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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 September 2025

## Issued 20 October 2025

**For identification purposes only*

# Quarterly Report

## For the Quarter ending 30 September 2025

**Issued 20 October 2025**

### September Quarter 2025 (3Q 2025)

- 15.8Mt ROM coal production (100% basis).
- 12.3Mt Saleable coal production (100% basis).
- 9.3Mt Attributable saleable coal production.
- 10.7Mt Attributable coal sales.
- A$140/t average realised coal price.
- $1.8 billion cash balance at 30 September 2025.

**Performance Summary**

Our Total Recordable Injury Frequency Rate reduced during the quarter to 5.71, below the comparable industry weighted benchmark.[1]

Despite rainfall delays during the quarter, total ROM coal production was in line with forecast, and 12.3Mt of saleable coal (100% basis) matched the prior quarter. As expected, attributable coal sales were higher than the attributable saleable coal production, as we recovered the sales deficit reported at the end of Q2, which had been caused by weather related shipping delays.

The A$140/tonne overall realised coal price in 3Q 2025 comprised a steady realised thermal coal price and a 1% lower realised metallurgical coal price, which reflects coal index trends, foreign exchange and lagged contract structures.

**2025 Operational Guidance** (unchanged)

- 35-39Mt attributable saleable production - currently tracking above the mid-point and should end in the upper half of the range.
- $89-97/tonne cash operating costs - 1H 2025 reported unit costs were $93/t, and we expect to be around the mid-point for the full year.
- $750-900 million attributable capital expenditure - on track to fall within guidance.

### CEO Comment

It was a great honour to be appointed Yancoal's CEO in September. I look forward to working closely with my colleagues and delivering the best operational performance we can achieve.

After nine months we are 6-7% ahead of last year's production levels on a 100% basis and tracking above the mid-point of our production guidance. If we sustain our 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 into the upper quartile. Our cash operating costs for the first-half were at the mid-point of guidance. Typically, a volume increase would lower unit costs, however, the sector has encountered external and temporary cost pressures recently; accordingly, we are looking at ways to maintain our discipline and deliver unit costs around the middle of the guidance range for the full year.

During 3Q 2025, international coal indices faced strong supply and subdued demand in both the thermal and metallurgical coal markets, yet average prices improved marginally from 2Q 2025.

Yancoal's realised coal prices were consistent with our 2Q 2025 realised prices, partly due to sales volumes delayed from the prior quarter. Importantly, and as projected, we were able to recoup the sales volumes that were delayed due to port disruptions during 2Q 2025.

We finished the Quarter with a cash balance of $1.8 billion after operational costs, capital expenditure, tax payments, corporate overheads and payment of the interim dividend. While our strong financial position enables us to explore opportunities that might arise during this cyclical downturn, we continually evaluate any opportunities in the context of current market conditions.

Coal supply reductions in response to lower coal prices reflects our view that coal indices are well below marginal cost on the global cost curve. Further supply-side reductions from higher-cost producers would contribute to a possible recovery in coal price indices.

[1] Details page 3.

