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**Yancoal Australia Ltd**

**ACN 111 859 119**

**兗煤澳大利亞有限公司\***

*(Incorporated in Victoria, Australia with limited liability)*

(Hong Kong stock code: 3668)

(Australian stock code: YAL)

**Quarterly Report**

**For the Quarter ending 30 June 2025**

**Issued 17 July 2025**

*\*For identification purposes only*

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# Quarterly Report

For the Quarter ending 30 June 2025

Issued 17 July 2025

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## June Quarter 2025 (2Q 2025)

- 17.0Mt ROM coal production (100% basis).
- 12.3Mt Saleable coal production (100% basis).
- 9.4Mt Attributable saleable coal production.
- 8.1Mt Attributable coal sales.
- A\$142/t average realised coal price.
- \$1.8 billion cash balance at 30 June 2025.

## Performance Summary

Our Total Recordable Injury Frequency Rate reduced during the quarter to 6.32 and remains below the comparable industry weighted benchmark.<sup>1</sup>

Total ROM coal production was aligned to our forecast and was up 12% from 1Q 2025. Saleable coal matched the prior quarter; the mines operated to plan after some weather disruptions. Prior investment in pumping and water storage continues to provide the capability to quickly resume mining at full production rates after rainfall.

Although attributable sales were lower than production due to temporary port closures following the weather events, we expect to reduce accumulated inventory and fully recover the sales position by September.

The A\$142/tonne overall realised coal price in 2Q 2025, comprised an 11% lower realised thermal coal price and a 10% lower realised metallurgical coal price compared to 1Q 2025. The realised coal prices were in line with relevant coal index trends.

## 2025 Operational Guidance

- 35-39Mt attributable saleable production - 1H output was ahead of the mid-point; the full year will potentially be toward the upper end of the range.
- \$89-97/tonne cash operating costs - 1H 2025 costs likely to be about mid-range when reported in August.
- \$750-900 million attributable capital expenditure - on track to fall within guidance.

## CEC / Acting CEO Comment

We have delivered the best first half operational performance of the past five years. We successfully built on our first quarter operational performance and are now well placed to deliver a better production outcome than last year. The production figures are 15-16% ahead of the first six months last year. If we sustain the first-half attributable saleable coal production rate, we will be in the upper half of the guidance range this year, and a modest uplift can take us toward the upper end of the range. Our cash operating costs are also on track and should sit within guidance when we report the first-half results in August.

International coal indices faced a soft pricing environment due to strong supply and subdued demand in both the thermal and metallurgical coal markets during 2Q 2025. Volatility and economic uncertainty stemming from geopolitical events in the Middle East and implementation of global trade tariffs bolstered speculative trading activity but have not impacted underlying demand factors at this time. During such conditions, we focus on maximising our operational efficiency and minimising costs to navigate the current cyclical low in coal prices.

We finished the quarter with a cash balance of \$1.8 billion after paying a fully franked final dividend of \$687mn (A\$0.52 per share) in April and completing an additional tax payment related to the FY2024 period. Some sales slipped from the second to third quarter as result of temporary closures at the Port of Newcastle; this impacted both the revenue and cash balance we recorded in the second quarter. Our strong financial position enables us to evaluate and consider opportunities that may present during this cyclical downturn.

We are beginning to see supply-side response to the lower coal prices, which aligns with our view that coal indices are well below marginal cost on the global cost curve. We anticipate further supply-side reductions from higher-cost producers, contributing to a potential recovery in coal price indices, as was the case with past coal price cycles.

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<sup>1</sup> Details page 3.

