Private and Confidential



Independent Valuation Report

For SLR Consulting Australia Pty Ltd
on behalf of Yancoal Australia Ltd
pertaining to a 100% Equity Interest in Kestrel Coal Group Pty Ltd
as at
30th June 2026

Censere Reference S00116-1-r1

23 November 2026

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Letter of Transmittal

Our reference: S00116-1-r1

23 November 2026

The Directors
SLR Consulting Australia Pty Ltd
Suite 16.01, Level 16,
201 Miller St, North Sydney NSW 2060,
Australia

Dear Sirs/Madams,

In accordance with our engagement, on behalf of Yancoal Australia Ltd ("**Yancoal**" or the "**Company**"), Censere has undertaken an analysis to determine the Market Value of a 100% equity interest in Kestrel Coal Group Pty Ltd ("**KCG**" or "**the Target**"), which indirectly owns 100% of Kestrel Coal Resources Pty Ltd ("**KCR**"). KCR holds an 80% participating interest in Kestrel Joint Venture ("**KJV**"), which in turn owns the Kestrel mine. The remaining 20% interest in KJV held by Mitsui Kestrel Coal Investment Pty Ltd ("**Mitsui**"). Therefore, KCG indirectly owns an 80% beneficial interest in Kestrel mine and receives a 1% management fee for providing management services to KJV. The 80% beneficial interest in Kestrel mine, together with the management fee, are referred to as the "Mineral Asset". KCG has no other material assets or liabilities.

Yancoal, headquartered in Sydney, Australia, operates a portfolio of mining operations across New South Wales, Queensland and Western Australia. Yancoal is dual listed on the Australian Stock Exchange (stock code: YAL.AX) and Hong Kong Stock Exchange (stock code: 3668.HK). Yancoal has entered into a share purchase agreement to acquire 100% equity stake in KCG, which holds a 100% interest in the coal mining operation of KCR, conditional upon approvals from shareholders in relation to the acquisition, regulatory approvals from various Government regulatory agencies and other transaction specific conditions.[14]

[14] In accordance with the announcement released by Yancoal Australia Ltd (3668.HK) on Hong Kong Stock Exchange (HKEx) dated 14th April 2026.

Yancoal is required by Chapter 18 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") to prepare a valuation report which is part of the Competent Person's Report ("**CPR**") for any major mineral assets acquisition that must form part of the relevant circular to shareholders. The purpose of our analysis is to determine the value of the Mineral Asset – in accordance with the Listing Rules. In that regard, Censere has been engaged as Competent Evaluator and have adopted VALMIN Code (as defined herein) in arriving at our valuation assessment.

Our date of valuation is 30th June 2026 ("**Valuation Date**") and our report which follows is dated 23 November 2026 ("**Report Date**"). The Effective Date of our report is the same as the Valuation Date.

This valuation has been undertaken on a Market Value basis. For the purposes of this exercise, Market Value is defined as the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset (as defined herein) should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion.

The value of the Mineral Asset is determined in accordance with Chapter 18 of the Listing Rules; specifically, Rule 18.30(3) states that:

"Indicated Resources and Measured Resources are only included in economic analyses if the basis on which they are considered economically extractable is explained and they are appropriately discounted for the probabilities of their conversion to mineral Reserves. All assumptions must be clearly disclosed. Valuations for Inferred Resources are not permitted".

Note that the scope of this report is an analysis to determine the Market Value of a 100% equity interest in KCG. However, in this situation, KCG holds no other material assets or liabilities and therefore a 100% equity interest in KCG is equivalent to the value of its holdings in the Mineral Asset.

Based on the analysis outlined in the report which follows, Censere is of the opinion that the Market Value of a 100% equity interest in KCG as at the Valuation Date is within the range of US$2.149 billion and US$2.512 billion, with the mid-point value at US$2.319 billion.

The following pages outline the factors considered, methodologies and assumptions employed in formulating our opinions and conclusions. Any opinions are subject to the assumptions and limiting conditions contained therein.

Yours faithfully
For and on behalf of
Censere Group Limited
Brett Shadbolt , MAusIMM
Chief Executive Officer

1. VALUER'S BIOGRAPHY

Censere was established in 2002 and offers comprehensive technical asset, intellectual property and business valuation and advisory services to major corporates and leading SME's throughout the world. Censere's offices are located in Auckland, Beijing, Frankfurt, Hong Kong, Kuala Lumpur, Shanghai, Shenzhen, Singapore, Sydney and Tokyo. This engagement has been principally undertaken by Brett Shadbolt, Chief Executive Officer of Censere.

Brett Shadbolt is the Chief Executive Officer and Founder of Censere. He holds an MSc in Global Finance jointly conferred by NYU Stern and HKUST and an eMBA conferred by the Quantic School of Management. Brett is a Professional Member of Royal Institute of Chartered Surveyors, Registered Business Valuer (HK), Member of the Hong Kong Securities Institute, Energy Risk Professional of GARP and Professional Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Brett has over 30 years experience in the valuation of mineral resources and mining operations and substantially more than the 5 years experience required in the type of mineral assets outlined in this report. Brett meets the requirements outlined in the Listing Rules to be a competent evaluator.

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3. DEFINITIONS AND GLOSSARY

For the purpose of this report, the following terms have, where appropriate, the following meanings:

"%"	Percent
"A$"	Australian Dollar, the lawful currency of Australia
"Adaro"	Adaro Energy Indonesia Tbk, a holding company that oversees subsidiaries engaged in coal mining, mining services, holds equity stakes in KCG of 48%
"AFY"	The Australian government/industry reporting period starts on 1 July and ends on 30 June of the following year
"CAPM"	Capital asset pricing model
"Comparables"	Comparable listed companies
"Competent Person"	SLR Consulting Australia Pty Ltd
"Competent Person Report" or "CPR"	Competent Person Report dated 23 November 2026 prepared by SLR Consulting in relation to the Operation (as defined herein)
"DCF"	Discounted cash flow
"Effective Date"	Also referred to as "Valuation Date"
"EMR"	EMR Capital, a private equity manager and operator focused on resources, holds equity stakes in KCG of 52%
"EV/EBIT"	Enterprise value to earnings before interest and taxes multiple
"EV/EBITDA"	Enterprise value to earnings before interest, taxes, depreciation and amortisation multiple
"EV/Reserves"	Enterprise value to total marketable reserves multiple
"FCFF"	Free cash flow to firm
"FY"	The financial accounting year of the Company ended/ending 31st December

"HKEx"	Stock Exchange of Hong Kong Limited
"Indicated Mineral Resource"	Part of a mineral Resource (as defined herein) for which quantity, grade, (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of economic viability of the deposit
"JORC Code"	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition), as published by the Australasian Joint Ore Reserves Committee, as amended from time to time
"KCG" or "the Target"	Kestrel Coal Group Pty Ltd
"KCR"	Kestrel Coal Resources Pty Ltd
"Kestrel" or "the Operation"	Kestrel underground mine operated by KCG
"Listing Rules"	Rules governing the Listing of Securities on the Hong Kong Stock Exchange
"LOM"	Life of Mine
"Management"	Management of the Company
"Market Value"	Estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion.
"Measured Mineral Resources"	Part of a mineral Resource (as defined herein) for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit
"Mineral Asset"	Mineral asset or the equivalent as defined in the VALMIN Code

"Mitsui"	Mitsui Kestrel Coal Investment Pty Ltd
"Mt"	Million tonnes
"p.a."	Per annum
"Probable Reserve"	Economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the modifying factors applying to a Probable Reserve is lower than that applying to a Proved Reserve
"Proved Reserve"	Economically mineable part of a Measured Mineral Resource. A Proved Reserve implies a high degree of confidence in the modifying factors
"Report Date"	23 November 2026
"Reserves"	Economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of modifying factors
"Resources"	Concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction
"ROM"	Run-of-mine
"Technical Value"	Technical Value is an assessment of a mineral asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a practitioner, excluding any premium or discount to account for market considerations
"US$"	US dollar, the lawful currency of United States of America

"VALMIN Code"	Code for the technical assessment and valuation of mineral and petroleum assets and securities for independent expert reports (2015 edition), as prepared by the VALMIN Committee, a joint committee of The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Mineral Industry Consultants Association as amended from time to time
"Valuation Date"	30th June 2026
"WACC"	Weighted Average Cost of Capital
"Yancoal" or "the Company"	Yancoal Australia Ltd, a company with limited liability incorporated under the laws of Australia in 2004 and approximately 62.26% owned subsidiary of Yankuang Energy Group Co. Limited. The shares of Yancoal are traded on the Australian Stock Exchange and Hong Kong Stock Exchange

4. PREAMBLE

4.1 Brief Description of the Operation

In this report, "Mineral Asset" is defined according to the VALMIN Code as: "all property including but not limited to real property, intellectual property, mining and exploration tenements held or acquired in connection with the exploration of, the development of, and production from those tenements together with all plant, equipment, and infrastructure owned or acquired for the development, extraction, and processing of minerals in connection with those tenements." The Mineral Asset relevant to the tenements considered in this valuation are those being operated by Kestrel Coal Group.

The Mineral Asset is located in Bowen Basin of Queensland, Australia and consists of 5 Mining Leases and two Mineral Development Leases covering a combined area of 23,598 ha. The Bowen Basin contains several large-scale coal deposits, which are geologically well-understood and explored and have been in operation for several decades. The Mineral Asset has a long operating history with construction commencing in 1990 and the first longwall in 1993. Coal production is undertaken using a conventional single longwall system supported by three continuous miner development units. Run-of-mine ("**ROM**") coal is conveyed 8 km from the mine portal to the onsite coal handling and processing plant. The saleable coal product, which currently consists predominantly of hard coking coal, is then loaded onto trains at a dedicated train loading point and transported 367 km by rail to export terminals at the Port of Gladstone.

Current operations focus on mining the German Creek seam, which is separated into two mining areas: the current mining area at Kestrel South and the future Kestrel West area. Development at Kestrel West is planned to commence in 2031 ahead of longwall production in 2035. The Mineral Asset is forecast to produce 8.2 Mt ROM coal and 6.2 Mt of saleable coal in 2026. The Life of Mine ("**LOM**") plan presented in the CPR forecasts the Mineral Asset to produce an average 8.0 million tons per annum (Mtpa) ROM Coal and 6.0 Mtpa of saleable coal product at an average yield of 75%, through to 2052.

In addition to the underground mining infrastructure, surface processing facilities and office infrastructure, significant regional and local infrastructure provides support to the Mineral Asset and its forecast production requirements. SLR's review of the regional and local infrastructure indicates that the area has suitable logistics infrastructure connecting the Mineral Asset to local and international markets for both the supply of consumables and the transport of product to market. The Mineral Asset is located close to regional sealed roads, highways and water sources, with power provided under a long-term agreement with an electricity utility provider servicing the region.

The Mineral Asset operates under the following permits and approvals:

Environmental Permits

Environmental Authority	Take Effect Date	Project Location	Holder(s)
EPML00693413	21-Nov-25	ML1978, ML70330, ML70301, ML70302 and ML70481	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited
EPSX00035513	18-Feb-19	MDL182	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited
P-EA-100207898	29-Jun-22	MDL3050	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited
P-EA-100738699	18-Mar-26	11/SP178401	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited

Source: CPR & the Company

Planning approvals

Permit Number	Grant Date	Expiry Date	Authorised Holders	Area (Ha)	Native Title Status
Mining Leases					
ML 1978	12/4/1990	30/04/2041	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited	5,839	Granted before 01/01/1994
ML 70301	25/09/2003	30/09/2033	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited	3,579	100% exclusive land
ML 70302	22/11/2004	30/11/2034	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited	79.77	100% exclusive land
ML 70330	11/6/2009	30/06/2039	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited	9.35	Section 31 Agreement
ML 70481	21/03/2016	31/03/2041	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited	2,467	Section 31 Agreement
Mineral Development Licences					
MDL 182	25/11/1996	30/11/2026*	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited	11,619	100% exclusive land
MDL 3050	24/06/2022	30/06/2027	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited	5	100% exclusive land

* *Renewal lodged in May 2026*

Source: CPR and the Company

Details on the mining permits and licenses owned by the Target are contained in the CPR. As discussed with the management of the Company, nothing has come to our attention that might suggest that the tenements cannot be renewed. However, the Kestrel West requires conversion of MDL 182 into a Mining Lease and associated approvals. Failure or delay could materially affect the LOM plan.

4.2 Purpose of VALMIN Valuation

The purpose of our assessment is to determine the Market Value of the Mineral Asset for Public Reference purposes in accordance with Chapter 18 of the Listing Rules ("**Chapter 18**"). In that regard, Censere has been engaged as Competent Evaluator and have adopted VALMIN Code in arriving at our assessment.

This report outlines the information and assumptions upon which the valuation of the Mineral Assets is based, the valuation model applied and the conclusions reached. Our report should not be used or relied upon for any other purpose other than noted herein.

