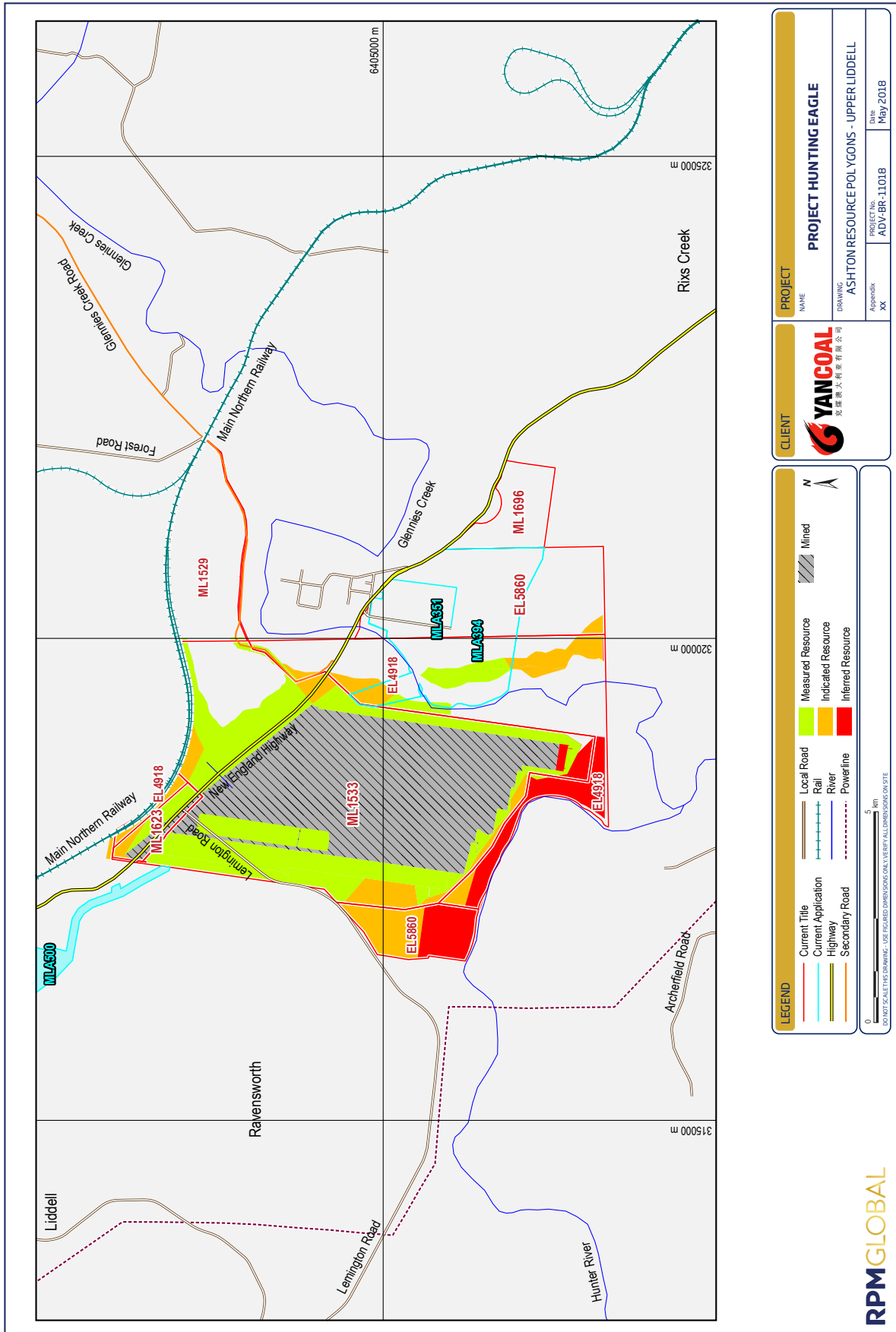


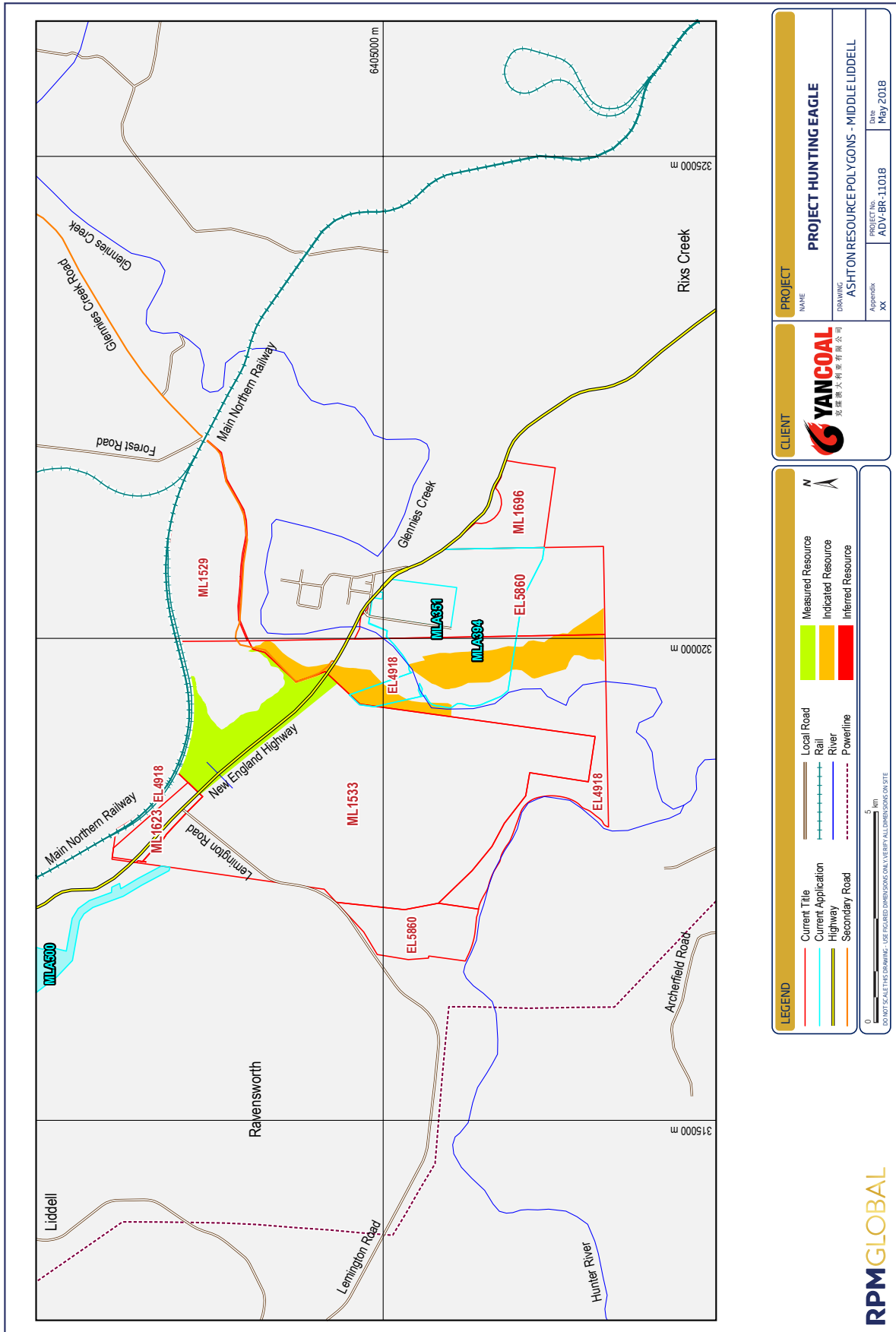
APPENDIX III

COMPETENT PERSON'S REPORT