**PRODUCTION AND SALES DATA**

			2Q 2025	1Q 2025	PP Change	2Q 2024	PCP change	6mth YtD 2025	6mth YtD 2024	Change
<b>ROM coal production, Mt</b>	Mine type	Economic interest								
Moolarben	OC / UG	95%	5.7	5.5	4%	4.9	17%	11.2	10.9	3%
Mount Thorley Warkworth	OC	83.6%	4.2	3.7	13%	4.2	—%	7.9	7.6	4%
Hunter Valley Operations	OC	51%	4.8	4.2	13%	2.7	76%	9.0	5.0	79%
Yarrabee	OC	100%	0.9	0.6	54%	0.5	84%	1.5	1.0	52%
Middlemount	OC	49.9997%	1.0	0.8	30%	0.9	16%	1.8	1.9	(3)%
Ashton	UG	100%	0.4	0.4	3%	0.7	(41)%	0.8	1.4	(42)%
Stratford Duralie	OC	100%	0.0	0.0	—%	0.0	—%	0.0	0.1	(100)%
<b>Total – 100% Basis</b>			<b>17.0</b>	<b>15.2</b>	<b>12%</b>	<b>13.9</b>	<b>23%</b>	<b>32.2</b>	<b>27.9</b>	<b>16%</b>
<b>Total – Attributable</b>			<b>12.7</b>	<b>11.5</b>	<b>10%</b>	<b>10.8</b>	<b>17%</b>	<b>24.2</b>	<b>21.8</b>	<b>11%</b>
<b>Saleable coal production, Mt</b>	Coal type	Attributable Contribution								
Moolarben	Thermal	95%	5.0	4.8	4%	4.5	10%	9.8	9.5	3%
Mount Thorley Warkworth	Met. & Thermal	83.6%	2.7	2.8	(2)%	2.5	10%	5.5	4.7	18%
Hunter Valley Operations	Met. & Thermal	51%	3.1	3.5	(11)%	2.0	56%	6.6	4.8	38%
Yarrabee	Met. & Thermal	100%	0.7	0.6	10%	0.4	64%	1.3	0.8	57%
Middlemount	Met. & Thermal	(equity accounted)	0.7	0.6	14%	0.6	14%	1.3	1.1	17%
Ashton	Met.	100%	0.2	0.2	(25)%	0.3	(50)%	0.4	0.6	(42)%
Stratford Duralie	Met. & Thermal	100%	0.0	0.0	—%	0.0	—%	0.0	0.1	(100)%
<b>Total – 100% Basis</b>			<b>12.3</b>	<b>12.5</b>	<b>(1)%</b>	<b>10.3</b>	<b>20%</b>	<b>24.8</b>	<b>21.6</b>	<b>15%</b>
<b>Total – Attributable</b>			<b>9.4</b>	<b>9.5</b>	<b>(1)%</b>	<b>8.2</b>	<b>15%</b>	<b>18.9</b>	<b>17.0</b>	<b>11%</b>
<b>Sales volume, Mt</b>										
Thermal coal			6.8	7.0	(3)%	7.5	(10)%	13.8	14.8	(7)%
Metallurgical coal			1.3	1.4	(4)%	1.0	35%	2.8	2.0	39%
<b>Total – Attributable</b>			<b>8.1</b>	<b>8.4</b>	<b>(3)%</b>	<b>8.6</b>	<b>(6)%</b>	<b>16.6</b>	<b>16.9</b>	<b>(2)%</b>
<b>Avg. realised price, A\$/tonne</b>										
Thermal coal			130	145	(11)%	163	(20)%	138	159	(13)%
Metallurgical coal			197	218	(10)%	318	(38)%	207	334	(38)%
<b>Overall avg. realised price</b>			<b>142</b>	<b>157</b>	<b>(10)%</b>	<b>181</b>	<b>(22)%</b>	<b>149</b>	<b>180</b>	<b>(17)%</b>

**Notes:**

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

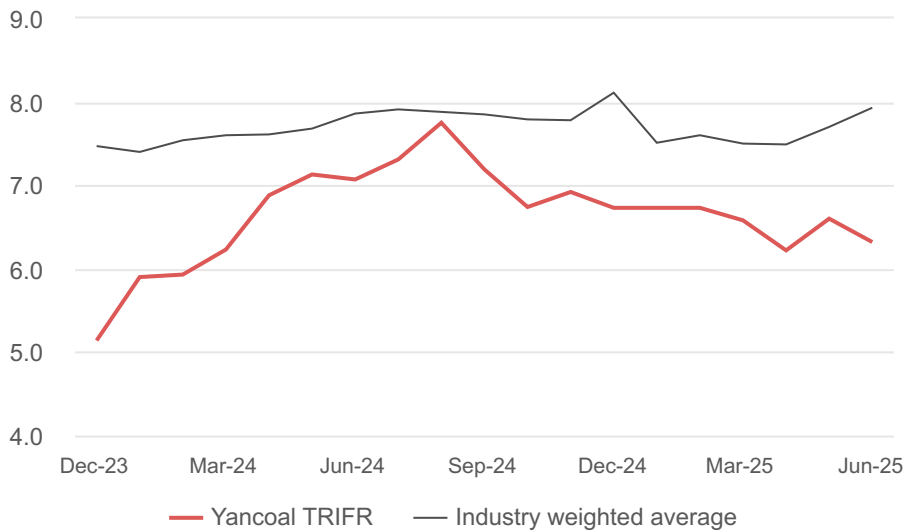
1Q = March quarter period  
 2Q = June quarter period  
 3Q = September quarter period  
 4Q = December quarter period

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

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

## SAFETY

**Yancoal 12mth rolling TRIFR**



The safety of all Yancoal employees remains a key focus. The 12-month rolling Total Recordable Injury Frequency Rate (“TRIFR”) was 6.32 at the end of 2Q 2025; a reduction from 6.58 at the end of 1Q 2025.