## PRODUCTION AND SALES DATA

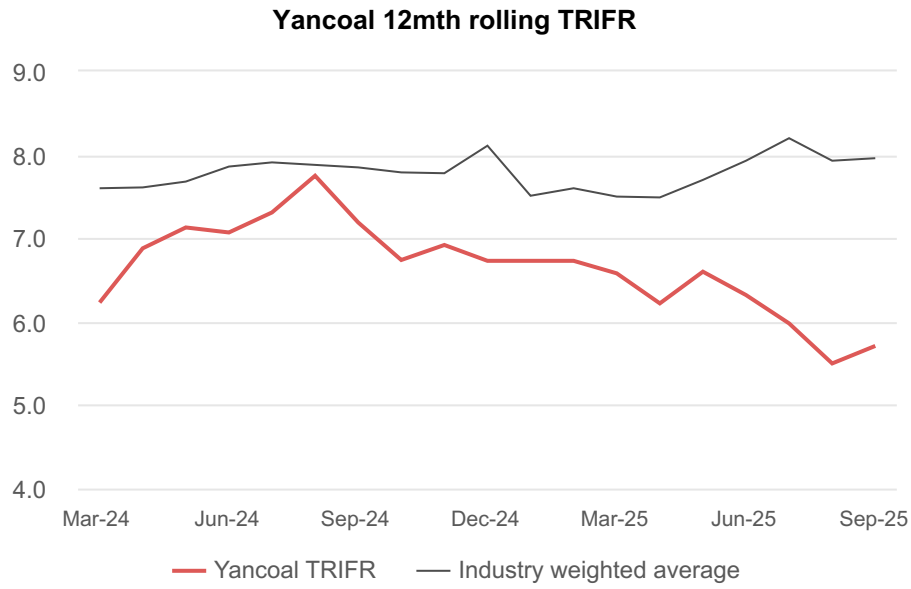
| | | | 3Q 2025 | 2Q 2025 | PP Change | 3Q 2024 | PCP change | 9mth YtD 2025 | 9mth YtD 2024 | Change |
|---|---|---|---|---|---|---|---|---|---|---|
| **ROM coal production, Mt** | Mine type | Economic interest | | | | | | | | |
| Moolarben | OC / UG | 95% | 5.0 | 5.7 | (12)% | 6.1 | (17)% | 16.3 | 17.0 | (4)% |
| Mount Thorley Warkworth | OC | 83.6% | 4.2 | 4.2 | (1)% | 4.7 | (11)% | 12.1 | 12.3 | (2)% |
| Hunter Valley Operations | OC | 51% | 4.4 | 4.8 | (7)% | 4.5 | (2)% | 13.4 | 9.5 | 41% |
| Yarrabee | OC | 100% | 1.0 | 0.9 | 4% | 0.9 | 6% | 2.5 | 1.9 | 30% |
| Middlemount | OC | 49.9997% | 1.2 | 1.0 | 11% | 0.9 | 28% | 3.0 | 2.8 | 7% |
| Ashton | UG | 100% | 0.1 | 0.4 | (80)% | 0.4 | (79)% | 0.9 | 1.8 | (50)% |
| Stratford Duralie | OC | 100% | 0.0 | 0.0 | —% | 0.0 | —% | 0.0 | 0.1 | (100)% |
| **Total – 100% Basis** | | | **15.8** | **17.0** | **(7)%** | **17.5** | **(10)%** | **48.1** | **45.4** | **6%** |
| **Total – Attributable** | | | **11.6** | **12.7** | **(9)%** | **13.2** | **(12)%** | **35.7** | **35.0** | **2%** |
| **Saleable coal production, Mt** | Coal type | Attributable Contribution | | | | | | | | |
| Moolarben | Thermal | 95% | 4.7 | 5.0 | (6)% | 5.3 | (12)% | 14.4 | 14.8 | (2)% |
| Mount Thorley Warkworth | Met. & Thermal | 83.6% | 2.7 | 2.7 | —% | 3.3 | (17)% | 8.3 | 8.0 | 4% |
| Hunter Valley Operations | Met. & Thermal | 51% | 3.5 | 3.1 | 14% | 3.2 | 11% | 10.2 | 8.0 | 27% |
| Yarrabee | Met. & Thermal | 100% | 0.7 | 0.7 | 1% | 0.7 | (5)% | 1.9 | 1.5 | 28% |
| Middlemount | Met. & Thermal | (equity accounted) | 0.6 | 0.7 | (8)% | 0.5 | 26% | 1.9 | 1.6 | 20% |
| Ashton | Met. | 100% | 0.0 | 0.2 | (67)% | 0.2 | (75)% | 0.4 | 0.8 | (50)% |
| Stratford Duralie | Met. & Thermal | 100% | 0.0 | 0.0 | —% | 0.0 | —% | 0.0 | 0.1 | (100)% |
| **Total – 100% Basis** | | | **12.3** | **12.3** | **—%** | **13.2** | **(7)%** | **37.1** | **34.8** | **7%** |
| **Total – Attributable** | | | **9.3** | **9.4** | **(2)%** | **10.2** | **(9)%** | **28.2** | **27.2** | **4%** |
| **Sales volume, Mt** | | | | | | | | | | |
| Thermal coal | | | 9.0 | 6.8 | 33% | 9.0 | —% | 22.9 | 24.0 | (5)% |
| Metallurgical coal | | | 1.6 | 1.3 | 22% | 1.4 | 17% | 4.4 | 3.4 | 30% |
| **Total – Attributable** | | | **10.7** | **8.1** | **31%** | **10.4** | **3%** | **27.3** | **27.3** | **—%** |
| **Avg. realised price, A$/tonne** | | | | | | | | | | |
| Thermal coal | | | 130 | 130 | —% | 157 | (17)% | 135 | 159 | (16)% |
| Metallurgical coal | | | 195 | 197 | (1)% | 259 | (25)% | 203 | 299 | (32)% |
| **Overall avg. realised price** | | | **140** | **142** | **(1)%** | **170** | **(18)%** | **146** | **177** | **(18)%** |

**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




The safety of all Yancoal employees remains a key focus. The 12-month rolling Total Recordable Injury Frequency Rate ("TRIFR") was 5.71 at the end of 3Q 2025; a reduction from 6.32 at the end of 2Q 2025.