4.3 Basis of Valuation

Censere has conducted the valuation on a Market Value basis. The VALMIN Code states that Market Value is "the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion".

The Market Value comprises a technical value plus or minus, in some cases, a premium or discount to account for such factors as market, strategic considerations or special circumstances. However, it should be recognized that some assets, such as exploration areas may not have a technical value.

The VALMIN Code contains 5 fundamental Principles:

- Competence;
- Materiality;
- Transparency;
- Reasonableness; and
- Independence.

Competence or being *Competent* requires that the public report is based on work that is the responsibility of a suitably qualified and experienced person who is subject to an enforceable professional Code of Ethics.

Materiality or being *Material* requires that a public report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the technical assessment or mineral asset valuation being reported.

Transparency or being *Transparent* requires that the reader of a public report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of material information.

Reasonableness requires that an assessment that is impartial, rational, realistic and logical in its treatment of the inputs to a valuation or technical assessment has been used, to the extent that another practitioner with the same information would make a similar technical assessment or valuation.

Independence or being *Independent* requires that there is no present or contingent interest in the mineral asset(s), nor is there any association with the commissioning entity or related parties that is likely to lead to bias.

Where the legal definition of Independence or Independent differs from the above, the legal definition takes precedence. For this assignment, Censere has not carried out any work in the nature of a feasibility study nor is Censere required to express a viability opinion on any proposed transaction. Censere has relied on information provided by the Company.

Censere has conducted the necessary checks, enquiries, analyses and verification procedures to establish reasonable grounds for establishing the soundness of the contents and conclusions of this valuation report.

Our valuation is only an indicative quantum at which interests in the Operation might be reasonably be expected to be sold at the Valuation Date and may be different from the actual transacted price.

4.4 Statement of Independence

Censere confirms that Censere have no present or contemplated interest in the assets which are the subject of the valuation and are acting independent of all parties. Further, our fees are agreed on a lump sum basis and are not contingent on the outcome.

4.5 Limitation of Circulation

This valuation report has been prepared solely for inclusion in the circular of the Company and is not intended for any legal or court proceedings without our prior written consent. Censere will assume no responsibility or liability for any losses incurred by you or any third party as a result of unauthorized circulation, publication or reproduction of this report in any form and/or if used contrary to the purpose stated therein. Censere understands that the valuation will be incorporated into the Company's circular for public disclosure purposes and have provided a letter of consent for the inclusion of the valuation report into the circular.

5. SOURCES OF INFORMATION

In preparing our report, Censere has received and reviewed information from the Company and held discussions with them. Censere has relied, in some instances to a large extent, on such information in arriving at our valuation, including, but not limited to, the following:

- Announcement made by Yancoal in relation to the major transaction dated 14th April 2026;
- The Competent Person Report prepared by SLR consulting dated 23 November 2026;
- Historical and forecast financial information for Kestrel as provided by the Company;
- Coal price forecasts from various sources including brokers, banks and industry experts, provided by the Company;
- Discussions with the management personnel of SLR consulting and Yancoal; and
- All other information and representations provided by the Company.

In addition, Censere has made reference to, and relied upon, other information such as:

- Market risk premium from Aswath Damodaran from the Stern School of Business at New York University;
- Chapter 18 of the Listing Rules;
- Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (2015 edition), as prepared by the VALMIN Committee in Australia ("**VALMIN Code**");
- The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition), as published by the Joint Ore Reserves Committee, as amended from time to time ("**JORC Code**");
- Risk-free rate of Australia 10-year government bond from Refinitiv; and
- Historical financial information of the Comparable Companies from Refinitiv.

The valuation contains calculations and forecasts based substantially on data contained in the CPR, as well as those provided directly by the Company.

Censere has inspected the sites and processing facilities where the Mineral Asset operates and also considered the information in the CPR and the specialist(s) (where applicable) who contributed to the findings in the CPR have consented to matters based on their information in the form and context in which it appears in the CPR.

Censere has no reason to doubt the truth and accuracy of the information provided to us by the Company.

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and consideration of various factors that are relevant to the operation of the Company. Considerations of various risks and uncertainties that have potential impact on the businesses have also been made.

6. INDUSTRY OVERVIEW

Coal

Coal is a combustible rock, normally found in rock strata in layers, known as coal seams. Coal is mainly comprised of carbon, along with other elements, such as hydrogen, sulfur, oxygen, and nitrogen. In general, there are several types of coal: lignite, sub-bituminous, bituminous and anthracite. Peat is a precursor to coal and is the layer of vegetative material directly underlying the growing zone of a coal forming environment. The vegetative material shows very little alteration and contains the roots of living plants. Lignite, containing discernible plant material is brown and can be soft and fibrous. It also contains large amounts of moisture (around 70%) and so has low energy content. Sub-bituminous coal is a type of coal whose properties range from those of lignite to those of bituminous coal and are used primarily as fuel for steam-electric power generation. Bituminous coal is a relatively soft coal of higher quality than lignite coal but of poorer quality than anthracite. Anthracite is a hard, black, shiny form of coal that contains virtually no moisture and very low volatile content. Because of this, it burns with little or no smoke and is sold as a "smokeless fuel".

Coal has been used as an energy resource, primarily burned for the production of electricity and heat, and is also used for industrial purposes, such as refining metals. Coal is the largest source of energy for the generation of electricity worldwide. However, coal as fuel is also one of the largest worldwide sources of carbon dioxide release.

Coal Extraction

Coal is extracted from the ground by coal mining and extraction. Coal mining processes depend on whether the coal seams are near the surface or deeper underground.

Underground Mining

Kestrel is an underground operation, which employs a conventional longwall mining method supported by 'miner-bolter' continuous miner units. This system is well-known and understood in Australia and is considered a conventional mining method.

Access to the underground workings from the surface is via the portal drifts to the 'pit bottom'. From the pit bottom, the main headings mine roadways are cut by continuous miners and generally consist of five or six headings. The following points summarise the key aspects of the mining method:

- Main headings support the mining operations by holding infrastructure, coal clearance systems, ingress and egress travel roads, ventilation shafts, underground service areas, first response and emergency stations and provide fresh air and return air pathways;

- Gateroads are driven to provide access, ventilation and supporting infrastructure to longwall panels. They are formed with two or three headings and the maingate (access side of the panel) is connected to the tailgate (return side of the panel) via an installation road, which is driven perpendicular to the gateroads;

- The formation and intersection of main headings, gateroads and installation roads provide a perimeter of a rectangular block of coal (longwall panel);

- The longwall equipment is installed in the installation road and consists of powered roof supports ("**PRS**"), armoured face conveyor ("**AFC**"), shearer, and supporting equipment for operational control. The longwall face retreats back towards the main headings using the shearer, which travels back and forth across the width of the panel on the AFC, cutting a slice of coal with each pass, utilising two rotating drums on ranging arms;

- The longwall typically cuts a 1 m pass of coal (web). The shearer may cut in both directions ("**Bi-Di**") or only a single direction ("**Uni-Di**"), depending on mining conditions;

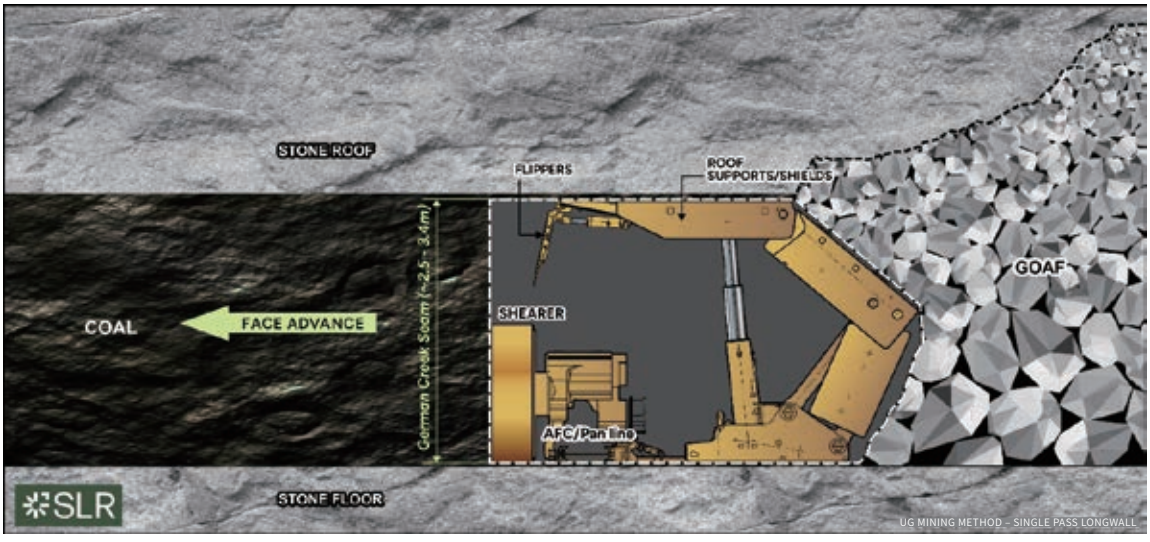
- The maingate provides travel access and services to the face (water, air, power, fresh air ventilation). The coal clearance system is installed in one of the maingate headings to transport mined coal from the face and to the surface; and

- The tailgate is a restricted access area and provides a pathway for return air and coal seam gases to be removed from the face, to be vented at the surface.

Depending on the coal seam's laterally continuity, longwall panels may be between 150 m and 400 m wide and 1,500 m and 5,000 m long. Typically, in Australia, they may be between 2 m and 5 m high, depending on the thickness of the coal seam. Coal is transferred from development and longwall working faces to the surface by a network of conveyors (coal clearance system). In Kestrel South, longwall mining extracts coal with the working section ranging from 2.5 m to 3.4 m. The remaining longwall panels at Kestrel range from 1.3 km to 5.8 km in length and are up to 414m wide.

The area at the coal face is supported by a series of large hydraulic roof supports (shields). These provide a protective area in which workers can operate safely. As each slice of coal is taken, the longwall equipment (shields and the face conveyor pan-line) is advanced behind the shearer's path. The newly exposed roof and face are thus supported by the shields. This, in turn, enables the unsupported roof behind the shields to collapse into the void (goaf). This process releases mining-induced stresses created by the removal of the coal seam, which is re-stabilised by the artificial counter-pressure provided by the shields.

Longwall mining is generally considered to be the safest underground extraction method for coal. It is also superior to other underground mining methods in terms of resource recovery, as well as being more productive and therefore more cost-effective. It is, however, less favourable where the coal seam is affected by geological structures such as faults, rolls, dykes, sills and plugs, or where there are strong inconsistencies in coal quality, seam gradients or seam thickness. The seam thickness and limited geological structure at Kestrel make it suitable for longwall mining operations.



Source: SLR

Open Cut Mining

When coal seams are near the surface, it may be economical to extract the coal using open cut mining methods. The methodology of open cut mining is summarized below:

- Removal and storage of topsoil material via draglines or truck and shovel methods;
- Drilling of a blast pattern;
- Blasting to fragment rock;
- Excavation of waste material with truck and shovel/excavator in the upper benches to uncover coal;
- Excavation of waste material in lower benches by draglines (in certain pits); and
- Digging, loading and hauling of coal via truck and shovel methods.

In Australia, Canada and South Africa, open cut mining is used for both thermal and metallurgical coals, where open cut mines in the United States mostly extract bituminous coal. In New South Wales, open cut for steam coal and anthracite is practiced. Surface mining accounts for around 80 percent of production in Australia.

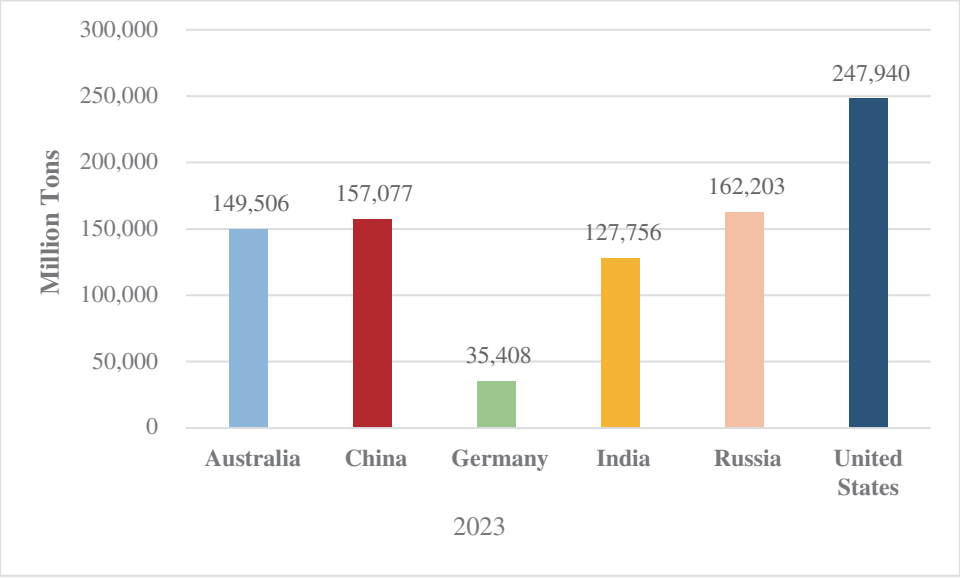
Strip Mining

Another surface mining method is strip mining. Strip mining exposes coal by removing earth above each coal seam. This earth is referred to as overburden and is removed in long strips. The overburden from the first strip is deposited in an area outside the planned mining area and referred to as out-of-pit dumping. Overburdens from subsequent strips are deposited in the void left from mining the coal and overburden from the previous strip. This is referred to as in-pit dumping.