Whilst still below the comparable industry weighted average of 7.93<sup>2</sup>, we remain committed to improving performance through targeted safety intervention activities.

## COAL SALES AND COAL MARKET OUTLOOK

During 2Q 2025, attributable sales of 8.1Mt was similar to the prior quarter but 1.3Mt less than the attributable saleable coal production. Temporary port closures due to adverse weather systems late in the quarter resulted in planned shipments slipping to the third quarter. Despite further weather-related port closures early in the third quarter, we expect to deliver the delayed shipments through 3Q 2025.

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

During 2Q 2025, the API5 index averaged US\$68/t, down 11% from 1Q 2025, and the GCNewc index averaged US\$100/t, down 5% from 1Q 2025. The Low Vol PCI index averaged US\$138t, down 2%, and the Semi-Soft index averaged US\$104/t, down 12%.

Yancoal's realised prices in any given period tend to reflect relevant coal price indices from prior periods due to various sales contract structures and timing. Factors influencing the realised price can include: premiums (or discounts) to reflect market conditions; the capacity to wash coal and improve the product specifications; delays to coal shipments; and the availability of coal for purchase and blending. In the coming months, the delays to confirmed deliveries in 2Q 2025 mentioned above will likely heighten this lag effect.

After converting to Australian dollars, in 2Q 2025 Yancoal recorded an average realised thermal coal price of A\$130/t and an average realised metallurgical coal price of A\$197/t. Yancoal's overall average realised sales price in 2Q 2025 was A\$142/t, compared to A\$157/t in the prior quarter and A\$181/t in 2Q 2024.

<sup>2</sup> Based on the available industry data at the time of preparing the report

	Units	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
API5, 5,500kCal	US\$/t	88	96	93	89	87	88	76	68
GCNewc, 6,000kCal	US\$/t	149	136	126	136	141	138	105	100
Low Vol PCI, FOB Aust.	US\$/t	169	185	164	164	174	157	140	138
Semi-Soft, FOB Aust.	US\$/t	167	161	150	152	138	137	117	104
AUD:USD		0.65	0.65	0.66	0.66	0.67	0.65	0.63	0.64
API5, 5,500kCal	A\$/t	135	148	142	134	137	132	121	107
GCNewc, 6,000kCal	A\$/t	228	208	191	206	210	211	167	157
Low Vol PCI, FOB Aust.	A\$/t	258	285	249	248	259	241	224	216
Semi-Soft, FOB Aust.	A\$/t	255	247	228	231	205	210	186	162
Realised Thermal price	A\$/t	178	180	159	163	157	163	145	130
Realised Metallurgical price	A\$/t	360	292	334	318	259	242	218	197
<b>Overall realised price</b>	<b>A\$/t</b>	<b>197</b>	<b>196</b>	<b>180</b>	<b>181</b>	<b>170</b>	<b>176</b>	<b>157</b>	<b>142</b>

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

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

During 2Q 2025, we continued to observe strong supply and benign demand conditions in the international thermal and metallurgical coal markets. The steady decline in international coal indices observed in 1Q 2025 extended into 2Q 2025. A modest recovery in the GCNewc Index in late May and June was encouraging, albeit driven by short-term factors and volatility resulting from an uncertain geopolitical setting.

Global thermal coal supply remains strong despite closures at the Port of Newcastle due to adverse weather systems in May and early June, which extended ship queues and impacted about 2.0-2.5 Million tonnes of exports through the port; however, we do expect recovery through the third quarter. The northern hemisphere thermal coal restock for summer was slow to start, but increasing temperatures might see demand pick up.

Domestic supply in China has increased this year contributing an approximate 14% reduction in thermal coal imports through the first five months of 2025. The Chinese domestic coal price had fallen but now appears to be stabilising, which should support the API5 Index.

