Quarterly Report

For the Quarter ending 31 December 2023

Issued 18 January 2024

December Quarter 2023 (4Q 2023)

- A$196/t average realised coal price.
- $477 million increase in cash holding[1].
- $1.40 billion cash balance at 31 Dec 2023.
- 18.1Mt ROM coal production (100% basis).
- 12.9Mt Saleable coal production (100% basis).
- 9.7Mt Attributable saleable coal production.
- 10.1Mt Attributable coal sales.

Performance Summary

At Yancoal, we always prioritise the safety of our workforce. We are proud that our Total Recordable Injury Frequency Rate of 5.3 remains significantly below the industry average[2].

In 4Q 2023, attributable coal production increased by 4% on 3Q, while our average realised price decreased by 1% to A$196/t over the same period. After all outgoing expenses, our 31 December 2023 closing cash balance was $1.40 billion.

At the start of 2023, Yancoal aimed to increase its production output in each successive quarter. We met this goal and delivered 33.4 million tonnes, the mid-range of the 31-36 million tonne 2023 guidance for attributable saleable production.

We will report our cash operating costs in the 2023 Financial Results next month; and expect they will fall around the middle of the $92-$102/tonne guidance range.

We will also report our attributable capital expenditure in the 2023 Results. The timing of some expenditure slipped late in the year, so the total will likely be toward the low end of the $600-$750 million guidance range.

CEO Comment

Our average realised coal price was A$196/tonne for the quarter and A$232/tonne for the year. Coal indices remain at levels that allow our portfolio of high-quality mines to generate robust cashflow.

Output from our mines improved for the fourth consecutive quarter as we delivered on recovery initiatives across our operations. Almost 13 million tonnes of saleable coal production was our best achievement over the past three years.

The positive production trend in each quarter of this year is a direct result of a concerted effort of our people across all our mine sites. We aim to consolidate this performance and pursue efficiency gains in 2024.

The Group remains debt free, with a 31 December 2023 cash balance of $1.40 billion. The $477 million added to the cash balance during the quarter is after all operating costs, as well as capital expenditure and monthly tax payments. This is a clear demonstration of the quality of Yancoal's assets and their capacity to generate positive cash flows.

Thermal coal markets continue to be balanced. Exports from Australia and Indonesia were elevated, offsetting reduced supply from Russia and South Africa. Power generators seem well placed to satisfy northern hemisphere winter demand, leaving supply to meet incremental demand from India and Vietnam.

2023 was a very successful year with strong recovery from the operational impacts associated with an extended period of above average rainfall. We prioritised recovery works in the early part of the year that allowed us to build momentum and deliver a solid performance in the second half. We are focused on maintaining production around the 4Q rate through 2024 and further reducing cash operating costs, so that our cash generation capabilities continue irrespective of coal market conditions.

[1] Cash position change from 30 September 23 to 31 December 23. All financial figures are in Australian dollars, unless specified otherwise.

[2] See details on page 3.

PRODUCTION AND SALES DATA

ROM COAL PRODUCTION, Mt	Mine type	Economic Interest	4Q 2023	3Q 2023	PP Change	4Q 2022	PCP Change	12 months year-to-date		
								2023	2022	Change
Moolarben	OC / UG	95%	6.0	5.3	13%	3.6	67%	20.4	16.9	21%
Mount Thorley Warkworth	OC	82.9%	5.1	4.5	13%	3.2	59%	17.2	12.4	39%
Hunter Valley Operations	OC	51%	5.0	4.5	11%	2.1	138%	15.3	11.9	29%
Yarrabee	OC	100%	0.7	0.6	17%	0.9	(22%)	2.4	2.6	(8%)
Middlemount	OC	49.9997%	1.0	0.9	11%	0.8	25%	3.3	3.6	(8%)
Ashton	UG	100%	-	0.1	(100%)	0.5	(100%)	0.7	2.1	(67%)
Stratford Duralie	OC	100%	0.3	0.2	50%	0.4	(25%)	0.9	1.0	(10%)
Total – 100% Basis			**18.1**	**16.1**	**12%**	**11.5**	**57%**	**60.2**	**50.5**	**19%**
Total – Attributable			**13.4**	**12.1**	**11%**	**9.0**	**49%**	**45.5**	**38.1**	**19%**