Whilst still below the comparable industry weighted average of 7.96[2], we remain committed to improving performance through targeted safety intervention activities.

## COAL SALES AND COAL MARKET OUTLOOK

During 3Q 2025, attributable sales of 10.7Mt was an increase from the prior quarter as sales volumes largely recouped delayed shipments, which had resulted from port closures due to adverse weather systems in the second quarter. Sales volumes for 2025 are now close to planned levels.

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 3Q 2025, the API5 index averaged US$69/t, up 1% from 2Q 2025, and the GCNewc index averaged US$109/t, up 8 % from 2Q 2025. The Platts Low Vol PCI index averaged US$144t, up 4%, and the Platts Semi-Soft index averaged US$117/t, up 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. The residual effect of confirmed deliveries delays in 2Q 2025 (referenced above) will somewhat heighten this lag effect over the remainder of the year.

After converting to Australian dollars, in 3Q 2025 Yancoal recorded an average realised thermal coal price of A$130/t and an average realised metallurgical coal price of A$195/t. Yancoal's overall average realised sales price in 3Q 2025 was A$140/t, compared to A$142/t in the prior quarter and A$170/t in 3Q 2024.

[2] Based on the available industry data at the time of preparing the report

| | Units | 4Q23 | 1Q24 | 2Q24 | 3Q24 | 4Q24 | 1Q25 | 2Q25 | 3Q25 |
|---|---|---|---|---|---|---|---|---|---|
| API5, 5,500kCal | US$/t | 96 | 93 | 89 | 87 | 88 | 76 | 68 | 69 |
| GCNewc, 6,000kCal | US$/t | 136 | 126 | 136 | 141 | 138 | 105 | 100 | 109 |
| Low Vol PCI, FOB Aust. | US$/t | 185 | 164 | 164 | 174 | 157 | 140 | 138 | 144 |
| Semi-Soft, FOB Aust. | US$/t | 161 | 150 | 152 | 138 | 137 | 117 | 104 | 117 |
| AUD:USD | | 0.65 | 0.66 | 0.66 | 0.67 | 0.65 | 0.63 | 0.64 | 0.66 |
| API5, 5,500kCal | A$/t | 148 | 142 | 134 | 131 | 132 | 121 | 107 | 105 |
| GCNewc, 6,000kCal | A$/t | 208 | 191 | 206 | 210 | 211 | 167 | 157 | 165 |
| Low Vol PCI, FOB Aust. | A$/t | 285 | 249 | 248 | 259 | 241 | 224 | 216 | 219 |
| Semi-Soft, FOB Aust. | A$/t | 247 | 228 | 231 | 205 | 210 | 186 | 162 | 177 |
| Realised Thermal price | A$/t | 180 | 159 | 163 | 157 | 163 | 145 | 130 | 130 |
| Realised Metallurgical price | A$/t | 292 | 334 | 318 | 259 | 242 | 218 | 197 | 195 |
| **Overall realised price** | **A$/t** | **196** | **180** | **181** | **170** | **176** | **157** | **142** | **140** |

Source: GlobalCOAL, Platts, Argus/McCloskey, Reserve Bank of Australia.[3]
Note: A$/t prices are a simple conversion using the US$/t price and relevant AUD-USD exchange rates for the period.

During 3Q 2025, conditions in the international coal markets, both thermal and metallurgical, remained challenging. The average prices for the indices we primarily sell against did improve marginally, but it appears there is still excess coal supply in many regions.

The warm summer conditions in north-east Asia resulted in Japan, South Korea and Taiwan largely drawing down inventories during the quarter due to power usage; yet year-to-date imports by Taiwan and Korea are down 9% and 4% respectively. Conversely, Japan is restocking and has increased its year-to-date imports by 5%, which is one element providing support for the GCNewc Index.