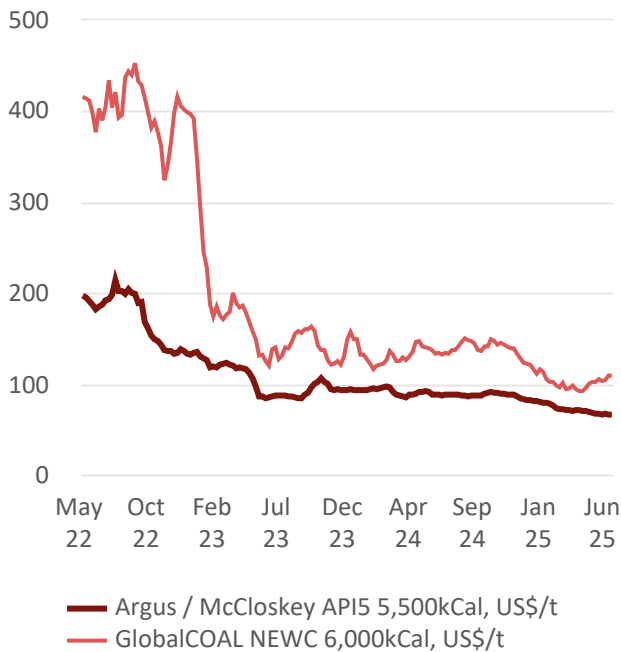
There have been some cuts to global supply, with Indonesian exports down 11% so far this year due to weather impacts and lower demand. Colombian exports are down 23%, mostly in response to lower prices and from planned cuts in production. Elsewhere, Russian exports still appear to be finding customers in Asia.

In India, the early monsoon season bolstered hydro power generation, and combined with higher domestic production, this has seen imports drop 5% so far this year. Japan's imports have fallen 6% as a result of increased nuclear power generation and gas-fired power availability. Similarly, Korea and Taiwan imports are lower due to more biomass co-firing and gas power generation. By contrast, there were increased coal imports by Vietnam due to new coal-fired power builds, and by Europe due to gas market uncertainty.

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

The metallurgical coal markets have also seen sluggish demand as a result of weak global economic conditions, global trade tariff concerns and the export of excess steel supply from China. There are also indications that China may be exporting some metallurgical coal, thereby displacing seaborne supply in the region. Across the global metallurgical coal markets there are signs of mine closures and supply curtailment in response to the weak prices.

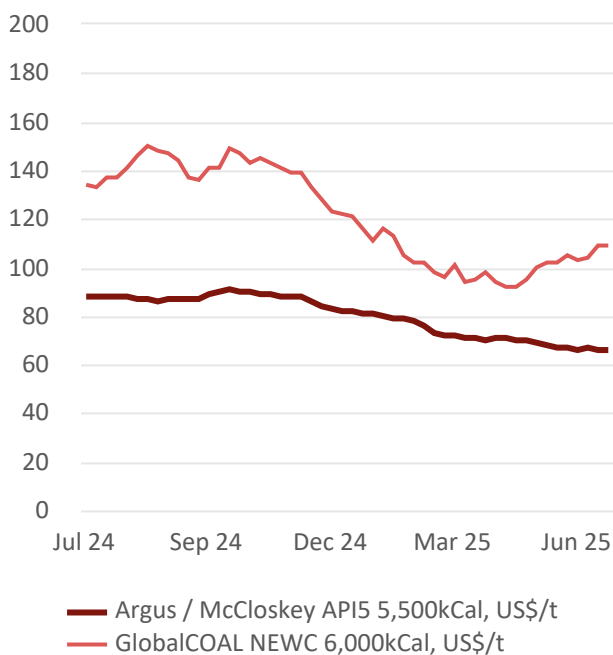
**Thermal coal indices - past 3 years**



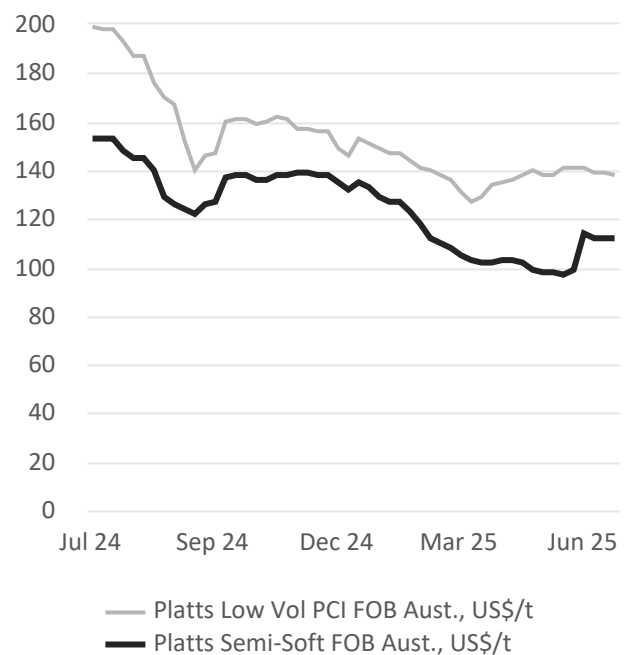
**Metallurgical coal indices - past 3 years**



**Thermal coal indices - past year**



**Metallurgical coal indices - past year**



Source: GlobalCOAL, Platts, Argus/McCloskey

## **ASSET PERFORMANCE**

2Q 2025 delivered to plan despite wet weather impacts at the NSW mines in May and the subsequent flooding of the Hunter River system, which impacted rail and port activity. The mine site and logistics teams worked proactively to modify production and transportation priorities to avoid operations becoming stock bound due to the restricted vessel movements at the Port of Newcastle. We anticipate the full year production will remain on target and the sales volumes deferred from the second quarter will be recovered in the third quarter.

