

28 February 2018

# ASX Release:

## Coal Resources and Coal Reserves statement for year ending 31 December 2017

The Coal Resources and Coal Reserves statement presented in this report was produced in accordance with the Australasian Code for reporting of Mineral Resources and Ore Reserves 2012 Edition (“the JORC Code”).

Commodity prices and exchange rates used to estimate the economic viability of Coal Reserves are based on the Yancoal Australia Ltd (“Yancoal”) long-term forecasts unless otherwise stated.

The Coal Reserves tabulated are all held within existing, fully permitted mining leases, are within areas under applications to become mining leases or are within areas of exploration tenements detailed in the 2017 Life of Mine Plans to become mining leases in future applications.

Yancoal’s leases are of sufficient duration (or convey a legal right to renew for sufficient duration) to enable all Coal Reserves on the leases to be mined in accordance with current production schedules.

The information in this report relating to Coal Resources and Coal Reserves are based on information compiled by Competent Persons (as defined by the JORC Code). All Competent Persons have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as a Competent Person as defined by the JORC Code.

The majority of the Competent Persons listed in this report are independent consultants. The Competent Persons who prepared the Coal Resource and Coal Reserve reports for Yarrabee and the Coal Reserve reports for Austar, Ashton and Donaldson, are fulltime employees of Yancoal Australia Ltd. These Coal Resources and Coal Reserves reports were peer reviewed at the time of their generation.

Each Competent Person consents to the inclusion of the matters based on their information in the form and context in which it appears in this report.

Yancoal is not aware of any new information or data that materially affects the information included in this report and at the time of this report all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Coal Resources and Coal Reserves are reported in 100 per cent terms (unless otherwise stated). Coal Resources are reported inclusive of the Coal Resources that have been converted to Coal Reserves (i.e. Coal Resources are **not** additional to Coal Reserves).

The tabulated information is reported by Project; for details of the tenements and leases containing Coal Resources and Coal Reserves comprising each of these projects please refer to the Yancoal Australia Tenements table.

On an attributable basis Yancoal's group total year end 31 December 2017 position is as follows:

- Measured, Indicated and Inferred Coal Resources are 6,396Mt <sup>(2)</sup>.
- Recoverable Proved and Probable Coal Reserves are 1,304Mt <sup>(1) (2)</sup>.
- Marketable Proved and Probable Coal Reserves are 923Mt <sup>(1) (2)</sup>.

(1) Where required the component Coal Reserve numbers for each site making up this total have been depleted by production from the JORC report date to 31 December 2017.

(2) 2017 Coal Resources and Coal Reserves have been rounded (significant figure) by the Competent Persons in line with the JORC Code and the Yancoal Coal Resource and Reserve reporting standards to reflect the relative uncertainty of the estimates.

The following abbreviations are used throughout this report;

AusIMM	Australasian Institute of Mining and Metallurgy
JORC	Joint Ore Reserves Committee
Met	Metallurgical Coal
Semi	Semi-soft coking coal
PCI	Pulverised Coal Injection
Mt	Million tonnes
OC	Open Cut
UG	Underground