Similarly, China experienced warm summer conditions and increased imports during August, but year-to-date imports are down 20% due to increased domestic production levels. While there were temporary reductions in domestic output recently, there is no apparent structural change in the production profile.

In India, the usual uplift in imports post-monsoon season has yet to commence and despite a 4% uplift in electricity demand its imports are down 8% year-to-date.

Vietnam continues to perform strongly, with imports increasing this year due to strong economic conditions.

In contrast to the soft demand in international thermal coal markets, supply remains stubbornly consistent. Australian exports volumes are similar to last year, despite repeated port disruptions caused by adverse weather conditions.

Russian exports are similar to last year, even though we consider over half the mines are unprofitable at current prices and are reliant on Government support.

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

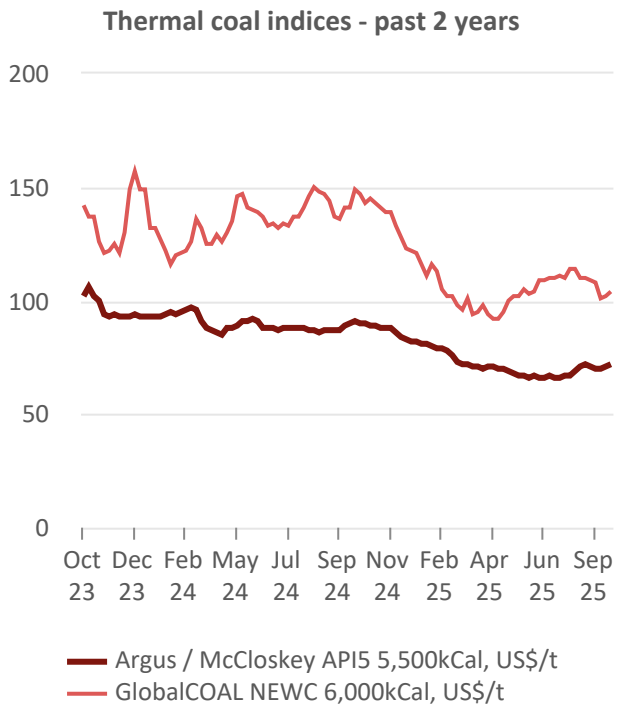
Indonesian supply appears to be responding to market conditions, with exports down 11% this year, as mostly smaller mines cut or suspend production. Also, exports from Colombia are down by 25% due to cost competition issues.

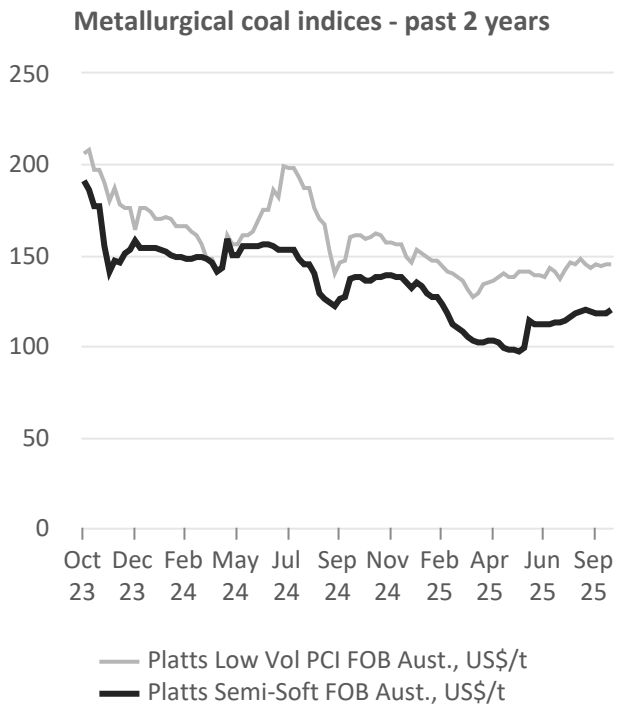
Conversely, exports are up 13% from the US due to strategic support from the Government, and up 8% from South Africa due to improved throughput at Richards Bay Coal terminal.