### **Moolarben**

ROM and saleable coal volumes increased 4% from 1Q 2025. The longwall started the quarter well, before hard coal conditions encountered in May and June slowed the equipment advance rate, which resulted in the longwall move scheduled for June commencing in early July. Moolarben received fewer rain disruptions than the Hunter Valley mines and the Open Cut operations produced consistently throughout the quarter.

### **Mount Thorley Warkworth (MTW)**

ROM coal volumes increased by 13% from the first quarter. There were some wet weather impacts early in the quarter, but the operations were running ahead of forecast by June. Increased productivity across the equipment fleet and an efficient recovery from the wet weather experienced in May were major contributing factors to the strong operational performance.

### **Hunter Valley Operations (HVO)**

ROM coal volumes also increased by 13% from the first quarter, however saleable coal was 11% lower. Wet weather impacted performance early in the quarter and adjustments to the mining schedule were implemented to manage stockpile levels. At the end of June, coal product stocks remained higher than normal, however ROM coal and saleable coal production were both running ahead of forecast.

### **Yarrabee**

Yarrabee also encountered wet weather delays throughout the quarter, but despite some varied ROM and saleable production rates throughout the quarter, delivered strong volume increases compared to the first quarter.

### **Middlemount**

Middlemount also encountered wet weather delays during the quarter. The recovery plan developed after the first quarter delays started to deliver positive outcomes during the quarter and production deficits reduced. Further operational improvements are targeted, with wash plant yield a particular focus to ensure a positive economic contribution to the Group.

### **Ashton**

Ashton delivered better than forecast production during the quarter. Despite the longwall encountering some sandstone bands, which slowed mining at times, both ROM and saleable coal volumes increased from the first quarter. A longwall relocation to a new mining area is currently underway, with the mine expected to resume longwall production in October; in the interim production is limited to development coal.

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## DEVELOPMENT PROJECTS and EXPLORATION

The MTW underground mine pre-feasibility studies are subject to further assessments, with a feasibility study to potentially commence in 1Q 2026. Should the development proceed, this project could significantly extend the future production profile (without change to annual production limits).

At HVO, the Joint Venture is working through the approvals process to allow operations to continue within the existing mining lease footprint and to extend the mine life beyond the current extraction limit for HVO North.

The NSW Department of Planning, Housing and Infrastructure is continuing its assessment of Moolarben's OC3 Extension Project, which, if approved, would add 30 million tonnes to the mine's aggregate life of mine ROM production (without change to annual production limits).

The Stratford Pumped Hydro and Solar Project is subject to ongoing feasibility assessment, commercial viability evaluation, and both internal and external approval processes.

Yancoal incurred \$0.87 million in exploration capital expenditure during the period at HVO and Moolarben. The exploration work comprised 14 core and non-core boreholes for a total of 2,482 metres drilled. Drilling was focused on structure and coal quality at HVO and structure at Moolarben.<sup>4</sup>

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## CORPORATE ACTIVITY

Yancoal completed the 2024 fully-franked final dividend of A\$0.52 per share on 30 April 2025.

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## CONFERENCE CALL FOR ANALYSTS AND INVESTORS

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

Date: Friday, 18 July 2025

Time: 11:00am Sydney, 9:00am Hong Kong

Webcast: <https://edge.media-server.com/mmc/p/2tu6g433>

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By order of the Board  
Yancoal Australia Ltd  
Gang RU  
Chairman

Hong Kong, 17 July 2025

As of the date of this announcement, the executive Director is Mr. Ning Yue, the non-executive Directors are Mr. Gang Ru, Mr. Jihong Wang, Mr. Xiaolong Huang, Mr. Zhiguo Zhao and Mr. Ang Li and the independent non-executive Directors are Mr. Gregory James Fletcher, Ms. Debra Anne Bakker and Mr Peter Andrew Smith.

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<sup>4</sup> Reported expense is Yancoal's attributable share. Hole count and drill metres are on a 100% basis.