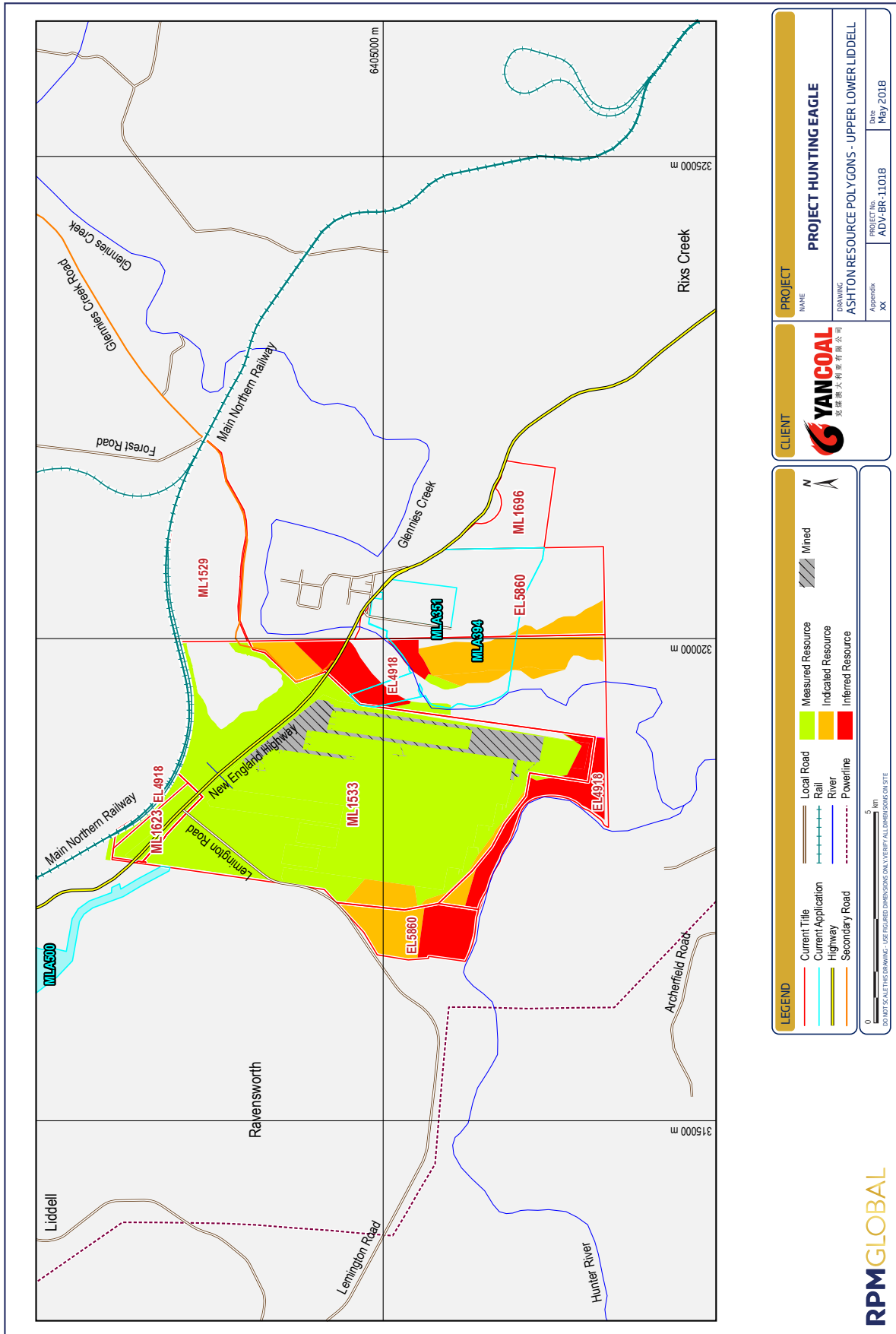
APPENDIX III

COMPETENT PERSON'S REPORT



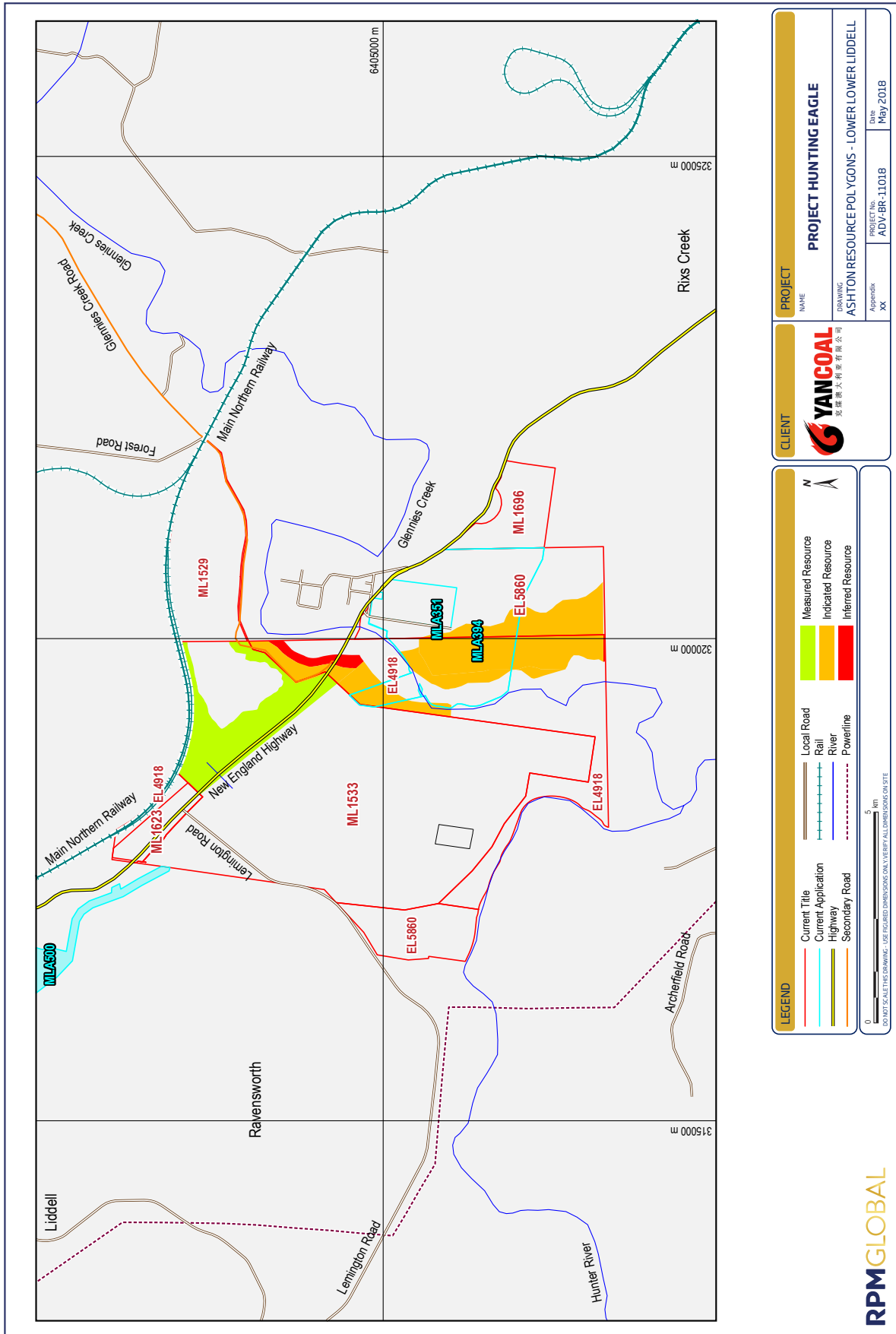