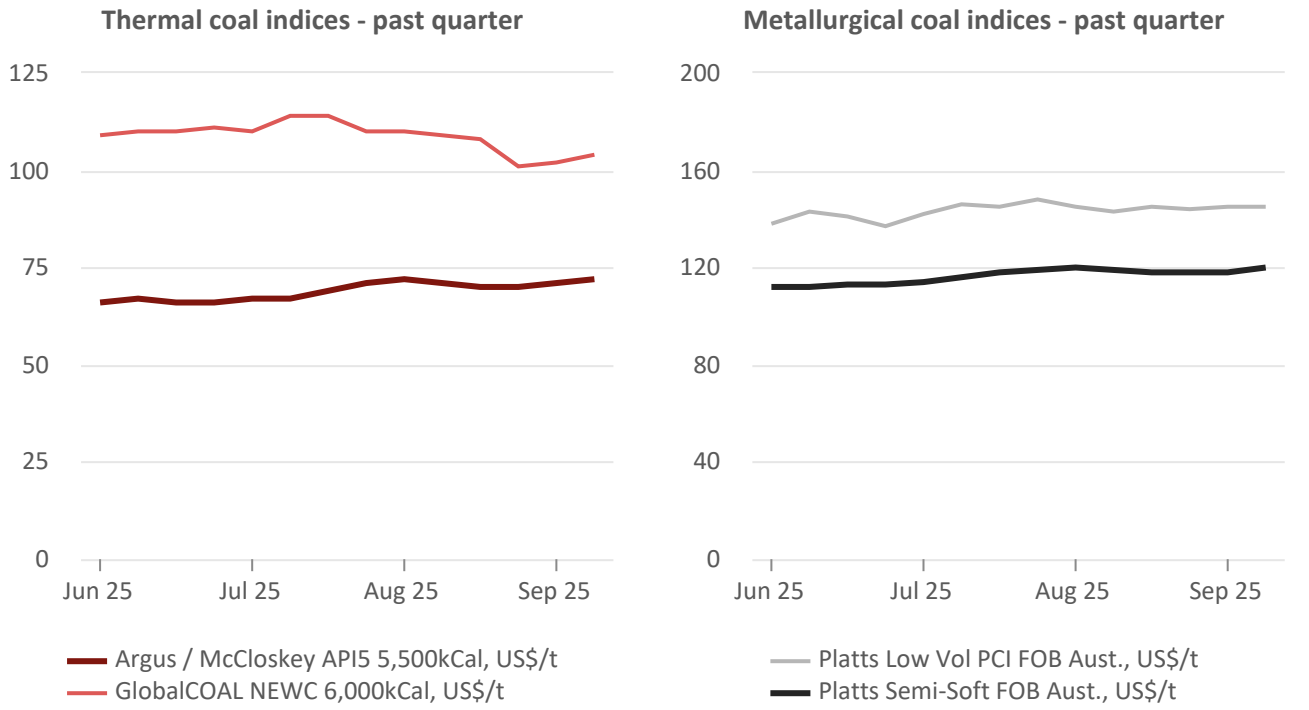
In metallurgical coal markets, we have observed weak demand and a slow supply-side response. Total global seaborne trade is down 11% so far this year. In primary markets, China imports are down 14% due to property market conditions and other construction factors, while Japan and South Korea are both down 10% due to weak manufacturing and economic conditions. Taiwan's imports are down 4%, as the economy is proving somewhat more resilient. India is the exception, with imports similar to 2024 levels, as construction activity underpins steel consumption. Despite some of our traditional markets reducing imports this year, we remain optimistic on the long-term outlook given forecasts for sustained demand beyond 2040.

There has been some supply response from Australia with exports down 9% this year as some mines struggle to remain profitable. Exports from Canada are also down 5%, however this is due to reduced coal handling capacity following a ship-loader fire at an export terminal.

Overall international coal markets conditions remain challenged and uncertainty over international tariffs persists. In order for prices to recover, either a significant uplift in demand or a meaningful supply-side response is required; the former seems unlikely, and the latter is occurring, slowly, as some mines that have entered administration continue to produce. However, there is some optimism amongst industry participants that we have reached, or even passed, the cyclical low in coal prices.






Source: GlobalCOAL, Platts, Argus/McCloskey

## ASSET PERFORMANCE

Good operational momentum at the start of the Quarter was later hampered by wet weather mid-quarter. Accordingly, there was a modest decline in ROM coal production compared to 2Q 2025. However, saleable coal production was similar to 2Q 2025, despite the rainfall and planned longwall moves occurring at both Moolarben and Ashton. Actions by mine site and logistics teams to modify production and transportation priorities to avoid operations becoming stock bound, proved effective with most of the delayed 2Q 2025 sales volumes now delivered. We anticipate attributable saleable production will be in the upper half of the guidance range.