## COAL RESOURCES FOR YEAR ENDING 31 DECEMBER 2017

Project	Yancoal Ownership %	Coal Type	Moisture	Measured		Indicated		Inferred		Total	Competent	
			Basis	Coal Resources		Coal Resources		Coal Resources		Coal Resources	Person #	
			%	(Mt)		(Mt)		(Mt)		(Mt)	Person #	
			2017	2017	2016	2017	2016	2017	2016	2017	2017	
Moolarben (OC & UG)	81%	Thermal	6.0%	750	820	240	240	200	200	1190	KP	
Mt Thorley (OC & UG)	80.0%	Semi/Thermal	6 to 8%	32	(4)	75	(4)	153	(4)	260	PE	
Warkworth (OC & UG)	55.574%	Semi/Thermal	6 to 8%	215	(4)	715	(4)	528	(4)	1458	PE	
<sup>(1)</sup> HVO (OC & UG)	67.6%	Semi/Thermal	6 to 8%	730	(4)	1432	(4)	1654	(4)	3816	PE	
<sup>(5)</sup> Austar (UG)	100%	Met	5.0%	70	75	80	80	70	70	220	RD	
<sup>(5)</sup> Ashton (OC & UG)	100%	Semi/Thermal	6.5%	80	80	75	75	110	110	265	PH	
Yarrabee (OC)	100%	PCI/Thermal	5.5%	95	100	80	80	20	20	195	SW	
<sup>(2)</sup> Gloucester (OC)	100%	Met/Thermal	6.0%	11	11	195	195	110	110	316	JMB	
<sup>(3)</sup> Middlemount (OC)	50%	Met/Thermal	5.0%	66	93	33	34	3	3	102	GJ	
<sup>(5)</sup> Donaldson (OC & UG)	100%	Met/Thermal	4.0%	190	190	400	400	100	100	690	RD	
Monash (UG)	100%	Met/Thermal	6.0%	0	0	17	17	80	80	97	RD	
<b>Total Coal Resources (100% Basis)</b>					<b>2239</b>	<b>1369</b>	<b>3342</b>	<b>1121</b>	<b>3028</b>	<b>693</b>	<b>8609</b>	
<b>Yancoal Attributable Share</b>											<b>6396</b>	
<p>OC = Open Cut, UG = Underground</p> <p>Note: 2017 Coal Resources have been rounded in line with the JORC Code and the Yancoal reporting standards to reflect the relative uncertainty of the estimates</p> <p>Note: All Coal Resources are inclusive of Coal Reserves and are reported on a 100% basis with Yancoal's ownership percent reported for each deposit. The attributable share total is the total Coal Resources when the Yancoal ownership percent is applied.</p> <p>Note: No Resources are reported in regards to the Oakland's Project acquired as part of the Coal &amp; Allied acquisition, this project is currently under assessment by Yancoal in regards to its potential.</p> <p>Note: Coal Resources detailed in table are as at 31 December 2017, with the exception of <sup>(1)</sup>MTW &amp; <sup>(1)</sup>HVO which are as at 31 December 2016 (No production depletions have been applied).</p>												

- (1) (MTW) Mt Thorley Warkworth, (HVO) Hunter Valley Operations.
- (2) Gloucester comprises the Stratford, Duralie and Grant & Chainey deposits.
- (3) The Middlemount JORC Coal Resource report was generated in March 2013 and excluded coal mined to 31 December 2012 (2.8Mt). A production depletion has been applied to the reported Coal Resources by the Competent Person using the mined-out polygons as at the end of December 2017, the reported Coal Resources are therefore as at end December 2017 based on this depletion.
- (4) New acquisition, not previously reported by Yancoal (Reconciliations are not possible).
- (5) On 17 February 2016, Yancoal announced a new financing arrangement to secure up to US\$950 million in debt-funding via the issuing of nine-year secured debt bonds by a newly established Yancoal subsidiary, Watagan Mining Company Pty Ltd ("Watagan"), to Industrial Bank Co. Ltd, BOCI Financial Products Limited and United NSW Energy Limited. Under the arrangement, Yancoal's interests in the assets of Ashton, Austar and Donaldson were transferred to and held by Watagan.