World Coal Reserves

According to the Energy Information Administration in 2023, recoverable coal reserves amounted to 1,166 billion tons. Of those, United States has the most reserves of 250 billion tons, followed by Russia (162 billion tons), China (157 billion tons) and Australia (150 billion tons).

World Coal Reserves



Source: US Energy Information Administration (converted from short tons into metric tons)

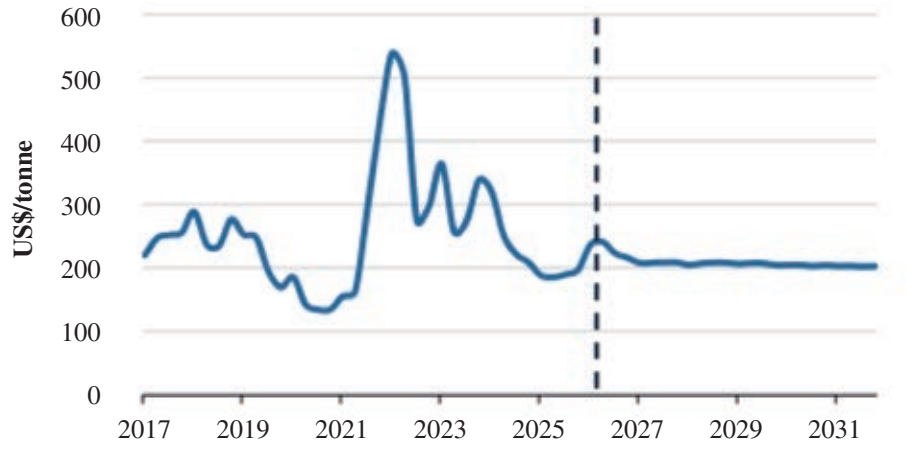
Coal Mining in Australia

Coal in Australia is mined primarily in Queensland, New South Wales and Victoria. While coal is used to generate electricity domestically, most of the coal mined in Australia is exported, primarily to China, India, South Korea and Japan. In AFY 2025/2026, coal production forecasts to 363 million tonnes are exported. Coal provides about 43% of Australia's electricity production. In 2025, Australia contained the world's fourth-largest coal reserves, after the United States, China and Russia. However, in terms of proportion of production exported, Australia is the world's second largest coal exporter, which represented 56% of Australia's total energy exports in AFY 2022/2023. For Kestrel, the coal products consist of metallurgical coal, such as hard coking coal ("**HCC**") and semi-soft coking coal ("**SSCC**") which is mainly used for steel making, and thermal coal, which is mainly used for combustive fuel.

Metallurgical Coal

Global metallurgical coal prices stabilized through 2025 and 2026, shifting away from the extreme highs seen earlier in the decade to trade relatively flat. Rather than being dictated by China, the market is now heavily driven by structural demand growth from India and Southeast Asia, offsetting a cooling Chinese steel sector. While long-term underinvestment in global coal infrastructure and occasional weather disruptions in Australia keep the broader seaborne supply chain structurally tight, rising output from competing regions like Africa and Brazil is applying downward pressure on prices. Reflecting this gradual market normalization, Australia's metallurgical coal export earnings are estimated to ease slightly to A$38 billion in AFY 2025/2026, with volumes projected to sit at 150 million tonnes before expanding slightly into 2027 to meet resilient regional demand.

Historical & Forecast Metallurgical Coal Price



Source: Office of the Chief Economist, Department of Industry, Innovation and Science, Australian Government

Australia remains the world's largest metallurgical coal exporter (the table shown below). However, the total number of active coal projects in Australia fell from 47 in 2024 down to 40 in 2025, with major operators heavily pivoting development toward low-risk brownfield expansions of existing mines rather than launching new greenfield projects. Despite supply constraints keeping international markets tight, export volumes are forecast to gradually recover to 160 million tonnes in 2027 to feed growing steel-manufacturing demands across India and Southeast Asia.

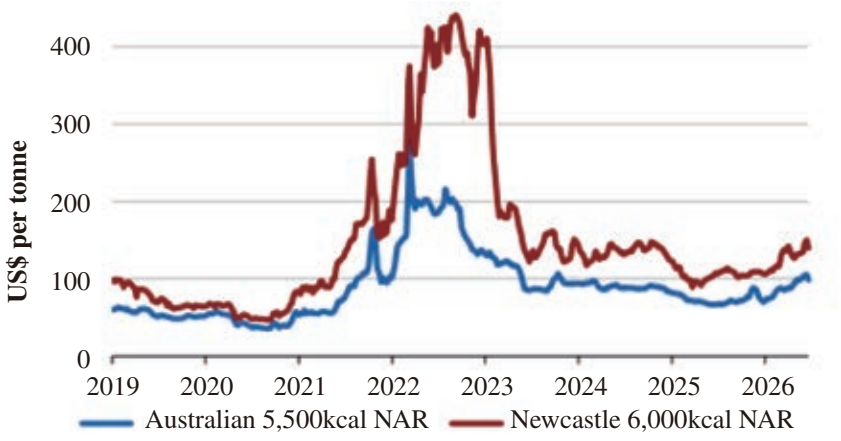
World Metallurgical Coal Imports and Exports (Mt)			
	2025 (Estimate)	2026 (Forecast)	2027 (Forecast)
Metallurgical coal imports			
China	118	111	105
India	50	53	53
Japan	36	35	34
European Union 28	29	29	28
Other Asia*	32	34	37
Metallurgical coal exports			
Australia	147	154	160
United States	46	45	45
Canada	31	31	31
Russia	38	38	38
Mongolia	51	51	51

Source: Office of the Chief Economist, Department of Industry, Innovation and Science, Australian Government

Thermal Coal

Indonesia and Australia are the main thermal coal exporters in the world (the table shown below). Newcastle 6,000 kcal thermal coal prices remained highly resilient throughout 2025 and into 2026, and forecast to average around US$135 a tonne in the third quarter of 2026. While prices are well off the historic peaks of the 2022 global energy crisis, they are supported at a high baseline due to critical geopolitical disruptions. Recent shipping blockades and Liquefied Natural Gas transport bottlenecks in the Middle East have constrained global gas supplies, triggering gas-to-coal switching across Asian utilities and keeping a strong demand floor under the commodity. While global efforts toward decarbonization are slowly reducing long-term thermal coal demand, Australia's export earnings from thermal coal remained robust, projected at A$30 billion for the 2025-26 AFY with export volumes holding steady at 209 million tonnes before commencing a gradual, managed decline toward 2031.

Historical Thermal Coal Price



Source: Office of the Chief Economist, Department of Industry, Innovation and Science, Australian Government

World Thermal Coal Imports and Exports (Mt)			
	2025 (Estimate)	2026 (Forecast)	2027 (Forecast)
Thermal coal imports			
China	365	345	341
India	174	173	171
Japan	120	117	111
South Korea	88	90	85
Thermal coal exports			
Indonesia	515	505	503
Australia	209	205	203
Russia	124	117	114
Colombia	48	46	39
South Africa	69	69	69
United States	39	39	40

Source: Office of the Chief Economist, Department of Industry, Innovation and Science, Australian Government

7. VALUATION CONSIDERATIONS

Censere has inspected the sites and processing facilities where the Mineral Asset operates and note that the facilities, in general, are in good operating condition. Dimensions, measurements and areas included in the valuation report are based on information contained in the documents provided to us by the Company. Censere has also considered the information in the CPR and the specialist(s) (where applicable) who contributed to the findings in the CPR have each consented to matters based on their information in the form and context in which it appears in the CPR. Censere has no reason to doubt the truth and accuracy of the information provided to us by the Company or SLR.

The value of the Mineral Asset is determined in accordance with Chapter 18 of the Listing Rules; specifically, Rule 18.30(3) states that:

"Indicated Resources and Measured Resources are only included in economic analyses if the basis on which they are considered economically extractable is explained and they are appropriately discounted for the probabilities of their conversion to mineral Reserves. All assumptions must be clearly disclosed. Valuations for Inferred Resources are not permitted".

8. KEY CAVEATS AND ASSUMPTIONS

In preparing our assessment, Censere has made the following key limitations and assumptions as of the Valuation Date in our valuation model and these apply throughout unless otherwise stated:

- The production schedules reflect the operational status of the Operation;
- The time period between production/processing and sales is reasonably short;
- Forecasts for capital cost throughout the forecast period have been provided. The Company is responsible for the contents, estimations, and assumptions used in the forecast;
- The Operation shall have sufficient financial liquidity and working capital to achieve the financial forecasts and projections;
- There are no other liabilities including any contingent liabilities or unusual contractual obligations or substantial commitments which would have a material effect on the value of the Mineral Asset;
- There will be no material change in the existing political, legal or regulatory (including changes in legislation, laws or regulations, government policies or rules), fiscal, market, logistic and shipping or economic conditions in Australia and elsewhere;

- There will be no material changes to inflation, interest rates or exchange rates from those prevailing as at the Valuation Date;

- There will be no material change in the bases or rates of taxation or duties in Australia and elsewhere;

- The Operation will not be severely interrupted by any force majeure event or unforeseeable factors or any unforeseeable reasons that are beyond the control of Management, including but not limited to, the occurrence of natural disasters or catastrophes, epidemics or serious accidents; and

- Other assumptions specific to a particular valuation approach or certain observations and conclusions are outlined in the ensuing sections of the report.

Any deviation from the above key limitations and assumptions may significantly vary the valuation of the Mineral Asset. Our valuation is largely based on information provided by the Company and the Company is responsible for their contents and accuracy. Notwithstanding this, Censere has conducted the necessary checks, enquiries, analyses and verification procedures to establish reasonable grounds for establishing the soundness of the contents and conclusions of this valuation report. Censere has also considered the information in the CPR and information provided by the specialist(s) who contributed to the findings in the CPR. The specialist(s) has/have consented to matters based on their information, in the form and context in which it appears in the CPR.

For this exercise, Censere has obtained, and considered, published market data and other publicly available information relating to Comparables from sources which Censere regards to be reputable and reliable. Censere makes no representations as to the accuracy of the content in such published market data and other publicly available information in deriving parameters used for the financial forecasts and valuations models, and have accepted such information without detailed verification.

9. STANDARD LIMITING CONDITIONS

Our assessment is subject to the following standard limiting conditions and these apply throughout unless otherwise stated:

- Censere shall not be required to give testimony or attendance in court or to any government agency by reason of this valuation, with reference to the property described herein, unless prior arrangements have been made; and

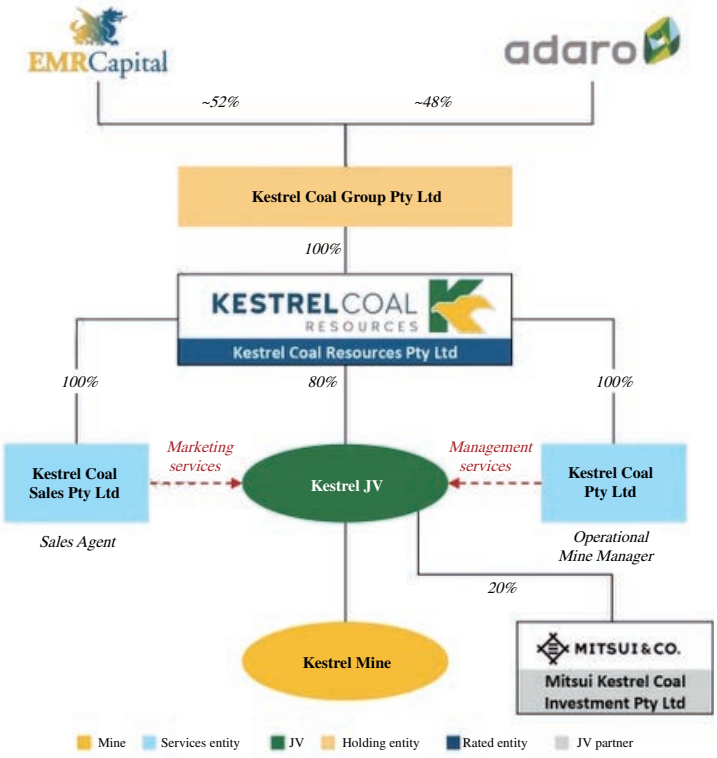
- Our report is for the use of the party to whom it is addressed and no responsibility is accepted from any third party for the whole or any part of the contents of our report.

