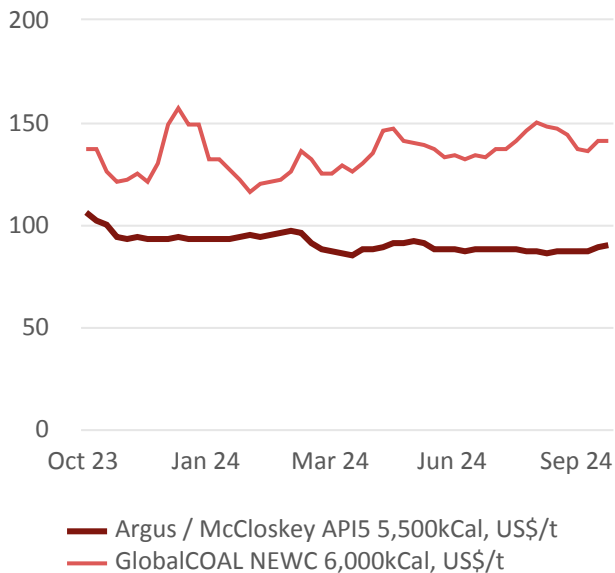
Thermal coal indices - past 3 years



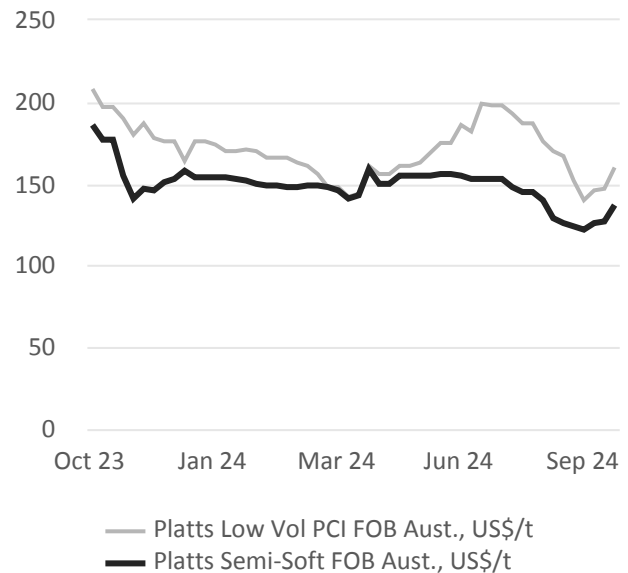
Metallurgical coal indices - past 3 years



Thermal coal indices - past year



Metallurgical coal indices - past year



Source: GlobalCOAL, Platts, Argus/McCloskey

ASSET PERFORMANCE

The Australian Bureau of Meteorology (BOM) moved to a La Nina weather pattern watch in May, and there was above average rainfall in parts of eastern Australia during 3Q 2024. Our mines in NSW and Queensland did encounter weather disruptions during the quarter, but in most cases impacts on production were modest due to past investment in water storage and handling capacity. There was a notable uplift in ROM and saleable coal production, with Ashton an exception due to a longwall move during the quarter. The anticipated increase in combined production across the mines keeps Yancoal on track to meet its operational guidance for 2024.

Moolarben

The Underground longwall performed largely as planned, with unplanned maintenance having minimal impact on production rates.

Open-cut ROM coal output increased over 2Q 2024 as the mine schedule delivered more mining locations, coupled with strong operating performance. Increased ROM production resulted in increased saleable coal production, with additional open-cut volumes and wash plant feed off-setting some of the constrained longwall output.

Mount Thorley Warkworth (MTW)

Haulage cycles were well managed to counter weather delays and minor equipment disruptions. The mine was able to exceed target production rates at times during the quarter and build inventories of blasted material to support production in coming periods.

Increased ROM coal production, combined with an uplift in wash plant feed rates and marginally higher yield, resulted in improved saleable coal production.

Hunter Valley Operations (HVO)

HVO also encountered weather delays and minor equipment disruptions; however, modifications to the mining schedule enabled a considerable improvement in ROM coal production.

Despite some secondary issues in the wash plants related to recommissioning activities and clay content in the feed material, the saleable coal production also increased significantly from 2Q 2024. Like MTW, HVO is building inventories of blasted material to support production in coming periods.

Yarrabee

The difficult geotechnical conditions and constrained mining conditions, which previously impeded mining at Yarrabee, eased during 3Q 2024. There were some wet weather delays, but improved mine planning and equipment availability realised a strong uplift in ROM coal and saleable coal production. The latter was further aided by coal blending that improved wash plant throughput and yield.

Middlemount

Wet weather affected operations during the quarter; however, conditions improved in September. By the end of the quarter, ROM stockpiles were rebuilt, and increased wash plant feed rates and yield improved the saleable coal output.

Ashton

A longwall move was conducted as planned during the quarter. The new longwall panel is located in an area with improved mining conditions allowing for better production rates. The longwall panel is also located in an area with better coal quality, resulting in higher yield through the wash plant.

Stratford Duralie

Mine closure activities are now underway. Decommissioning, land reformation and water management are the primary focus.

DEVELOPMENT PROJECTS and EXPLORATION

The MTW underground mine pre-feasibility studies are subject to further assessments, which should conclude in 2024 prior to the commencement of a feasibility study in 2025. Should the development proceed, it could significantly extend the future production profile.

At HVO, the Joint Venture is working through the approvals process to allow operations to continue within the existing mining lease footprint.

The Stratford Energy Hub remains subject to ongoing feasibility, and both internal and external approval processes. As was reported previously, the NSW government granted the Stratford Renewable Energy Hub project “Critical State Significant Infrastructure” status, recognising the importance of projects such as this to provide the long-duration storage required to decarbonise the NSW economy.

Yancoal incurred \$5.1 million in exploration capital expenditure during the period at Hunter Valley Operations, Moolarben and Yarrabee. The exploration work comprised 78 core and non-core boreholes for a total of 11,167 metres drilled.⁴ Drilling was focused on structure, resource classification and coal quality for Hunter Valley Operations; and installing piezometers for groundwater monitoring at Moolarben and Yarrabee.

CORPORATE ACTIVITY

On 6 September 2024, S&P Dow Jones Indices announced the September 2024 Quarterly Rebalance of the S&P/ASX Indices. Yancoal Australia was added to the S&P/ASX 200 Index and S&P/ASX 300 Index from 23 September 2024.

CONFERENCE CALL FOR ANALYSTS AND INVESTORS

The Company will host an audio conference call for analysts and investors. We will provide comments on the quarterly performance and conduct a ‘Question and Answer’ session.

Date: Friday 18 October 2024

Time: 11:00am Sydney

Webcast: <https://edge.media-server.com/mmc/p/4aqnvr7>

Participants are encouraged to use the webcast link to pre-register for the conference call. There is an option to have the hosting company call participants directly at the scheduled start time.

Authorised for lodgement by the Yancoal Disclosure Committee. This report was compiled from verified material. The Yancoal Disclosure Committee evaluates and reviews the process and content to confirm the integrity of the report.

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⁴ Reported expense is Yancoal’s attributable share. Hole count and drill metres are on a 100% basis.