## COAL RESERVES FOR YEAR ENDING 31 DECEMBER 2017

Project	Yancoal Ownership %	Coal Type	Recoverable Coal Reserve					Marketable Coal Reserve					Competent Person #		
			Proved Coal Reserves (Mt)		Probable Coal Reserves (Mt)		Total Coal Reserves (Mt)	Moisture Basis %	Proved Coal Reserves (Mt)		Probable Coal Reserves (Mt)			Total Coal Reserves (Mt)	Ash %
			2017	2016	2017	2016	2017	2017	2017	2016	2017	2016		2017	2017
Moolarben (OC)	81%	Thermal	183	190	13	15	196	10%	141	148	13	11	154	22%	JB
Moolarben (UG)	81%	Thermal	58	60	13	13	71	9%	58	60	13	13	71	16%	JB
Mount Thorley (OC)	80.0%	Semi/Thermal	6	(4)	8	(4)	14	10%	4	(4)	5	(4)	9	10-13%	DS
Warkworth (OC)	55.574%	Semi/Thermal	143	(4)	191	(4)	334	10%	100	(4)	134	(4)	234	10-13%	DS
<sup>(1)</sup> HVO (OC)	67.6%	Semi/Thermal	359	(4)	465	(4)	824	10%	247	(4)	327	(4)	574	10-13%	DS
<sup>(5)</sup> Austar (UG)	100%	Met	2	4	39	42	41	5%	2	4	30	34	32	5.5%	REH
<sup>(5)</sup> Ashton (OC)	100%	Met/Thermal	0	0	15	15	15	8%	0	0	7.8	7.8	7.8	9.5%	REH
<sup>(5)</sup> Ashton (UG)	100%	Met/Thermal	24	25	11	11	34	8.5%	13	14	5.7	5.7	19	9.5%	REH
Yarrabee (OC)	100%	PCI/Thermal	37	32	19	9	56	5.5%	29	26	14	7	43	10%	AL
<sup>(2)</sup> Gloucester (OC)	100%	Met/Thermal	0	0.5	44	45	44	8%	0	0.4	26	26	26	14%	BS
<sup>(3)</sup> Middlemount (OC)	50%	Met/Thermal	50	55	18	18	68	10.5% Coking 9% PCI	38	42	13	13	51	9.8% Coking 10.8% PCI	MB
<sup>(5)</sup> Donaldson (UG)	100%	Met/Thermal	0	0	110	110	110	8%	0	0	62	62	62	17%	REH
<b>Total Coal Reserves (100% Basis) - Rounded</b>			<b>862</b>	<b>367</b>	<b>946</b>	<b>278</b>	<b>1807</b>		<b>632</b>	<b>294</b>	<b>651</b>	<b>180</b>	<b>1283</b>		
<b>Yancoal Attributable Share</b>							<b>1304</b>						<b>923</b>		

OC = Open Cut, UG = Underground

Note: 2017 Coal Reserves have been rounded in line with the JORC Code and the Yancoal reporting standards to reflect the relative uncertainty of the estimates

Note: All Coal Resources are inclusive of Coal Reserves, Coal Reserves are reported on a 100% basis with Yancoal's ownership percent reported for each deposit. The attributable share total is the total Coal Reserves when the Yancoal ownership percent is applied.

Note: Coal Reserves detailed in table are as at 31 December 2017, with the exception of <sup>(1)</sup>MTW & <sup>(1)</sup>HVO which are as at 31 December 2016.

Note: <sup>(1)</sup>MTW produced 17.5Mt of ROM (Recoverable) and 11.8Mt of Product coal tonnes. <sup>(1)</sup>HVO produced 19.2Mt of ROM and 14.8Mt Product coal tonnes.

- (1) Mount Thorley Warkworth (MTW) and Hunter Valley Operations (HVO).
- (2) Gloucester comprises the Stratford, Duralie and Grant & Chainey deposits.
- (3) Middlemount JORC report was generated 1st January 2015, depletions have been applied to the reported Coal Reserves. The project has two product types for Marketable Coal Reserves each with a different Moisture basis, Coking at 10.5%, PCI at 9% and Ash% of 9.8% for Coking & 10.8% for PCI.
- (4) New acquisition, not previously reported by Yancoal (Reconciliations are not possible).
- (5) On 17 February 2016, Yancoal announced a new financing arrangement to secure up to US\$950 million in debt-funding via the issuing of nine-year secured debt bonds by a newly established Yancoal subsidiary, Watagan Mining Company Pty Ltd ("Watagan"), to Industrial Bank Co. Ltd, BOCI Financial Products Limited and United NSW Energy Limited. Under the arrangement, Yancoal's interests in the assets of Ashton, Austar and Donaldson were transferred to and held by Watagan.