10. THE OPERATION

10.1 Background

Censere has been engaged by SLR Consulting Australia Pty Ltd, on behalf of Yancoal to determine the Market Value of a 100% equity interest in KCG, which indirectly owns 100% of Kestrel Coal Resources ("**KCR**"). KCR holds an 80% participating interest in Kestrel Joint Venture ("**KJV**") that owns the Kestrel mine. The remaining 20% interest held by Mitsui. Therefore, KCG owns an 80% beneficial interest in Kestrel mine and receives a 1% management fee for providing management services to KJV. The 80% beneficial interest in Kestrel mine, together with the management fee, are referred to as the "Mineral Asset". KCG has no other material assets or liabilities.

The Mineral Asset is located in Bowen Basin, Queensland, Australia and, is under the operation of KCR, which is 100% held by KCG. EMR Capital ("**EMR**"), a private equity manager and operator focused on resources, and Adaro Energy Indonesia Tbk ("**Adaro**", IDX: ADMR), a holding company that oversees subsidiaries engaged in coal mining, mining services, holds equity stakes in KCG of 52% and 48%, respectively. Yancoal has entered into a share purchase agreement to acquire 100% of the total issued share capital of KCG, subject to approval from shareholders in relation to the acquisition and regulatory approvals from various Government regulatory agencies.



Source: the Company

10.2 Kestrel Operation

According to the historical financial statements as provided by the Company, saleable coal production at Kestrel from 2021 to 2025 was as follows:

Site	FY2021	FY2022	FY2023	FY2024	FY2025
Kestrel (Mt)	5.7	5.7	5.6	4.4	5.9

Source: the Company

The Operation currently produces hard coking coal and thermal coal products and is forecast to produce a semi-soft coking coal in the later years of the mine life. According to the CPR, Kestrel has 209 Mt of coal reserves as at 30th June 2026.

Underground Resources	Quantity (Mt)	Raw Ash (% ad)	Raw CSN	Raw VM (% daf)
Measured	97	15.6	6.8	39.4
Indicated	280	17.1	5.3	39.2
Inferred	20	17.9	4.4	39.6
Total	397	16.6	5.7	39.4

	Coal Reserves			Marketable Reserves		
	Proved (Mt)	Probable (Mt)	Total (Mt)	Proved (Mt)	Probable (Mt)	Total (Mt)
Kestrel (100% basis)	67	142	209	52	104	156

Source: CPR

The above information related to the quantity and quality of Coal Reserve and Coal Resources was extracted from CPR. Censere had reviewed it and Censere is of the opinion that it is reasonable. Revenue in the valuation is derived from the Marketable Reserves.

10.3 Site Visit

Mr. Brett Shadbolt from Censere conducted a site visit in June 2026 to inspect the Operation. Please refer to the map and photographs of the site in Appendices 1 and 2 respectively.

During the site visit, Mr. Shadbolt inspected the mine, the coal processing plant, the tailings storage facility, the water supply system, the power distribution system and conducted general inspections of the Mineral Asset area. The visit was also used to gain a better understanding of the Mineral Asset's status. Mr. Shadbolt had meetings and discussions with the Company's personnel on various aspects relating to the relevant issues.

11. VALUATION METHODOLOGY

11.1 Valuation Considerations

The value of the Mineral Asset is determined in accordance with Chapter 18 of the Listing Rules; specifically, Rule 18.30(3) states that:

"Indicated Resources and Measured Resources are only included in economic analyses if the basis on which they are considered economically extractable is explained and they are appropriately discounted for the probabilities of their conversion to mineral Reserves. All assumptions must be clearly disclosed. Valuations for Inferred Resources are not permitted".

Discounted Cash Flow ("DCF")

Censere has selected the net present value of future cash flows as the most appropriate method for valuing the Mineral Asset; the operations are valued as an on-going business concern, thereby representing the value of the Mineral Asset.

Kestrel is currently operating and is a well-established mining operation that has a long operating history with construction commencing in 1990 and the first longwall in 1993. Established and ongoing mining operations having long term mineral inventories are particularly suited to valuation on an income basis using discounted cash flow methodology, where the capital and operating costs are well defined and the likely revenue can be estimated with some degree of confidence.

The DCF technique is particularly appropriate for mineral properties having defined reserves. In the minerals industry it is the usual approach to the valuation of operating mines and of mineral properties having defined mineral reserves.

Multiples Methods

In this assessment, Censere has also considered several multiples methods as alternative methods that may be applied to the Mineral Asset.

KCG is solely engaged in underground coal mining activities in Australia. Researching publicly listed companies that are in the same or similar line of business and that focus mainly on the same geographies as KCG, Censere has identified the following Comparables for our analysis. Please refer to Appendix 4 for the list and brief business description of the Comparables.

No.	Company	Stock Code
1	Yancoal Australia Ltd	YAL.AX
2	Whitehaven Coal Ltd	WHC.AX
3	New Hope Corporation Ltd	NHC.AX
4	Anglo American PLC	AAL.L
5	BHP Group Ltd	BHP.AX
6	Stanmore Resources Ltd	SMR.AX
7	Rio Tinto Ltd	RIO.AX

The Comparables are not necessarily selected for direct comparability to the Company, as many are, for example, much larger in size and scale. Rather, they are chosen due to similar characteristics and reflects conditions and financial performance of companies in the Australian coal mining industry. Specifically, they demonstrate industry cycles, provide representative quantitative indicators, and reflect current stock market pricing in the industry. Thus, the comparative analysis of the Company is based on the performance and characteristics of the sample as a whole rather than on any individual company selected.

11.2 Discounted Cash Flow Method

The DCF method involves projecting a series of periodic cash flows to an operating property. A discount rate is then applied to the cash flow series to arrive at a present value of the income-producing property.

$$DCF = \frac{CF_1}{(1+r)^1} + \frac{CF_2}{(1+r)^2} + \ldots + \frac{CF_n}{(1+r)^n}$$

where:

CF = cash flow

r = discount rate

n = time period (year)

To use discounted cash flow to value the Mineral Asset, it is necessary to:

- Consider the riskiness of the Operation and estimate an appropriate discount rate reflecting the riskiness of the asset and time value of money; and

- Estimate expected cash flows for the life of the Operation.

Net Cash Flow

Cash flow refers to flow or movement of cash into or out of the asset. The DCF method is based on periodic net cash flows discounted by the discount rate. Net cash flow is defined as cash inflows minus cash outflows.

Net Cash Flow = EBIT – Tax + Depreciation & Amortization – Working Capital Additions – Capital Cost

where:

EBIT = Sales revenue – Cost of Goods Sold – total operating cost

Revenue

Sales revenue is generated from the sale of coal products.

Operating Cost

Cash outflows include mining operating costs and processing operating costs.

Discount Rate

To discount the future cash flows to their present value, Censere has used the weighted average cost of capital ("**WACC**") as the discount rate. The discount rate reflects the expected rate of return for the investment, given its risk profile.

Net Present Value

Net present value can be calculated by summing up periodic net cash flows multiplied by the respective present value factor.

To ascertain the valuation range of the Mineral Asset based on DCF, Censere has performed the following:

- Reviewed the operating, environmental and social practices including but not limited to mining and process method, quantity and quality of final products, equipment availability and performance, marketability of products, pricing forecast etc;

- Conducted comparison of historical versus proposed production plan, product quality and quantity, operating expenses and capital expenditure ("**capex**"); and

- Reviewed the proposed operating expenses and capex and of the view that the proposed services and infrastructure is adequate, realistic and achievable.

Based on the above, Censere is of the view that the financial projections, production forecast, operating, environmental and social practices adopted by the Mineral Asset are reasonable to achieve the Market Value as indicated in section 14.

Mine valuations using DCF models require assumptions in respect of the tonnage and product content of the ore that is reasonably expected to be mined and processed within a time frame which is a function of the ore reserve tonnages and the projected mining rates. Coal reserves of the Mineral Asset is maintained at more than twenty years of operation. As resources are mined they are progressively replaced as drilling, sampling and mining provide the basis for upgrading indicated and inferred resources to reserve status. This is an integral part of the mining business and a fair market valuation considers the potential value reasonably resulting from that process. But there are no inferred resources in the Kestrel mine plan.

Censere has estimated the likely years of operation at the production rates set out in the CPR based upon the present Proven and Probable Reserves. For residual Measured and Indicated Resources that are not under the mine plan, Censere has considered these to be uneconomical and immaterial in value, and hence excluded from the valuation.

12. VALUATION OF KESTREL

Based on our findings and conclusions presented in previous sections, Censere has adopted the following key parameters and assumptions for the valuation of Kestrel.

12.1 Discounted Cash Flow Method

12.1.1 Assumptions

The valuation is subject to the following assumptions:

- The mine plan from FY2026 2H to FY2052 according to the CPR;

- The time period between production and sales is reasonably short;

- Working capital forecast for the Kestrel is based on the historical trends of Kestrel from FY2021 – FY2025 which are as follows:

	Average number of days turnover
Accounts receivables	30 days
Accounts payables	60 days
Royalties payables	30 days

- Income tax rate of 30% is based on Australia's corporate tax rate as at 30th June 2026;
- Coal price projections are based on price forecast prepared by various pricing estimates from brokers, banks and industry experts;
- Production projection is based on CPR; and
- Capital cost and operating cost is based on CPR.

12.1.2 Cash Inflows

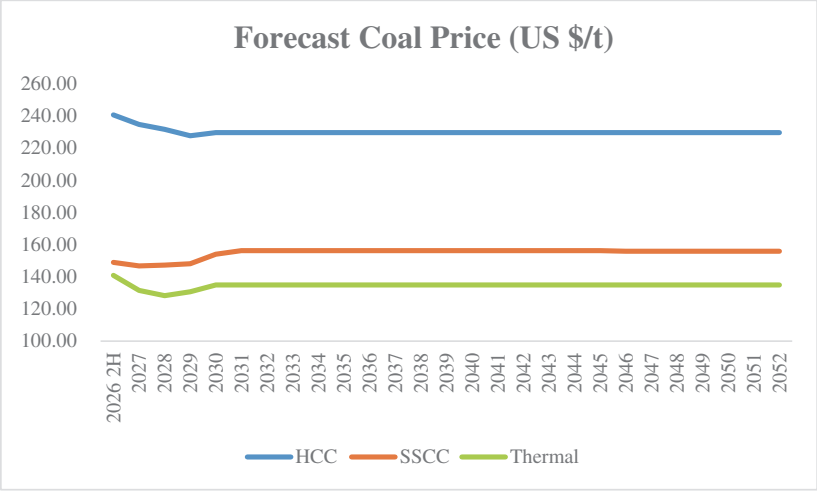
Price of Coal

Censere has reviewed forecasts from various pricing sources including Wood Mackenzie, Commodity Insight, spot price, KPMG's data and consensus from various brokers and banks. Censere has adopted forecast pricing shown on the following page. The forecasts are on a real basis for similar coal quality as that produced by Kestrel. Given the long-term uncertainty of prices associated with any commodity, Censere has assumed fluctuating prices from FY2026 2H to FY2029 with prices increasing and reaching a stable level from FY2030 to FY2052.

The primary coking product is a low ash, high fluidity, hard coking coal. This product is highly sought after as a blending coal for Asian steel mills, as its low ash and high fluidity provide blend flexibility and reduce coke-making costs. Relative to a benchmark Premium Low Volatility ("**PLV**") HCC, the high Volatile Matter ("**VM**") content and low Coke Strength after Reduction ("**CSR**") mean that the primary coking product is priced in line with second tier HCC's.

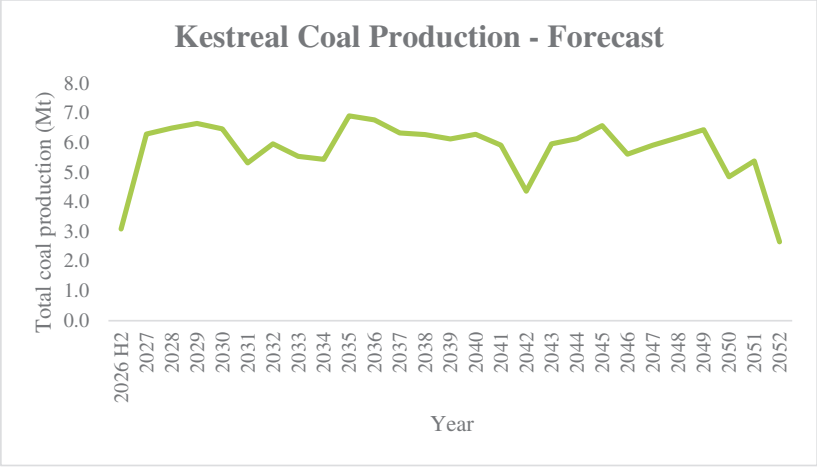
Kestrel's thermal product is of comparable quality to benchmark 6000 Net as Received ("**NAR**") Newcastle export coals. Whilst comparable, it is expected that on a 6000 NAR basis the Kestrel thermal is forecast to price at a small discount to the price benchmark.