SALEABLE COAL PRODUCTION, Mt	Coal type	Attributable Contribution	4Q 2023	3Q 2023	PP Change	4Q 2022	PCP Change	12 months year-to-date		
								2023	2022	Change
Moolarben	Thermal	95%	4.8	4.5	7%	3.1	55%	16.7	14.9	12%
Mount Thorley Warkworth	Met. Thermal	82.9%	3.4	3.3	3%	2.3	48%	11.3	8.1	40%
Hunter Valley Operations	Met. Thermal	51%	3.3	3.0	10%	1.6	106%	10.5	9.6	9%
Yarrabee	Met. Thermal	100%	0.5	0.5	-%	0.6	(17%)	1.9	2.1	(10%)
Middlemount	Met. Thermal	0% (equity accounted)	0.6	0.6	-%	0.5	20%	2.2	2.6	(15%)
Ashton	Met.	100%	0.1	-	-	0.2	(50%)	0.4	0.9	(56%)
Stratford Duralie	Met. Thermal	100%	0.2	0.2	-%	0.2	-%	0.6	0.7	(14%)
Total – 100% Basis			**12.9**	**12.1**	**7%**	**8.5**	**52%**	**43.6**	**38.9**	**12%**
Total – Attributable			**9.7**	**9.3**	**4%**	**6.6**	**47%**	**33.4**	**29.4**	**14%**

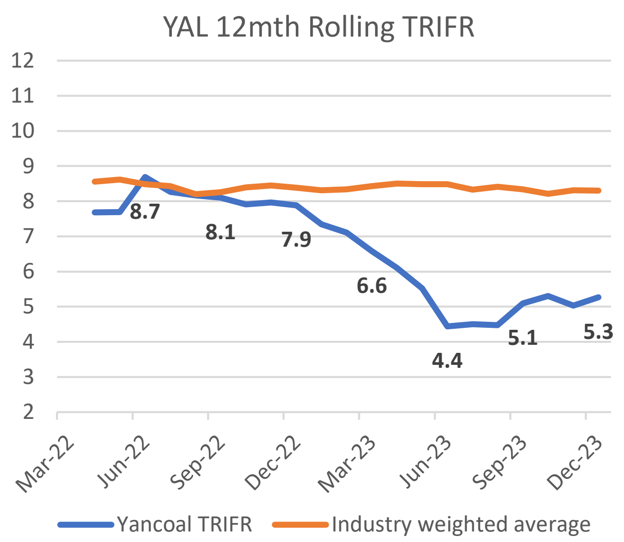
SALES VOLUME by coal type, Mt	4Q 2023	3Q 2023	PP Change	4Q 2022	PCP Change	12 months year-to-date		
						2023	2022	Change
Thermal coal	**8.7**	7.7	13%	5.5	58%	28.4	24.6	15%
Metallurgical coal	**1.4**	0.9	56%	1.4	-%	4.7	4.7	-%
Total – Attributable	**10.1**	**8.6**	**17%**	**6.9**	**46%**	**33.1**	**29.3**	**13%**
Thermal coal average realised price, A$/tonne	180	178	1%	430	-58%	211	372	-43%
Metallurgical coal average realised price, A$/tonne	292	360	-19%	389	-25%	356	405	-12%
Overall average realised price, A$/tonne	196	197	-1%	422	-53%	232	378	-39%

Notes:

- ROM = Run of Mine; the volume extracted and available to be processed.
- 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	3Q = September quarter period	PP = Prior quarter period
2Q = June quarter period	4Q = December quarter period	PCP = Prior year corresponding period
Mt = million tonnes		UG = Underground
Met. = Metallurgical coal		OC = Open-cut

SAFETY



The health and well-being of all Yancoal employees is always a key focus. The 12-month rolling Total Recordable Injury Frequency Rate[3] at the end of 4Q 2023 was 5.3, similar to the 5.1 rate at the end of 3Q 2023[4], and significantly below the comparable industry weighted average of 8.3.

Strongly engaging and visible leadership from our mine site leaders, which was demonstrated throughout the year, continued in Q4, and contributed to an improved overall annual safety performance.