## COAL RESERVES RECONCILIATION OF 2017 TO 2016 YEAR END REPORTING

Recoverable Coal Reserves (Mt)										
Reconciliation period 1 January 2017 to 31 December 2017										
Project	Moolarben (OC)	Moolarben (UG)	Austar (UG)	Ashton (OC)	Ashton (UG)	Yarrabee (OC)	Gloucester (OC)	Middlemount (OC)	Donaldson (UG)	Monash (UG)
<b>Production Changes</b>										
Production (Since previous JORC report)	-13.0	-1.7	-2.0	0.0	-2.5	-3.3	-0.9	-5.3	0.0	N/A
Product Yield adjustments										
Moisture basis modified from % to %										
<b>Non - Production Changes</b>										
Coal sterilised or increased recovery in the mine plan		-0.2			-0.2					
Coal Resource reclassification	2.4									
Coal Reserve reclassification										
Mine Plan changes from Pre-feasibility studies										
Geology model changes		0.2				5.4				
Changes to the Mine plan / Optimisation	3.0		-2.6			13	-0.3			
Changed modifying factors	-2.6				1.2					
<sup>(1)</sup> Change due to significant figure rounding (2016/17)	-0.8	-0.3	-0.4	0.0	-0.5	0.0	-0.3	0.0	0.0	0.0
<b>Total</b>	<b>-11.0</b>	<b>-2.0</b>	<b>-5.0</b>	<b>0</b>	<b>-2.0</b>	<b>15.0</b>	<b>-1.5</b>	<b>-5.3</b>	<b>0.0</b>	<b>0</b>

Marketable Coal Reserves (Mt)										
Reconciliation period 1 January 2017 to 31 December 2017										
Project	Moolarben (OC)	Moolarben (UG)	Austar (UG)	Ashton (OC)	Ashton (UG)	Yarrabee (OC)	Gloucester (OC)	Middlemount (OC)	Donaldson (UG)	Monash (UG)
<b>Production Changes</b>										
Production (Since previous JORC report)	-10.8	-1.7	-1.8	0.0	-1.1	-2.6	-0.6	-3.9	0.0	N/A
Product Yield adjustments						5.9				
Moisture basis modified from % to %										
<b>Non - Production Changes</b>										
Coal sterilised or increased recovery in the mine plan		-0.2			0.1					
Coal Resource reclassification	1.7									
Coal Reserve reclassification										
Tenement boundary (new, etc.)										
Geology model changes		0.2	-0.9		-0.4	3.8				
Changes to the Mine plan / Optimisation	6.6		-2.5	0.0		3.0	0.9			
Changed modifying factors	-2.5				0.7					
<sup>(1)</sup> Change due to significant figure rounding (2016/17)	0.0	-0.3	0.2	0.0	0.0	-0.1	-0.7	0.0	0.0	0.0
<b>Total</b>	<b>-5.0</b>	<b>-2.0</b>	<b>-5.0</b>	<b>0</b>	<b>-0.7</b>	<b>10.0</b>	<b>-0.4</b>	<b>-3.9</b>	<b>0.0</b>	<b>0</b>