The forecast coal price for HCC, SSCC and thermal are in the Appendix 6.



Quantity of Coal Production Forecast

In FY2025, Kestrel produced 5.9 million tonnes of saleable product coal. According to the mine plan in the CPR from FY2026 2H to FY2052, in FY2026 2H production is forecast to be approximately 3.4 million tonnes. The coal production will reach an average of 6.1 million tonnes from FY2027 to FY2035. Production will then peak at an average production of 6.4 million tonnes per year from FY2036 to FY2040, before tapering down to an average of 5.8 million tonnes from FY2041 to FY2045 and finally averaging 5.3 million tonnes annually from 2046 until the mine plan ends in 2052.



Note: Mine continues production until 2052 based on mine plan provided by CPR

Source: CPR

Quality of Coal Production in Forecast

According to CPR, coal quality is characterised by strong and consistent metallurgical performance within the established mining area, reflecting favourable coal rank and processing characteristics. In the existing operational area, coal exhibits low raw ash (~14.9%), low inherent moisture (~2.5%) and relatively low density (~1.39), together with vitrinite reflectance (~0.87) indicative of high-quality coking coal. These attributes support robust coking behaviour, including high product CSN (~7.3), strong dilatation (~66%), and high fluidity (~1,400 ddpm), enabling production of hard coking coal. Processing performance is correspondingly strong, with high primary product yields (~75.3%) and limited secondary product generation, underscoring the overall quality, consistency, and market suitability of coal products.

As mining progresses westward into Kestrel West, coal quality is expected to gradually transition to slightly lower rank characteristics, resulting in increased ash and moisture, reduced coking strength indicators, and lower primary product yields, while remaining within the metallurgical coal range and suitable for blending into coking coal products.

The overall average product coal total sulphur (<0.63%), phosphorus (<0.020%) and fluorine (<78 ppm) are all within acceptable ranges.

12.1.3 Cash Outflows

Operating Costs

Operating costs for the Mineral Asset are reported as Free on Rail ("**FOR"** or "**Onsite Costs"**) and Free on Board ("**FOB"** or "**FOR plus off site costs"**) cash costs. These cost metrics incorporate the following costs:

Onsite costs: include all costs to produce the product from mining either of the rail loading facilities and incorporate the following:

- Underground longwall mining of coal: This includes gate road development (using continuous miners), longwall shearer operation, hydraulic roof shield maintenance, and conveyor haulage costs to transport coal from the underground face to the surface stockpiles and production plants.

- Site Administration (G & A costs): This includes technical services and administration labour costs.

- Coal processing: All costs associated with washing of the coal and transport to the rail loading facilities.

Offsite costs: includes all costs to transport the coal products to the port for loading onto ships and subsequent transfer to customers. These costs include the following:

- Rail: Costs associated with third party rail freight from the rail loading facilities to the port terminals.

- Port: Costs associated with transfer of coal product from rail freight to boat via the coal handling terminals at the Port of Gladstone.

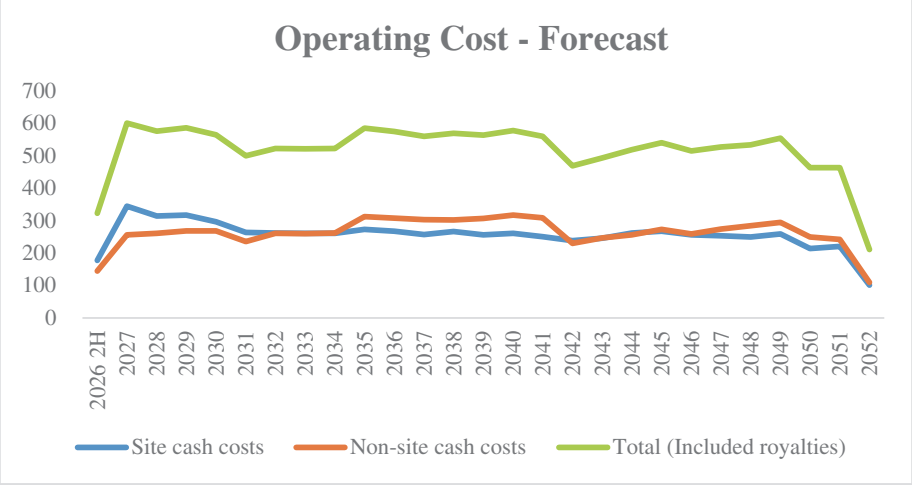
- Other costs: These include levies, corporate management, and demurrage at the port.

According to the CPR, total FOB cost (excluded royalties) is estimated at an average of A$112.0 per tonne of coal product for the life of the mine. 80% of total FOB (excluded royalties) should be an average of A$89.6 per tonne (adjusted for KCG ownership). The expected operating costs (excluded depreciation and amortization, but included royalties) from FY 2026 2H to FY2052 are as follows:

(US$ Million)	FY2026 2H	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
Site cash costs	178	346	315	318	297	265	263	262	262
Non-site cash costs	145	257	262	270	269	237	261	261	263
Total (Included royalties)	323	602	577	588	566	502	524	523	524

(US$ Million)	FY2035	FY2036	FY2037	FY2038	FY2039	FY2040	FY2041	FY2042	FY2043
Site cash costs	274	268	258	267	257	262	251	239	247
Non-site cash costs	313	308	304	303	307	318	310	231	248
Total (Included royalties)	587	577	562	571	565	580	561	470	494

(US$ Million)	FY2044	FY2045	FY2046	FY2047	FY2048	FY2049	FY2050	FY2051	FY2052
Site cash costs	263	268	257	254	250	260	215	222	102
Non-site cash costs	257	274	259	275	285	296	250	243	110
Total (Included royalties)	520	542	516	529	535	556	465	465	212



Source: CPR

QLD Mineral Royalty

In Queensland, Australia, a mineral royalty paid by miners is the price charged by the Crown for the transfer of the right to extract a mineral resource. According to Schedule 1, Section 5 of the Mineral Resources (Royalty) Regulation 2025, issued by the Queensland Revenue Office, coal royalties are calculated using a progressive, tiered rate system based on the average price per tonne of coal sold, disposed of, or used. The rates range from a base of 7.0% (for prices up to and including A$100/t) up to 40.0% (for prices exceeding A$300/t). Rather than paying monthly as a default, royalty returns to the Queensland Government must be lodged and settled on a quarterly basis, due on or before the last business day of the month following the end of each calendar quarter. The calculation of royalty rate shown below:

(1) The royalty rate for coal is—

(a) If the average price per tonne of the coal sold, disposed of or used in the return period is A$100 or less – 7% of the value of the coal; or

(b) The royalty rate applied to the value of the coal sold, disposed of or used in the return period, rounded down to 2 decimal places, worked out using the following formula—

(i) If the average price per tonne of the coal sold, disposed of or used in the return period is more than A$100 but not more than A$150—

$$RR = 7 + \left(\frac{AP\text{-}100}{AP} \times 5.5 \right)$$

(ii) If the average price per tonne of the coal sold, disposed of or used in the return period is more than A$150 but not more than A$175—

$$RR = 7 + \left(\frac{AP\text{-}100}{AP} \times 5.5 \right) + \left(\frac{AP\text{-}150}{AP} \times 2.5 \right)$$

(iii) If the average price per tonne of the coal sold, disposed of or used in the return period is more than A$175 but not more than A$225—

$$RR = 7 + \left(\frac{AP\text{-}100}{AP} \times 5.5 \right) + \left(\frac{AP\text{-}150}{AP} \times 2.5 \right) + \left(\frac{AP\text{-}175}{AP} \times 5 \right)$$

(iv) If the average price per tonne of the coal sold, disposed of or used in the return period is more than A$225 but not more than A$300—

$$RR = 7 + \left(\frac{AP\text{-}100}{AP} \times 5.5\right) + \left(\frac{AP\text{-}150}{AP} \times 2.5\right) + \left(\frac{AP\text{-}175}{AP} \times 5\right) + \left(\frac{AP\text{-}225}{AP} \times 10\right)$$

(v) If the average price per tonne of the coal sold, disposed of or used in the return period is more than A$300—

$$RR = 7 + \left(\frac{AP\text{-}100}{AP} \times 5.5\right) + \left(\frac{AP\text{-}150}{AP} \times 2.5\right) + \left(\frac{AP\text{-}175}{AP} \times 5\right) + \left(\frac{AP\text{-}225}{AP} \times 10\right) + \left(\frac{AP\text{-}300}{AP} \times 10\right)$$

where—

RR is the royalty rate, expressed as a percentage.

AP is the average price per tonne of the coal sold, disposed of or used in the return period.

Source: Mineral Resources (Royalty) Regulation 2025, Queensland Government

Capital Expenditure

Capital Costs for the project are separated into the following cost metrics:

- Growth Capital: Includes capital required for the upgrades of the coal processing plants and site infrastructure;

- Sustaining capital: Includes capital required to replace mobile and fixed plant as part of ongoing maintenance and production requirements. This includes all site infrastructure production fleets, coal processing plants and tails storage facilities; and

- Closure: Capital required for rehabilitating the site upon closure of the operation including pit and coal processing plants and tails storage facilities.

According to CPR, a total of A$3.0 billion for growth and sustaining capex is required over the mine life with an annual average of A$115 million. Annual growth and sustaining capex is forecast to range from A$186 million in 2027 to A$82 million in 2035. In addition, the LOM plan includes approximately A$468 million for mine development and A$216 million in rehabilitation and closure costs.

12.1.4 Discount Rate

To discount the future cash flows to their present value, Censere has used a real discount rate of 7.65%. The discount rate reflects the required rate of return on the investment and is based on its WACC. Please refer to Appendix 3 for details of computation of the discount rate.

12.1.5 Annuity Value

Censere has been provided with a mine plan (from CPR) consisting of a production schedule until year 2052. After that no production is planned. Therefore, no annuity value is determined beyond FY2052.

12.1.6 Net Present Value of Net Cash Flow ("NPV")

With cash flows multiplied by the present value factor for each period, Censere can derive the net present value of the cash flow for each year as at the Valuation Date. The NPV is determined by summation of all present values during the projection period plus the present value of the annuity to represent cash flow from the final projection year through to the end of mine life.

12.1.7 Marketability Discount

According to the International Glossary of Business Valuation Terms, marketability means the relative ease and promptness with which a security or commodity may be sold when desired, at a representative current price, without material concession in price merely because of the necessity of the sale. Investors will price in a discount for the additional costs and risks of liquidation when valuing equity in privately held companies. For this exercise, Censere is of the opinion that no marketability discount is applicable for the purpose of this valuation. This is an operating mine that has been in operation for many years and has been profitable. Censere believes that this asset could be listed with relative ease by itself in most markets in the world and hence Censere concluded that no marketability discount needs to be allowed.

12.1.8 Valuation Range

Censere has set the upper and lower limits of the valuation range with discount rate at 1% higher, and 1% lower against the applied WACC. For purposes stated herein and subject to the limitations and assumptions as set out in this report, the Market Value of the Mineral Asset which reflect a 100% interest in KCG, as at the Valuation Date, is within the range of US$2.149 billion and US$2.512 billion, with the mid-point Value at US$2.319 billion.

Further details of the valuation of Kestrel can be found in the Appendix 6.