### Moolarben

The longwall resumed operation early in the Quarter after a scheduled move. Minor commissioning issues were quickly overcome and the longwall operated to plan for the quarter.

Wet weather delays impacted open-cut mining throughout the Quarter. While overburden activities were impacted by the rain, ROM coal volumes remained ahead of forecast during July and August, before being affected in September.

During August, the team achieved a site record for monthly saleable coal production, with a favourable mix of quality feed material and high yields in the wash plant. Overall, saleable coal production was close to plan for the quarter.

### Mount Thorley Warkworth (MTW)

MTW started the Quarter with overburden and ROM coal volumes running ahead of plan due to solid blasting performance occurring ahead of schedule. Later in the Quarter wet weather and some equipment reliability issues impacted overburden removal and ROM coal. Feed constraints in the wash plant were offset by favourable yield at times during the Quarter, which allowed saleable coal production to match 2Q 2025.

**Hunter Valley Operations (HVO)**

HVO also started the Quarter with overburden and ROM coal volumes running ahead of plan. This outcome was driven by truck productivity and a redesigned ramp system, which contributed to the performance. There were wet weather disruptions in August and lower yielding coal feed in September, yet the site delivered a 14% increase in attributable saleable coal over 2Q 2025.

**Yarrabee**

Yarrabee delivered consistent operational performance to 3Q 2025. The site remained focused on driving productivity improvements through improved operating hours on mining fleets. There were minor fluctuations in by-pass volumes and yield but, overall, the mine and wash plant delivered a steady performance over the quarter.

**Middlemount**

The mine plan was adjusted ahead of rainfall events early in the Quarter. This allowed the prioritisation of ROM coal volumes over overburden removal. The ROM coal volume was up 11% from 2Q 2025, while saleable coal production was down 8% as projected. The team on site is incorporating a yield reconciliation into the production recovery plan, which delivered improved mining volumes in recent months.

**Ashton**

Throughout the Quarter a longwall relocation limited production to development coal. The longwall is now in place at the new location and ready to commence mining once additional dewatering is completed.

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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 commence in 1Q 2026. Should the development proceed, this project could significantly extend the mine's future production profile (without change to annual production limits).

At HVO, the Joint Venture is working through the approvals process 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 Renewable Energy Project is subject to ongoing commercial viability evaluation, and both internal and external approval processes.

Yancoal incurred $0.51 million in exploration capital expenditure during the period at HVO and Moolarben. The exploration work comprised four core and non-core boreholes, for a total of 480 metres drilled. Drilling was focused on structure and coal quality at HVO.[4]

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

## CORPORATE ACTIVITY

On 26 August 2025, Yancoal announced the appointment of Mr Sharif Burra as Yancoal's new Chief Executive Officer (CEO), effective 8 September 2025. Mr Ning Yue's role as Acting CEO ceased effective 8 September 2025. Mr Burra is an experienced mining executive with 28 years of experience spanning: open-cut and underground mining; business improvement and technical studies; and due diligence and asset valuation. The Board considers that his broad experience, as well as existing knowledge of Yancoal's operations, will provide continuity to the CEO role and enable Mr Burra to effectively implement the Company's operational and strategic priorities.

On 3 October 2025, Yancoal announced it had acquired a further 3.75% stake in the Moolarben Joint Venture (MJV) from three joint venture participants. Yancoal's economic interest in the MJV increased to 98.75%. The A$110.5 million cash consideration is payable as a $25 million cash payment[5] on completion; with the remaining A$85.5 million paid in coal price linked quarterly installments over a period of five years. The date of effective economic interest is 1 January 2025. The immediate benefit from the transaction will be an increase in attributable production and revenue from this low-cost, tier-1 asset, which Yancoal will consolidate into its financial results from the date of completion. The increase in attributable production, and associated cash operating costs and capital expenditure, is not captured in the 2025 Operational Guidance.

## 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: Tuesday, 21 October 2025

Time: 12:00pm Sydney, 9:00am Hong Kong

Webcast: https://edge.media-server.com/mmc/p/g8dzw3po

By order of the Board

**Yancoal Australia Ltd**

**Gang RU**
Chairman

Hong Kong, 20 September 2025

As of the date of this announcement, the executive Director is Mr. Ning Yue, the non-executive Directors are Mr. Gang Ru, Mr. Jiuhong 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.

[5] Less a purchase price adjustment for the earnings generated between the 1 January 2025 and the date of completion.