Totals (Mt)										
Reconciliation period 1 January 2017 to 31 December 2017										
Project	Moolarben (OC)	Moolarben (UG)	Austar (UG)	Ashton (OC)	Ashton (UG)	Yarrabee (OC)	Gloucester (OC)	Middlemount (OC)	Donaldson (UG)	Monash (UG)
<b>Yancoal Ownership %</b>	81%	81%	100%	100%	100%	100%	100%	50%	100%	100%
<b>Coal Type</b>	Thermal	Thermal	Met	Met/Thermal	Met/Thermal	PCI/Thermal	Met/Thermal	Met/Thermal	Met/Thermal	Met/Thermal
<b>Production Changes</b>										
Recoverable Coal Reserves (Mt)	-13.0	-1.7	-2.0	0.0	-2.5	-3.3	-0.9	-5.3	0.0	
Marketable Coal Reserves (Mt)	-10.8	-1.7	-1.8	0.0	-1.1	3.3	-0.6	-3.9	0.0	
<b>Non - Production Changes</b>										
Recoverable Coal Reserves (Mt)	2.0	-0.3	-3.0	0.0	0.5	18.3	-0.6	0.0	0.0	
Marketable Coal Reserves (Mt)	5.8	-0.3	-3.2	0.0	0.4	6.7	0.2	0.0	0.0	
<b>Total Changes</b>										
Recoverable Coal Reserves (Mt)	-11.0	-2.0	-5.0	0.0	-2.0	15.0	-1.5	-5.3	0.0	
Marketable Coal Reserves (Mt)	-5.0	-2.0	-5.0	0.0	-0.7	10.0	-0.4	-3.9	0.0	0
<b>Total Recoverable Coal Reserve Changes (100% Basis)</b>				<b>-11.8</b>	<b>Total Marketable Coal Reserve Changes (100% Basis)</b>				<b>-7.0</b>	
<b>Yancoal Attributable Share</b>				<b>-6.6</b>	<b>Yancoal Attributable Share</b>				<b>-3.7</b>	

Note: +ve = increase in reported Coal Reserves, -ve = decrease in reported Coal Reserves

Note: Mt Thorley, Warkworth and HVO (Hunter Valley Operations) are new acquisitions, not previously reported by Yancoal (Reconciliations are not possible).

(1) The reported Coal Reserves totals within the JORC Reserve Reports utilised for public reporting are rounded (significant figure), whereas the Coal Reserve reconciliations contained within them are based on the unrounded numbers, this adjustment is required to align the unrounded reconciliations with the significant figure rounded Coal Reserve totals.

The following table provides details of the Competent Persons for each project.

<b>Initials</b>	<b>COMPETENT PERSON (CP)</b>	<b>TITLE</b>	<b>COMPANY</b>
JB	Jon Barber	Principle Consultant	Jon Barber Mining Consultants
JMB	Janet Bartolo	Senior Geologist - Manager Geological Modelling	McElroy Bryan Geological Services Pty
PE	Peter Ellis	Executive Consultant	RPMGlobal Asia Limited
DS	Doug Sillar	Executive Consultant	RPMGlobal Asia Limited
MB	Mark Bryant	Principal Mining Consultant	The Minserve Group Pty Ltd
RD	Rob Dyson	Senior Geologist - General Manager Operations	McElroy Bryan Geological Services Pty
PH	Paul Harrison	Senior Geologist	McElroy Bryan Geological Services Pty
REH	Raymond Howard	Principle Mining Engineer	Yancoal Australia Ltd
GJ	Greg Jones	Principal Consultant	JB Mining Services Pty Ltd
AL	Andrew Lau	Regional Technical Services Manager - Open Cut Operations Eastern Region	Yancoal Australia Ltd
KP	Karol Patino	Senior Geologist	McElroy Bryan Geological Services Pty
BS	Ben Smedley	Principle Mining Consultant	XENITH
SW	Stuart Whyte	Resource Knowledge Manager	Yancoal Australia Ltd