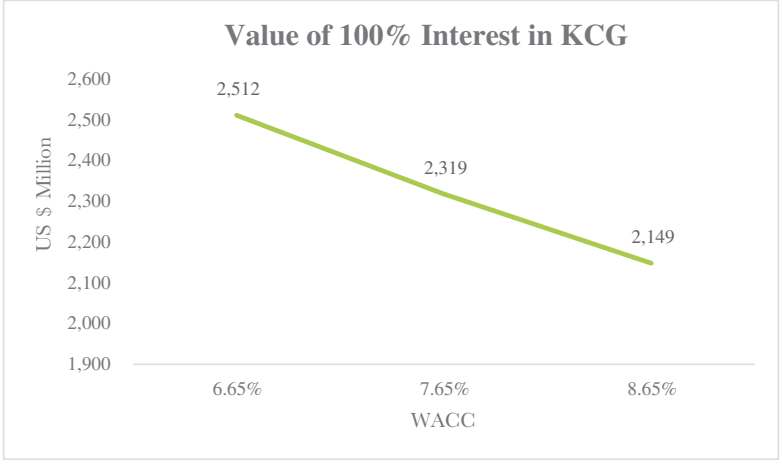
12.1.9 Scenario/Sensitivity Analyses

Sensitivity analyses have been performed to illustrate the NPV of Kestrel under various scenarios. The sensitivity analyses are meant for illustration purposes only and do not necessarily imply that the NPV of Kestrel could be as stated below. The parameters that are being considered for the sensitivity analyses are:

- Changes to the discount rate(s);
- Changes in coal prices;
- Changes in operating costs; and
- Changes in capital costs

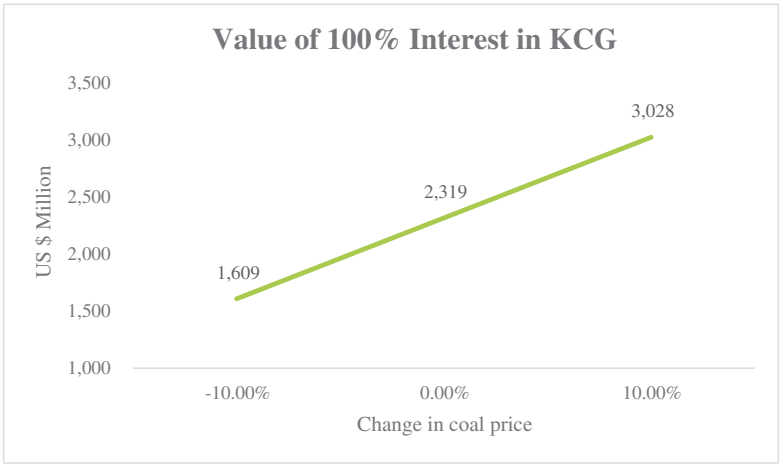
Discount Rate

Shown below is the sensitivity analysis for a 1% increase or decrease in discount rates with other parameters and assumptions remaining unchanged. The base case considered is with discount rate of 7.65%. The valuation for each scenario is computed and presented in the following chart:



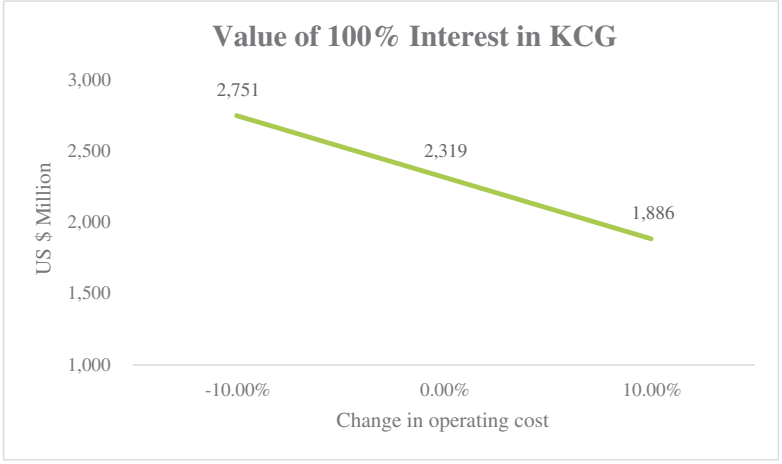
Coal Prices

Shown below is the sensitivity analysis for a 10% increase or decrease in coal prices with the remaining parameters and assumptions remaining unchanged. The valuation under each scenario is computed and presented in the following chart:



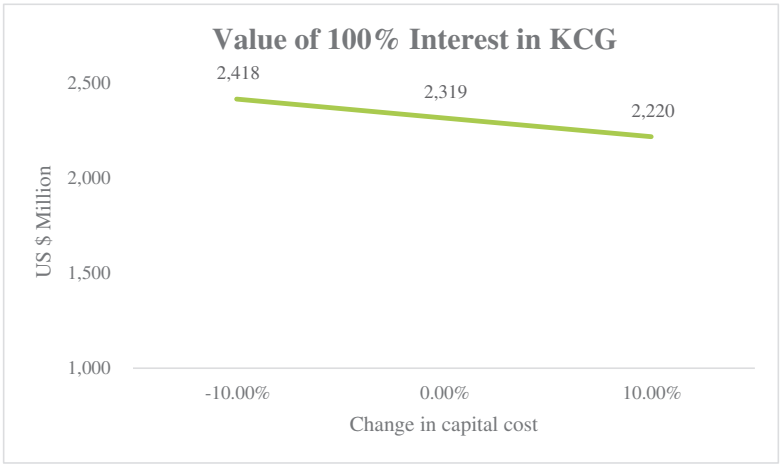
Operating Costs

Shown below is the sensitivity analysis for a 10% increase or decrease in the operating costs (excluding depreciation and amortization) with the other parameters and assumptions remaining unchanged. The valuation under each scenario is computed and presented in the following chart:



Capital Costs

Shown below is the sensitivity analysis for a 10% increase or decrease in the capital costs with the other parameters and assumptions remaining unchanged. The valuation for each scenario is computed and presented in the following chart:



12.2 Market Approach – Multiples Valuation

Censere has applied EV/EBITDA and EV/EBIT multiple valuations based on the selected Comparables. They are useful estimates of value for operating assets but depend on the availability of directly comparable companies to analyse. Censere also applied EV/Reserves multiple valuation based on the M&A transaction of Illawarra Metallurgical Coal and Anglo American's steelmaking coal portfolio.

Control Premium

According to the International Glossary of Business Valuation Terms, control premium is an amount or percentage by which the pro rata value of a controlling interest exceeds the pro rata value of a non-controlling interest in a business enterprise, reflecting the power and anticipated economic benefits of control, the control premium is 26.2%, which is obtained from the actual coal mine transaction data, please check the Appendix 5 for details.

Market Approach (EV/EBITDA & EV/EBIT Multiples)

The trailing EV/EBITDA and EV/EBIT multiples of the Comparables are listed below:

No.	Company	Stock Code	EV/EBITDA (LTM) (As at Jun 30, 2026)	EV/EBIT (LTM) (As at Jun 30, 2026)
1	Yancoal Australia Ltd	YAL.AX	3.05	3.74
2	Whitehaven Coal Ltd	WHC.AX	2.49	7.61
3	New Hope Corporation Ltd	NHC.AX	4.20	5.09
4	Anglo American PLC	AAL.L	10.19	13.28
5	BHP Group Ltd	BHP.AX	5.56	9.63
6	Stanmore Resources Ltd	SMR.AX	4.26	7.78
7	Rio Tinto Ltd	RIO.AX	6.42	6.91
		Average (Excluded outlier)	4.70	7.40

Market Value of KCG Under EV/EBITDA Multiple

EV/EBITDA

Item	Amount (US$ Million)
EBITDA	**398**
Multiply: Selected multiple (EV/EBITDA)	4.70
Enterprise Value	**1,869**
Add: Surplus cash	-
Less: Debt	-
100% of Equity Interest in KCG	**1,869**
Control premium	26.2%
100% of Equity Interest in KCG with control premium	**2,358**

The derived Market Value of 100% equity interest in KCG is approximately US$2.358 billion under the EV/EBITDA method.

Market Value of KCG Under EV/EBIT Multiple

EV/EBIT

Item	Amount (US$ Million)
EBIT	**275**
Multiply: Selected multiple (EV/EBIT)	7.40
Enterprise Value	**2,039**
Add: Surplus cash	-
Less: Debt	-
100% of Equity Interest in KCG	**2,039**
Control premium	**26.2%**
100% of Equity Interest in KCG with control premium	**2,573**

The derived Market Value of 100% equity interest in KCG is approximately US$2.573 billion under the EV/EBIT method.

Market Value of KCG Under EV/Reserves Multiple

Censere also applied EV/Reserves multiple valuation based on the M&A transactions of Illawarra Metallurgical Coal and Anglo American PLC steelmaking coal portfolio. This is because these transactions are related to underground coal mine.

The relevant information is shown below:

S/N	Acquirer Name	Target Asset/Seller Name	Mining Method	Coal Type	Country	Completion Date
1	Golden Energy & Resources & M Resources	Illawarra Metallurgical Coal (IMC)	Underground mine	Metallurgical and thermal coal	Australia	8/29/2024
2	Dhilmar Limited	Anglo American Plc	Underground mine & Open cut mine	Metallurgical and thermal coal	Australia	

S/N	Acquirer Name	Target Asset/Seller Name	Equity Acquired	Upfront Payment US$ Million	Announced Total Value US$ Million	Reserves Acquired (Mt)
1	Golden Energy & Resources & M Resources	Illawarra Metallurgical Coal (IMC)	100%	1,300	1,650	97
2	Dhilmar Limited	Anglo American Plc	100%	2,300	3,875	283

S/N	Acquirer Name	Target Asset/Seller Name	Resource Acquired (Million tonnes)	Lower EV/reserves	Upper EV/reserves	Mid-point EV/Reserves
1	Golden Energy & Resources & M Resources	Illawarra Metallurgical Coal (IMC)	1,170	13.4	17.0	15.2
2	Dhilmar Limited	Anglo American Plc	1,952	8.1	13.7	10.9
			Weighted Average	**12.1**	**16.2**	**14.1**

It is often difficult to find sufficient number of recent and truly comparable transactions, where the assets in trading have similar type and grade to the Mineral Asset. Full details of such transactions and all relevant information are not in the public domain. Censere is not aware of any other suitable comparable transactions for this assessment.

With only two broadly comparable transactions of which the Anglo American's transaction has not yet completed, Censere would place less reliance on this method.

Mid-point EV/Reserves

Item	Amount (US$ Million)
Reserves at 100%	**156**
80% attributable to KCG	**125**
Multiply: Selected multiple (Mid-point EV/Reserves)	14.13
100% of Equity Interest in KCG	**1,763**

The derived Market Value of 100% equity interest in KCG ranges from US$1.508 billion to US$2.019 billion, and the mid-point value is US$1.763 billion under the EV/Reserves method.

13. SUMMARY OF RESULTS

The results of four methods adopted are as follows:

Market Value (US$ Million)

Valuation Approach	Market Value of KCG (100%)		
	Lower	Mid-point	Upper
Discounted Cash Flow valuation	2,149	2,319	2,512
Multiple valuation - EV/Reserves	1,508	1,763	2,019
Multiple valuation - EV/EBITDA		2,358	
Multiple valuation - EV/EBIT		2,573	

14. CORRELATION OF VALUE

As stated previously, with only 2 broadly comparable transactions, of which, the Anglo American transaction has not yet completed, Censere does not have confidence in the results of the EV/Reserves method.

The DCF method, EV/EBITDA method and EV/EBIT method all return broadly similar results. Censere has adopted the results of the DCF method as best reflecting the Market Value of the Mineral Asset since it is based on the specific operating characteristics of the Target. The result of the EV/EBITDA and EV/EBIT methods provide useful support on this occasion, but since none of the comparables analysed are pure play underground coking coal producers, Censere has not relied on the results directly.

15. STATEMENT OF VALUE

15.1 Market Value – KCG

For purposes stated herein and subject to the limitations and assumptions set out in this report, the Market Value of the Mineral Asset (also equivalent to a 100% interest in KCG) as at the Valuation Date is within the range of US$2.149 billion and US$2.512 billion, with the mid-point Value at US$2.319 billion.

16. KEY RISK FACTORS

The Operation is subject to both specific risks to its business activities and risks of a general nature. Individually, or in combination, these might adversely affect the future operating and financial performance of the Operation. This section describes some, but not all, of the risks which may be associated with the Operation.

16.1 Specific Risk Factors

16.1.1 Exploration, Development and Production

The Kestrel mine is a mature and well-established underground coal operation. Consequently, the Mineral Asset will not have exploration risk and minimal development risk. Production risk is the primary risk to ongoing operation.

Development risk and production risk for Kestrel

- Development rates & panel sequencing: Longwall mining relies on gateroad development (via continuous miners) staying sufficiently ahead of the longwall face. Delays in roadway development caused by tough ground conditions or equipment downtime can restrict longwall continuity and lead to production gaps;

- Capital cost overruns on access infrastructure: Capital expenditure for routine gateroad extension, mains development, and underground layout moves can exceed budgeted estimates if adverse geological conditions arise;

- Coal quality & seam yield variation: Variations in seam thickness, ash content, or washing yields across different panels can impact the final quality and market price of the produced coking coal;

- Equipment reliability & longwall moves: Longwall mining relies on major integrated systems (shearer, armored face conveyor, powered supports). Major mechanical breakdowns or delays during longwall panel relocations directly impact quarterly production output;

According to the CPR, other specific risks for Kestrel are shown below:

- Uncertainty in resources in Kestrel West: The Kestrel West resource is currently classified as indicated. Current studies are supported by data from current and historical operations. The confidence will not improve without further drilling (geotechnical and coal quality) and 3D seismic studies, which may influence the actual production of the coal mine;

- Tailings Storage: This tailings storage facility has storage capacity until 2031, after which a new storage area will be required. The new facility will require various approvals, if not approve, the daily operation will be impacted; and

- Frictional Ignition: The Asset has previously experienced frictional ignition events, causing short-term production stoppages.