In its second year of implementation, the 'Safe Way Every Day' programme continued with a focus on The Leadership Programme and Safe Way Every Day Team talks. The programme is designed to provide a consistent approach to health, safety and training management across all Yancoal operations, and to support the integration of a safety culture across the business. The initiatives and training provided involve simple concepts and tools that our whole workforce can use to enhance personal safety, happiness, health and wellbeing, both on the job and in their personal lives. We have continued Stage 3 of the four-year, four-stage Mental Health Programme, with the modules to address topics such as mental illness and suicide. Both programmes are contributing towards positive workforce outcomes.

COAL SALES AND MARKET OUTLOOK

During 4Q 2023, attributable mine production sales of 10.1Mt were 0.4Mt more than attributable saleable coal production, countering the stockpile build in the prior period. Yancoal purchased additional coal for blending to optimise the overall product mix and realised prices.

The sales volume includes 0.22Mt supplied to domestic power generators under the NSW Government Domestic Coal Reservation Directions. Under the Directions, the Company is compelled to make available up to 0.31Mt of coal per quarter from attributable saleable production to domestic power generators.

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. That said, there are 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

[3] Attributable TRIFR includes Moolarben, Mount Thorley Warkworth, Stratford Duralie, Yarrabee and Corporate; it excludes joint venture operated Middlemount and Hunter Valley Operations. The Industry Weighted Average combines proportional components from the relevant New South Wales and Queensland Industry references. The sources for the industry statistics are published periodically, as revised data is released the industry weighted average calculation is updated.
[4] Prior periods may be revised for reclassification of past events.

typically sold at prices associated with the Platts Low Vol PCI FOB Australia and Platts Semi-Soft FOB Australia Indices.

During 4Q 2023, the API5 index averaged US$96/t, up from US$88/t in 3Q 2023; while the GCNewc index averaged US$136/t, down from US$149/t. It was a similar circumstance for our metallurgical coal, with the Low Vol PCI index averaging US$186/t, up from US$169/t; while the Semi-Soft index averaged US$163/t, down from US$167/t.

Yancoal's realised prices in any given period tends to lag relevant coal price indices due to various sales contract structures. Due to delayed sales volumes, the 4Q realised metallurgical coal price still captured some pricing from earlier in the year. 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 4Q 2023 Yancoal recorded an average realised thermal coal price of A$180/t and an average realised metallurgical coal price of A$292/t. Yancoal's overall average realised sales price in 4Q 2023 was A$196/t, compared to A$197/t in the prior quarter and A$422/t in 4Q 2022.

	Units	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
API5, 5,500kCal	US$/t	172	194	195	141	125	102	88	96
GCNewc, 6,000kCal	US$/t	264	372	421	381	242	158	149	136
Low Vol PCI, FOB Aust.	US$/t	354	367	200	234	266	207	169	186
Semi-Soft, FOB Aust.	US$/t	389	426	246	273	311	181	167	163
AUD:USD		0.72	0.72	0.68	0.66	0.68	0.67	0.65	0.65
API5, 5,500kCal	A$/t	237	270	286	215	183	153	135	148
GCNewc, 6,000kCal	A$/t	364	518	616	579	354	237	228	208
Low Vol PCI, FOB Aust.	A$/t	487	510	294	356	389	271	255	285
Semi-Soft, FOB Aust.	A$/t	534	592	360	415	456	310	258	247
Realised Thermal price	A$/t	243	353	489	430	338	197	178	180
Realised Metallurgical price	A$/t	349	446	434	389	383	403	360	292
Overall realised price	**A$/t**	**258**	**368**	**481**	**422**	**347**	**226**	**197**	**196**

Source: GlobalCOAL, Platts, Argus/McCloskey, Reserve Bank of Australia.[5]
Note: A$/t prices are a simple conversion using the US$/t price and the relevant AUDUSD exchange rates for the period.

Thermal coal markets appeared well balanced for much of 4Q 2023. Northern Asia and Europe were experiencing a relatively mild start to winter and generally carried good levels of coal stockpiles. It was a similar situation in China, but it is worth noting that, overall, Chinese thermal coal imports were up by ~45% in 2023 compared to 2022. There was incremental demand from India after a weaker monsoon season resulted in lower hydropower generation. Demand from Vietnam was also higher, a result of its increased economic activity.