## YANCOAL AUSTRALIA TENEMENTS

PROJECT	TITLE TENEMENT	TENEMENT TYPE	PROJECT	TITLE TENEMENT	TENEMENT TYPE
<b>HVO</b>	ML1324	Mining Lease	<b>YARRABEE</b>	MDL160	Mineral Development License
	ML1337	Mining Lease		ML1770	Mining Lease
	ML1359	Mining Lease		ML80049	Mining Lease
	ML1406	Mining Lease		ML80050	Mining Lease
	ML1428	Mining Lease		ML80096	Mining Lease
	ML1465	Mining Lease		ML80104	Mining Lease
	ML1474	Mining Lease		ML80172	Mining Lease
	ML1482	Mining Lease		ML80195	Mining Lease
	ML1500	Mining Lease		ML80196	Mining Lease
	ML1526	Mining Lease		ML80197	Mining Lease
	ML1560	Mining Lease		ML80198	Mining Lease
	ML1589	Mining Lease		EPC1429	Exploration Permit for Coal
	ML1622	Mining Lease		EPC1684	Exploration Permit for Coal
	ML1634	Mining Lease	EPC621	Exploration Permit for Coal	
	ML1682	Mining Lease	EPC717	Exploration Permit for Coal	
	ML1704	Mining Lease	<b>GLOUCESTER BASIN</b>	A311	Exploration License
	ML1705	Mining Lease		A315	Exploration License
	ML1706	Mining Lease		EL6904	Exploration License
	ML1707	Mining Lease		ML1360	Mining Lease
	ML1732	Mining Lease		ML1409	Mining Lease
	ML1734	Mining Lease		ML1427	Mining Lease
	ML1748	Mining Lease		ML1447	Mining Lease
	ML1753	Mining Lease		ML1521	Mining Lease
	EL5291	Exploration License		ML1528	Mining Lease
	EL5292	Exploration License		ML1538	Mining Lease
	EL5417	Exploration License		ML1577	Mining Lease
	EL5418	Exploration License		ML1646	Mining Lease
	EL5606	Exploration License	ML1733	Mining Lease	
	EL8175	Exploration License	<b>ASHTON</b>	ML1529	Mining Lease
	CML4	Consolidated Mining Lease		ML1623	Mining Lease
	CL327	Coal Lease		ML1533	Mining Lease
	CL359	Coal Lease		EL4918	Exploration License
	CL360	Coal Lease		EL5860	Exploration License
	CL398	Coal Lease	ML1696	Mining Lease	
	CL584	Coal Lease	<b>AUSTAR</b>	CCL728	Mining Lease
	CCL714	Consolidated Coal Lease		CCL752	Mining Lease
	CCL755	Consolidated Coal Lease		CML2	Mining Lease
	AUTH72	Authority		ML1388	Mining Lease
	ALA52	Assessment Lease Application		ML1550	Mining Lease
	ALA58	Assessment Lease Application		ML1661	Mining Lease
	ALA59	Assessment Lease Application		ML1666	Mining Lease
	MLA489	Mining Lease Application	ML1677	Mining Lease	
	MLA495	Mining Lease Application	EL6598	Exploration License	
	MLA496	Mining Lease Application	<b>MOOLARBEN</b>	ML1605	Mining Lease
	MLA520	Mining Lease Application		ML1606	Mining Lease
	MLA534	Mining Lease Application		ML1628	Mining Lease
	MLA535	Mining Lease Application		ML1691	Mining Lease
<sup>(1)</sup> CL378	Coal Lease	ML1715		Mining Lease	
<sup>(1)</sup> CCL708	Consolidated Coal Lease	EL6288		Exploration License	
		EL7073		Exploration License	
<b>MT THORLEY &amp; WARKWORTH (MTW)</b>	ML1412	Mining Lease	EL7074	Exploration License	
	ML1590	Mining Lease	MPL0315	Mining Purpose Lease	
	ML1751	Mining Lease	<b>DONALDSON</b>	ML1461	Mining Lease
	ML1752	Mining Lease		ML1555	Mining Lease
	EL7712	Exploration License		ML1618	Mining Lease
	CL219	Coal Lease		ML1653	Mining Lease
CCL753	Consolidated Coal Lease	ML1703		Mining Lease	
<sup>(1)</sup> ML1547	Mining Lease	ML1756		Mining Lease	
<b>MIDDLEMOUNT</b>	ML70379	Mining Lease		EL6964	Exploration License
	ML70417	Mining Lease	EL5337	Exploration License	
	MDL282	Mineral Development License	EL5497	Exploration License	
	EPC1225	Exploration Permit for Coal	EL5498	Exploration License	
<b>MONASH</b>	EL6123	Exploration License			
	EL7579	Exploration License			

(1) Partially owned tenements.

Additional information about the company can be found at [www.yancoal.com.au](http://www.yancoal.com.au)

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