16.1.2 Fluctuation in Coal Prices

The profitability and the value of the reserves depend upon the prices of the minerals. The contract prices it may receive in the future for coal depend upon factors beyond our control, including the following:

- The domestic and foreign supply and demand for coal;

- The quantity and quality of coal available from competitors;

- Adverse weather, climatic or other natural conditions, including natural disasters;

- Domestic and foreign economic conditions, including economic slowdowns;

- Legislative, regulatory and judicial developments or environmental regulatory changes that would adversely affect the industry;

- The proximity to, capacity of and cost of transportation and port facilities; and

- A substantial or extended decline in the prices it receives for its future coal sales contracts could materially and adversely affect the valuation by decreasing its profitability and the value of its coal reserves.

16.1.3 Funding

The funding risk for Kestrel is minimal because the Mineral Asset is already in operation and requires no significant expansion or major upcoming capital expenditure. The operation of Kestrel mine is well-positioned to fund ongoing activities from existing resources without relying on equity and debt financing.

16.1.4 Performance of Equipment and Technical Personnel

There is a risk that technical personnel may under-perform or that equipment may malfunction, either of which may affect the progress of the Operation's exploration and mining activities. Consequently, there is a risk that the Operation may not be able to source all the personnel and equipment required to fulfil its proposed exploration and mining activities included in its planned budgets.

16.1.5 Disruption to Business Operation

The Operation is also subject to a range of operational risks. Such operational risks include equipment failures, IT system failures, external services failure (including energy or water supply), industrial action or disputes and natural disasters. While the Target will endeavour to take appropriate action to mitigate these operational risks or to insure against them, one or more of these risks may have a material adverse impact on the performance of the Operation.

16.1.6 Occupational Health and Safety

Given project activities, it will face the risk of workplace injuries which may result in workers' compensation claims, related common law claims and potential occupational health and safety prosecutions. Further, the production processes used in conducting any future mining activities of the Mine can be dangerous. The Target has, and intends to maintain, a range of workplace practices, procedures and policies which will seek to provide a safe and healthy working environment for its employees, visitors and the community.

While the Target intends to maintain appropriate safeguards in its exploration activities, serious injury to an employee or another person could occur and give rise to liability under occupational health and safety laws and regulations and also under the general law.

16.2 Environmental, Other Regulations and Legal Risk

16.2.1 Extensive Environmental Regulations

The coal mining industry is subjected to increasingly strict regulation by federal, state and local authorities with respect to environmental matters such as:

- Limitations on land use;
- Mine permitting and licensing requirements;
- Reclamation and restoration of mining properties after mining is completed;
- Management of materials generated by mining operations;
- The storage, treatment and disposal of waste materials (solids and liquids);
- Remediation of contaminated soil and groundwater;
- Air quality standards;
- Water pollution;
- Protection of human health, plant-life and wildlife, including endangered or threatened species;
- Protection of wetlands;
- The discharge of materials into the environment; and
- The effects of mining on surface water and groundwater quality and availability.

The costs, liabilities and requirements associated with the laws and regulations related to these and other environmental matters may be costly and time-consuming and may delay commencement or continuation of exploration or production operations. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of clean-up and site restoration costs and liens, the issuance of injunctions to limit or cease operations, the suspension or revocation of permits and other enforcement measures that could have the effect of limiting production from the operations. The Operation may incur material costs and liabilities resulting from claims for damages to property or injury to persons arising from the operation.

16.2.2 Mining Permits

The failure to obtain and renew permits necessary for the mining operations could negatively affect the Operation. Mining companies must obtain numerous permits that impose strict regulations on various environmental and operational matters in connection with coal mining. These include permits issued by various federal, state and local agencies and regulatory bodies.

The permitting rules, and the interpretations of these rules, are complex, change frequently, and are often subject to discretionary interpretations by the regulators, all of which may make compliance more difficult or impractical, and may possibly preclude the continuance of ongoing operations or the development of future mining operations. The public, including non-governmental organizations, anti-mining groups and individuals, have certain statutory rights to comment upon and submit objections to requested permits and environmental impact statements prepared in connection with applicable regulatory processes, and otherwise engage in the permitting process, including bringing citizens' lawsuits to challenge the issuance of permits, the validity of environmental impact statements or performance of mining activities.

Accordingly, required permits may not be issued or renewed in a timely fashion or at all, or permits issued or renewed may be conditioned in a manner that may restrict the ability to efficiently and economically conduct its mining activities, any of which would materially reduce its production, cash flow and profitability.

16.2.3 Changes in the Legal and Regulatory Environment

The conduct of the mining business is subject to various laws and regulations in Australia. These laws and regulations may change, sometimes dramatically, as a result of political, economic or social events or in response to significant events. Certain recent developments may cause changes in the legal and regulatory environment in which the Asset operates and may impact the results or increase its costs or liabilities.

Such legal and regulatory environment changes may include changes in; the processes for obtaining or renewing permits; costs associated with providing healthcare benefits to employees; health and safety standards; accounting standards; taxation requirements and competition laws.

16.3 General Risk Factors

16.3.1 Economic Conditions

The performance of the Operation may be influenced by the general economic conditions within Australia and the global economy. Changes in interest rates, employment rates, exchange rates, inflation, consumer spending, access to debt and capital markets and government fiscal, monetary and regulatory policies may affect customer's sentiment and may result in the reduction of demand for coal which will have an adverse effect on Operation's financial performance and growth.

Thus, the Operation is and will continue to be, dependent on the economic growth, foreign exchange movement, political stability and social conditions in Australia and any other countries in which it intends to operate in the future. Its growth and expansion plans may also be undermined by any labour disputes, political unrest, economic or financial crisis or disturbances occurring in Australia and any of such countries that the Operation are exposed to.

17. EXCLUSIONS AND LIMITATION OF LIABILITY

Our work has been performed in accordance with and subject to our Standard Conditions of Engagement, a copy of which has been previously provided. For your reference, Censere highlights some of the more pertinent points:

- Censere has used due skill and care in the provision of the services set out in this report;

- Censere shall not under any circumstances be liable for damages, or for losses, that are not a direct result of breach of contract, or negligence, on our part in respect of services provided in connection with, or arising out of, the engagement set out in this letter (or any variation or addition thereto), or for any consequential losses or loss of profits of whatsoever nature. In any event, the liability of Censere, its related companies, partners, directors and staff (whether in contract, negligence or otherwise) shall in no circumstances exceed the fees paid specifically for the work in question which allegedly entailed a breach of contract or negligence on our part;

- In no event shall Censere, its related companies, partners, directors and staff be liable for any loss, damage, cost or expense arising in any form or in connection with the fraudulent acts or omissions, or any misrepresentations or any default on the part of the directors, employees or agents of the management of the Company and its subsidiaries;

- Without derogating from the aforesaid provisions, Censere shall not under any circumstances whatsoever, be liable to any third party, whether or not they are shown a copy of any work that Censere has done pursuant to the terms of our engagement, and whether or not Censere has consented to such work being shown to them, save and except where Censere specifically agreed in writing to accept such liability; and

- Except as a result of our own negligence or wilful default, in the event that Censere finds ourselves subject to a claim or incur legal costs from another party as a result of false or misrepresented information provided by Management in connection with this engagement, any claim established against us and the cost Censere necessarily incur in defending it would form part of the expenses Censere would look to recover from the Management of the Company.

- Neither Censere nor Brett Shadbolt have been provided with any indemnities other than those indicated above.

18. APPENDICES

Appendix 1 – Map

Kestrel



Source: CPR

Appendix 2 – Photographs for Site Inspection

Kestrel

















Appendix 3 – Derivation of Discount Rate

The income approach requires the application of an appropriate discount rate that reflects the inherent risks relating to the cash flows. The discount rate for the future Free Cash Flows of Kestrel operation is the return on investments required by investors.

Weighted Average Cost of Capital (WACC)

WACC is the minimum acceptable return on investments required by lenders and shareholders. It is the weighted cost of debt and equity funded capital and is the appropriate rate to discount the free cash flows of Kestrel Operation. The formula for calculating WACC is:

$$WACC = K_e * W_e + K_d * (1- t) * W_d$$

where:

K_e = Cost of equity

K_d = Cost of debt

W_e = Equity weight (value of equity divided by invested capital)

W_d = Debt weight (value of debt divided by invested capital)

t = Effective tax rate

Detailed information on WACC computation is as below:

Cost of Equity

The return on equity is the minimum acceptable return on investment required by shareholders. The Capital Asset Pricing Model ("**CAPM**") is a model which indicates what should be the expected or required rate of return on risky assets. CAPM characterises the relationship between a common stock's expected return and risk as:

$K_e = R_f + \beta[R_m - R_f] + \varepsilon$

where:

K_e	=	Cost of equity
R_f	=	Risk-free rate of return
β	=	Beta on firm that measures the co-movement of that firm's returns with those of the overall market
R_m	=	Expected return of the overall market
ε	=	Epsilon, a measure of project or company specific risk which cannot be quantified directly

Derived cost of equity is as below:

Cost of Equity	Ref:	Base case
Risk Free Rate:	a	4.73%
Equity Risk Premium:	b	4.77%
Average Unlevered Beta:	c	0.65
Relevered Beta:	d	0.79
Estimated Return of Equity	e = a + d*b	8.49%
Add: Epsilon	f	2%
Cost of Equity	g = e + f	**10.49%**

Remarks:

a: Based on 10-year reference yield on the Australian Government Bonds as at Valuation Date (Source: Refinitiv)

b: Australia market risk premium based on Damodaran Online, updated on Apr 2026

c: Average of unlevered betas from comparables

d: Relevered beta from comparables debt/equity ratio and Australia corporate tax rate

f: Epsilon is a measure of company specific risk, i.e. start up premium, operation premium, and quality of earnings discount associated with the Company which cannot be quantified directly

Beta

Beta is derived by taking the unlevered betas of the Comparables and then re-levering by the optimal debt-equity ratio and the tax rate of the Operation. Please refer to Appendix 4 for a description of the Comparables. The Comparables beta's are as follows:

	Comparable Listed Companies		30-Jun-26 Adjusted Levered Beta	Market D (%) /E (%) Ratio	Corporate tax rate	30-Jun-26 Adjusted Unlevered Beta
1	Yancoal Australia Ltd	YAL.AX	0.39	1%	30%	0.39
2	Whitehaven Coal Ltd	WHC.AX	0.68	30%	30%	0.56
3	New Hope Corporation Ltd	NHC.AX	0.52	10%	30%	0.48
4	Anglo American PLC	AAL.L	0.45	32%	25%	0.36
5	BHP Group Ltd	BHP.AX	1.14	18%	30%	1.01
6	Stanmore Resources Ltd	SMR.AX	1.07	38%	30%	0.84
7	Rio Tinto Ltd	RIO.AX	1.03	17%	30%	0.92
	Average		**0.75**	**21%**	**29%**	**0.65**

Expected Capital Structure	81.0%	19.0%

Cost of Debt

Derived cost of debt is as below:

Weighted Average Cost of Capital		
Cost of Equity		**10.49%**
Cost of Debt (Pre-tax)	h	5.41%
Debt risk premium	i	4.25%
Tax Rate	j	30.00%
Cost of Debt (After tax)		**6.76%**

h: Pre-tax cost of debt from peer companies

i: Debt risk premium: asset concentration risk, illiquidity, scale & balance sheet cushion risk, operational & offtake vulnerability

j: Statutory tax rate in Australia

Derived WACC

Capital Structure

Censere had made reference to the Comparables for estimates of the long term capital structure, which consists of 81% equity and 19% debt.

Based on the above inputs for cost of equity and cost of debt, WACC is derived as follows:

$$\text{WACC (nominal)} = K_e * W_e + K_d * (1 - t) * W_d$$
$$= 10.49\% * 81\% + 6.76\% * (1 - 30\%) * 19\%$$
$$= 9.8\% \text{ (rounded)}$$

Furthermore, in order to account for the inflation, Censere had further applied inflation factor of 2% on the WACC.