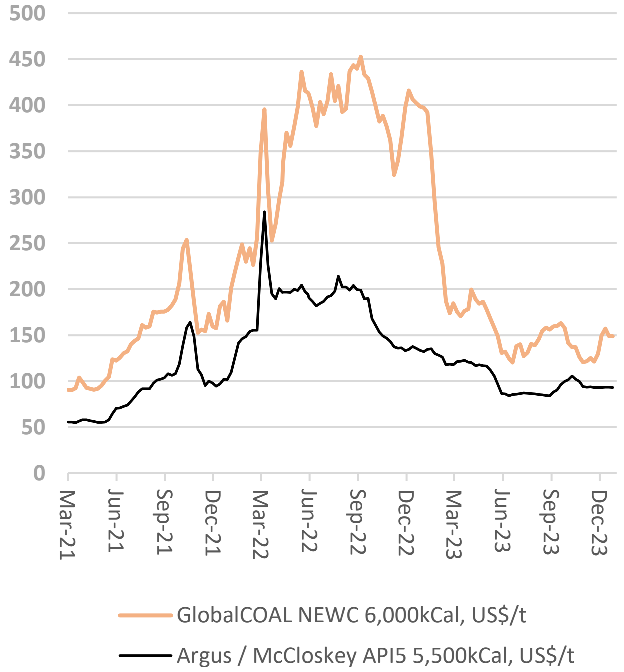
[5] The data and information provided by GlobalCOAL, Platts and Argus/McCloskey may not be copied or used except as expressly permitted in writing by the data provider.

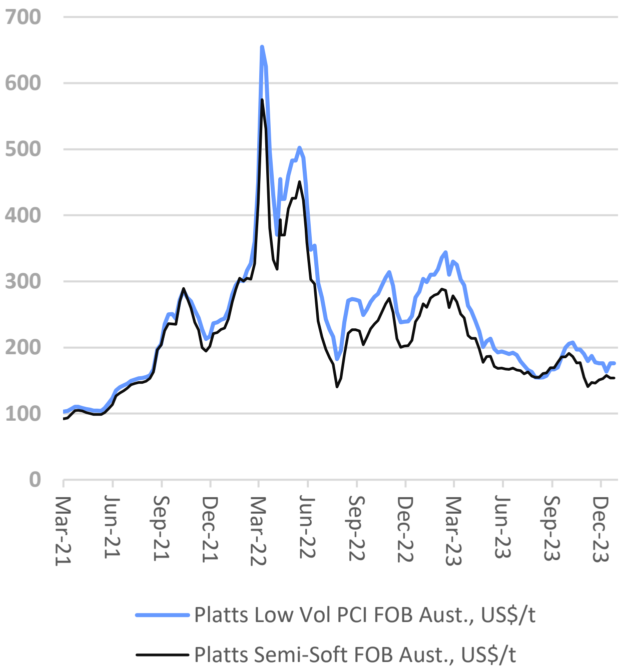
Australia's coal exports, like Yancoal's, increased through the year, with total exports up 22% from the prior year. In Indonesia, a weaker monsoon season resulted in less disruption to mining activities; there were some constraints on barging activity because of the reduced rainfall, but overall exports increased 12% year-on-year.

It was a different situation in Russia, where exports fell 15% year-on-year after the imposition of increased export duties. South African exports remained somewhat restricted due to infrastructure constraints.

In the metallurgical coal markets, soft economic conditions in North Asia and Europe depressed steel demand. Some steel producers elected to bring forward maintenance activities and consequently metallurgical coal demand declined. Demand from India and Vietnam was less impacted, but overall market conditions for metallurgical coal were weaker during the period, with the cyclone disruption to exports from Queensland only creating a temporary supply shortfall.

Across the thermal coal and metallurgical coal markets, supply and demand remain relatively well balanced and subject to the influence of short-term factors.





Source: GlobalCOAL, Platts, Argus/McCloskey. [6]

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ASSET PERFORMANCE

ROM and saleable coal volumes exceeded or matched the prior quarter at all mines except Ashton, which was addressing the water ingress event from July 2023, as previously reported. Attributable saleable coal production of 9.7 million tonnes was our best performance since 2020, despite some wet weather delays in November/December and a train derailment on the rail line servicing Moolarben in December.