Weighted Average Cost of Capital	
WACC (Nominal)	9.80%
Inflation Factor	**2.00%**
WACC (Real)	**7.65%**

Appendix 4 – Comparable Companies

No.	Company Name	Eikon RICs	Description
1	Yancoal Australia Ltd	YAL.AX	Yancoal Australia Ltd is an Australia-based coal producer and coal exporter, producing premium thermal and metallurgical coal. It owns and operates a diversified portfolio of assets consisting of both large-scale open-cut and underground mines comprising five coal mine complexes in Australia. It owns and operates several mines and mine sites across Australia. It owns or operates eight producing coal mines across New South Wales, Queensland and Western Australia. Its mines include Moolarben, Mount Thorley Warkworth, Hunter Valley Operations, Ashton, Yarrabee, Cameby Downs, Middlemount, and Premier Coal. Its thermal coal is primarily used in electricity generation, and its end users are typically power and utility companies. Moolarben Coal Complex is located over 40 kilometers north of Mudgee in the Western Coalfields of New South Wales. Mount Thorley Warkworth is an integrated operation consisting of the open cut coal mining operations of Mount Thorley Operations and Warkworth Mine.
2	Whitehaven Coal Ltd	WHC.AX	Whitehaven Coal Limited is an Australia-based company engaged in the production of coal. It is focused on the development and operation of coal mines in New South Wales (NSW) and Queensland (QLD). Its segments include NSW Operations and QLD Operations. It operates six mines (five open-cut and one large underground mine) in the Gunnedah Coal Basin of NSW and Bowen Basin of QLD. Its assets include Maules Creek Mine, Narrabri Mine, Vickery Extension Project, Werris Creek Mine, Gunnedah CHPP, Winchester South Project, Narrabri Stage-3 Extension Project, Rocglen Mine, Sunnyside Mine, Canyon Mine, Daunia Mine, and Blackwater Mine. Its development projects include the Vickery project and Winchester South project. The Tarrawonga open cut mine produces high-quality thermal coal and semi-soft coking coal. Vickery Extension Project is a proposal to construct an open-cut coal mine and associated on-site infrastructure about 25 kilometers north of Gunnedah.
3	New Hope Corporation Ltd	NHC.AX	New Hope Corporation Limited is a coal producer with associated port, oil and gas, and agricultural operations. The Company operates the Bengalla Mine in New South Wales and the New Acland Mine in southeast Queensland, with coal primarily exported to customers in Asia. Its agricultural enterprises are located near its coal mines. Its Coal Mining in Queensland segment includes mining-related production, processing, transportation, port operations and marketing. Its Coal Mining in New South Wales segment includes mining-related production, processing, transportation, marketing, exploration. Its Other segments include coal exploration outside existing operational areas, oil and gas-related exploration, development and production, pastoral operations, treasury and administration. The Bengalla Mine is located four kilometers south-west of Muswellbrook in New South Wales. New Acland Mine is an open-cut thermal coal mine located 27 kilometers north-west of Oakey in southeast Queensland.
4	Anglo American PLC	AAL.L	Anglo American plc is a global mining company focused on the production of copper, premium iron ore and crop nutrients. The Company's copper operations include Quellaveco, Los Bronces, El Soldado, and Collahuasi. The Quellaveco copper operation is in Peru. Los Bronces is an open-pit copper and molybdenum mine in Chile. El Soldado is a copper mine located in the Cordillera de El Melon, commune of Nogales, Valparaiso Region, 125 kilometers (km) north of Santiago, Chile. The Collahuasi mine is a large copper mine located in the north of the Tarapaca Region in Chile. Its iron ore mines include Sishen, Kolomela, and Minas-Rio. Sishen is an open-pit mine in South Africa. Kolomela is located around 90 km south of its Sishen mine. Minas-Rio is a fully integrated export iron ore operation. It is developing the Woodsmith project in the northeast of England to access a known deposit of polyhalite. The Woodsmith project is located on the North Yorkshire coast, just south of Whitby.
5	BHP Group Ltd	BHP.AX	BHP Group Limited is an Australia-based resources company. The Company is a producer of commodities, including iron ore, copper, nickel, potash and metallurgical (steelmaking) coal. It is focused on offering a range of resources, which provides copper for renewable energy; nickel for electric vehicles; potash for sustainable farming, and iron ore and metallurgical coal for the steel needed for global infrastructure and the energy transition. Its segments include Copper, Iron Ore, and Coal. Its Copper segment is engaged in mining of copper, silver, zinc, molybdenum, uranium, and gold. Its Iron Ore segment is engaged in mining of iron ore. Its Coal segment is engaged in mining of metallurgical coal and energy coal. The Company is also focused on operating Olympic Dam, Prominent Hill, and Carrapateena underground copper-gold mines in South Australia. Its operations are situated in Australia, Europe, China, Japan, India, South Korea, rest of Asia, North America, South America, and others.
6	Stanmore Resources Ltd	SMR.AX	Stanmore Resources Limited is a resources company with operations and exploration projects in the Bowen and Surat basins. The Company controls and operates the South Walker Creek, Poitrel and Isaac Plains Complex metallurgical coal mines as well as the undeveloped Isaac Downs Extension, Eagle Downs, Lancewood and Isaac Plains underground projects, in Queensland's prime Bowen Basin region. It holds several additional prospective coal tenements located in Queensland's Bowen and Surat basins. South Walker Creek is an open-cut mine located approximately 35 kilometers (km) west of Nebo in Queensland's Bowen Basin. Poitrel is an open-cut mine located approximately 35 km east of Moranbah. Isaac Plains Complex is located approximately seven km east of Moranbah. Isaac Downs Extension is an undeveloped open-cut project situated immediately south of the Isaac Downs mine, across the Isaac River. Eagle Downs is a hard-coking coal development project located approximately 20 km from Moranbah.
7	Rio Tinto Ltd	RIO.AX	Rio Tinto Limited is a mining and materials company. The Company operates in over 34 countries and six continents, and its portfolio includes iron ore, copper, aluminum and a range of other minerals and materials. Its business is finding, mining, and processing mineral resources. Its Aluminium & Lithium segments include bauxite mining, alumina refining, aluminum smelting and recycling, and mining and processing of lithium. Its Copper segment includes mining and refining of copper, gold, silver, molybdenum, other by-products and exploration activities. Its Iron Ore segment consists of iron ore mining and salt and gypsum production in Western Australia; iron concentrate and pellets from the Iron Ore Company of Canada. It owns and operates an integrated portfolio of iron ore assets in the Pilbara region of Western Australia comprising a network of 18 iron ore mines, four port terminals, a nearly 2,000 km rail network and other infrastructure (Pilbara Property).

Appendix 5 – Control Premium

Date Announced	Rank Date	Target Full Name	Type of metals	Acquiror Full Name	Control premium
18/07/2019	18/07/2019	Bowen Coking Coal Ltd	Coal	Undisclosed Acquiror	7%
26/11/2015	26/11/2015	Universal Coal PLC	Coal	Coal of Africa Ltd	35%
30/06/2009	30/06/2009	Kaisun Energy Group Ltd	Coal	Kaisun Energy Group Ltd	17%
2/9/2014	2/9/2014	Universal Coal PLC	Coal	Ichor Coal NV	22%
6/12/2012	6/12/2012	Universal Coal PLC	Coal	Coal Development Holding BV	40%
8/7/2013	8/7/2013	Cokal Ltd	Coal	Blumont Group Ltd	7%
18/09/2018	18/09/2018	Universal Coal PLC	Coal	Ata Resources Pty Ltd	33%
4/10/2013	4/10/2013	Cokal Ltd	Coal	Blumont Group Ltd	27%
23/04/2012	23/04/2012	Winsway Coking Coal Holdings Ltd	Coal	Aluminum Corp of China Ltd	28%
3/5/2019	3/5/2019	Universal Coal PLC	Coal	Undisclosed Acquiror	63%
8/11/2013	8/11/2013	Henan Dayou Energy Co Ltd	Coal	Investor Group	10%
Average					**26.2%**

Source: Refinitiv

Appendix 6 –Forecast Coal Price

	Forecast Coal Price (US $/t)		
	HCC	SSCC	Thermal
2026 2H	241.00	149.00	141.00
2027	235.00	146.88	131.63
2028	232.00	147.32	128.33
2029	228.00	148.20	130.69
2030	230.00	154.10	135.00
2031	230.00	156.40	135.00
2032	230.00	156.40	135.00
2033	230.00	156.40	135.00
2034	230.00	156.40	135.00
2035	230.00	156.40	135.00
2036	230.00	156.40	135.00
2037	230.00	156.40	135.00
2038	230.00	156.40	135.00
2039	230.00	156.40	135.00
2040	230.00	156.40	135.00
2041	230.00	156.40	135.00
2042	230.00	156.40	135.00
2043	230.00	156.40	135.00
2044	230.00	156.40	135.00
2045	230.00	156.40	135.00
2046	230.00	156.00	135.00
2047	230.00	156.00	135.00
2048	230.00	156.00	135.00
2049	230.00	156.00	135.00
2050	230.00	156.00	135.00
2051	230.00	156.00	135.00
2052	230.00	156.00	135.00

Appendix 7 – Valuation of KCG

(US$ Million)			FY2026 2H	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
USD/AUD Spot rate @VD			0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
FREE CASH FLOW TO FIRM											
Revenue			635	1,274	1,249	1,262	1,241	1,017	1,138	1,062	1,042
Revenue growth (%)				*101%*	*(2%)*	*1%*	*(2%)*	*(18%)*	*12%*	*(7%)*	*(2%)*
EBIT			166	204	223	240	261	152	230	183	177
EBIT Margin			*26%*	*16%*	*18%*	*19%*	*21%*	*15%*	*20%*	*17%*	*17%*
Less:	Tax	30.0%	50	61	67	72	78	46	69	55	53
Add:	Depreciation & Amortization		26	220	207	190	174	166	164	151	140
	(% of revenue)		*4%*	*17%*	*17%*	*15%*	*14%*	*16%*	*14%*	*14%*	*13%*
Less:	Capital Spending		59	130	78	71	128	166	72	74	103
	(% of revenue)		*9%*	*10%*	*6%*	*6%*	*10%*	*16%*	*6%*	*7%*	*10%*
Less:	Working Capital Changes		23	(40)	(6)	(3)	11	29	(28)	(16)	5
Free Cash Flow to Firm			**60**	**273**	**292**	**290**	**217**	**78**	**281**	**222**	**156**

(US$ Million)			FY2035	FY2036	FY2037	FY2038	FY2039	FY2040	FY2041	FY2042	FY2043
USD/AUD Spot rate @VD			0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
FREE CASH FLOW TO FIRM											
Revenue			1,317	1,273	1,205	1,186	1,165	1,192	1,117	758	935
Revenue growth (%)			*26%*	*(3%)*	*(5%)*	*(2%)*	*(2%)*	*2%*	*(6%)*	*(32%)*	*23%*
EBIT			342	328	296	276	260	275	239	47	164
EBIT Margin			*26%*	*26%*	*25%*	*23%*	*22%*	*23%*	*21%*	*6%*	*18%*
Less:	Tax	30.0%	103	98	89	83	78	82	72	14	49
Add:	Depreciation & Amortization		134	123	114	110	116	108	101	95	96
	(% of revenue)		*10%*	*10%*	*9%*	*9%*	*10%*	*9%*	*9%*	*13%*	*10%*
Less:	Capital Spending		56	64	90	175	61	62	67	114	110
	(% of revenue)		*4%*	*5%*	*7%*	*15%*	*5%*	*5%*	*6%*	*15%*	*12%*
Less:	Working Capital Changes		(3)	(12)	10	12	(17)	2	0	13	3
Free Cash Flow to Firm			**321**	**301**	**222**	**116**	**254**	**236**	**202**	**1**	**98**

(US$ Million)			FY2044	FY2045	FY2046	FY2047	FY2048	FY2049	FY2050	FY2051	FY2052
USD/AUD Spot rate @VD			0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
FREE CASH FLOW TO FIRM											
Revenue			962	1,031	878	925	965	1,007	760	842	409
Revenue growth (%)			*3%*	*7%*	*(15%)*	*5%*	*4%*	*4%*	*(25%)*	*11%*	*(51%)*
EBIT			160	202	112	143	174	193	90	161	68
EBIT Margin			*17%*	*20%*	*13%*	*15%*	*18%*	*19%*	*12%*	*19%*	*17%*
Less:	Tax	30.0%	48	61	33	43	52	58	27	48	21
Add:	Depreciation & Amortization		96	88	81	75	69	64	58	54	51
	(% of revenue)		*10%*	*9%*	*9%*	*8%*	*7%*	*6%*	*8%*	*6%*	*12%*
Less:	Capital Spending		41	39	40	39	34	23	33	31	8
	(% of revenue)		*4%*	*4%*	*5%*	*4%*	*4%*	*2%*	*4%*	*4%*	*2%*
Less:	Working Capital Changes		8	(26)	7	(2)	4	(3)	(10)	(1)	47
Free Cash Flow to Firm			**159**	**217**	**111**	**138**	**153**	**180**	**98**	**137**	**43**

Appendix 8 – Valuer's Declaration

1. The information in the attached report that relates to the Valuation of Mineral Asset reflects information compiled and conclusions derived by Mr. Brett Shadbolt, who is a Member of The Australasian Institute of Mining and Metallurgy.

2. Mr. Brett Shadbolt is not a permanent employee of SLR Consulting Australia Pty Ltd, Yancoal or its subsidiaries.

3. Mr. Brett Shadbolt has sufficient experience relevant to the Valuation of the Mineral Asset under consideration and to the activity which he is undertaking to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Asset'. Mr. Brett Shadbolt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Brett Shadbolt, MAusIMM
Chief Executive Officer