By the end of the year, the effort that had been directed to recovery work in the first six months was delivering positive results and operations were able to prioritise ROM production and to ensure the utilisation of all available Coal Handling Preparation Plant (CHPP) wash hours.

Production rates at the three large open-cut mines are close to levels regularly achieved prior to the disruptions in 2021-2022. This provides the capacity to balance the collective output from these three operations.

Product coal stockpile levels remain very high across most NSW sites and particularly Moolarben. While this provides a buffer for sales volumes, the site and the logistics teams are working closely to ensure consistent railings and the washing of coal continues without disruption.

The emphasis on recovery work now shifts to optimisation of the cost profile and maximising operating margins.

Moolarben

At the underground mine, the longwall performed above expectations during the period ahead of its planned move in December. Longwall mining resumed in early January. The next longwall move is scheduled for the 2Q 2024.

Longwall outperformance countered minor open-cut mine production impacts resulting from wet weather and lightning restrictions during November and December. Despite these minor issues, ROM coal production in December was the highest monthly level of 2023 and the second highest overall monthly level on record.

During December, a major derailment of a third-party train on the rail network servicing Moolarben resulted in 11 days with no railings. This resulted in very high product stockpile volumes at year end and will reduce flexibility in production processes until stockpile levels can be reduced. Railing volumes will remain a focus area during the first half of 2024.

Mount Thorley Warkworth (MTW)

Changes to the mine schedule brought forward ROM coal production during the period. Drier operating conditions had some impact on production with delays associated with dust generation. Additional water trucks and haul road sprinkler systems are in use to further mitigate this risk for periods when there is low rainfall.

Overburden volumes were modestly affected by equipment availability and some wet weather late in the period; however, site has re-built operational flexibility throughout the year and ROM coal output was strong and saleable coal production exceeded the planned level.

Hunter Valley Operations (HVO)

Minor equipment availability issues did not detrimentally impact overall ROM coal performance and previous wet weather delays were recovered by the end of the period. The mine utilised increased wash plant by-pass volumes and deferred processing low yield coal to counter the impact of maintenance work on the CHPP.

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[2] See details on page 3.

Yarrabee

The improved mining performance achieved in 3Q 2023 was countered by wet weather and reduced labour availability during the period. Some ROM coal production was brought forward to mitigate the risk posed by a potential geotechnical issue. This bolstered the coal production volume during 4Q 2023.

Middlemount

Output matched the prior period despite wet weather seasonal impacts. The operational focus remains on optimising the mine plan and schedule. During the period, yield and the timing of the coal delivery impacted saleable coal output.

Ashton

The longwall remained inactive as water ingress remediation works continued. Re-commissioning of the longwall was underway by late December and production resumed in the first week of January. It was a great effort from all involved to have the mine operational less than six months after the longwall was partially submerged.

Stratford Duralie

Output increased despite some wet weather delays, restricted working conditions in the pit and generally unfavourable geological conditions.

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[2] See details on page 3.

DEVELOPMENT PROJECTS and EXPLORATION

The MTW underground mine concept is subject to studies and assessments, which will likely conclude in 2024.

Yancoal incurred $1.7 million in exploration capital expenditure during the period at Moolarben and Stratford Duralie. The exploration work comprised 16 core and non-core boreholes for a total of 1,014m drilled. Drilling was focused on groundwater studies and coal quality at Moolarben, and at Stratford to ensure no coal is sterilised within the proposed renewable energy hub area and to provide geotechnical information for the renewable energy hub feasibility study.

CORPORATE ACTIVITY

Yancoal held an Extraordinary General Meeting on 18 October 2023. The resolutions at the meeting related to coal sales agreements, and all passed with 99.87% support of the votes cast. These coal sales agreements provide contractual certainty for a portion of Yancoal's production and enables Yancoal to increase its market share of exports into China over the next three years.

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 19 January 2024
Time:	11:00am Sydney
Webcast:	https://edge.media-server.com/mmc/p/eudyhcmr

Participants are encouraged to use the webcast link to pre-register for the conference call. There is an option to have the Company hosting the 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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