APPENDIX III

COMPETENT PERSON'S REPORT



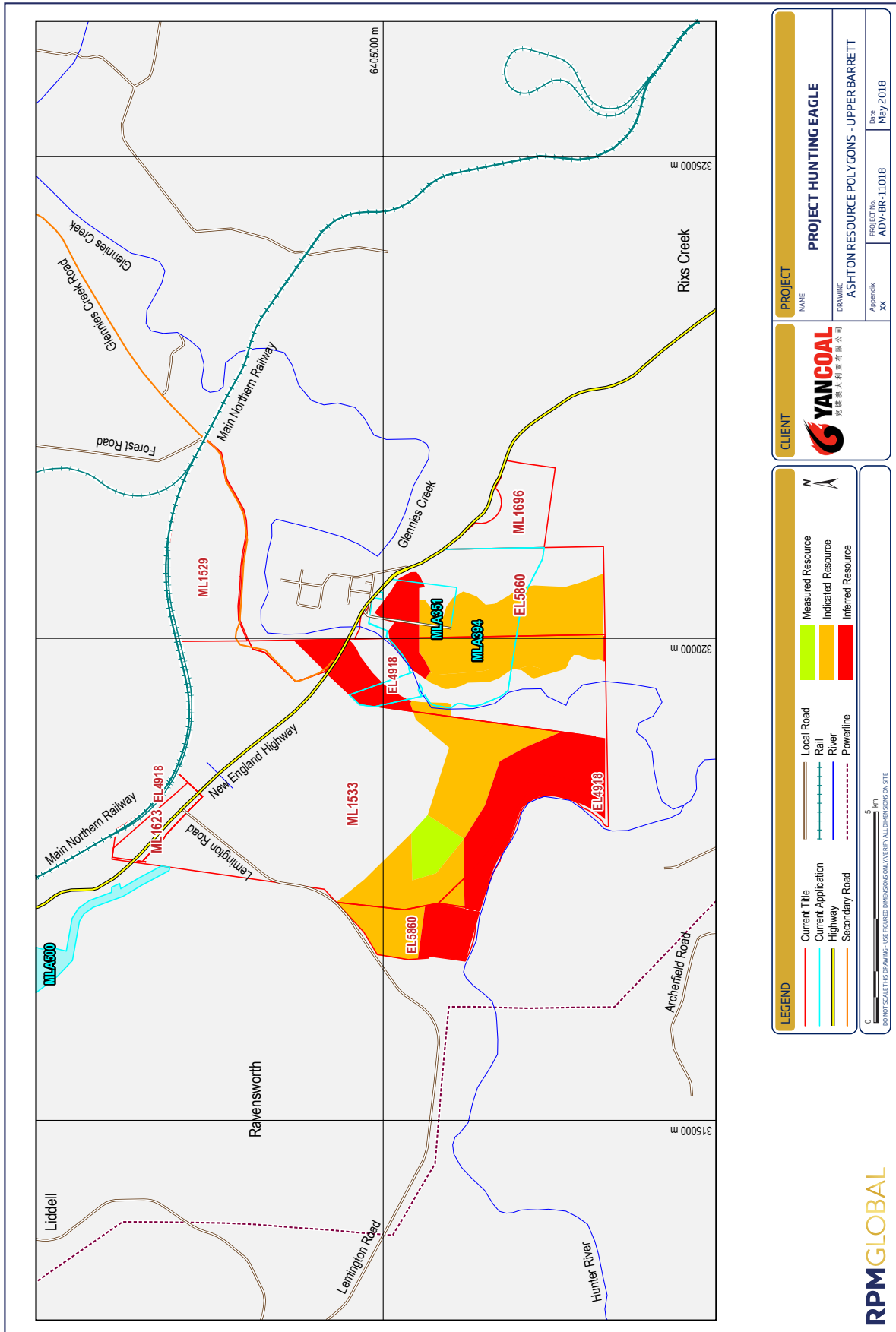
APPENDIX III

COMPETENT PERSON'S REPORT



APPENDIX III

COMPETENT PERSON'S REPORT



CLIENT	PROJECT NAME	PROJECT HUNTING EAGLE
	DRAWING	ASHTON RESOURCE POLYGONS - UPPER BARRETT
YAN COAL 亞細亞煤業有限公司	Appendix	XX
	Project No.	ADV-BR-11018
	Date	May 2018

LEGEND

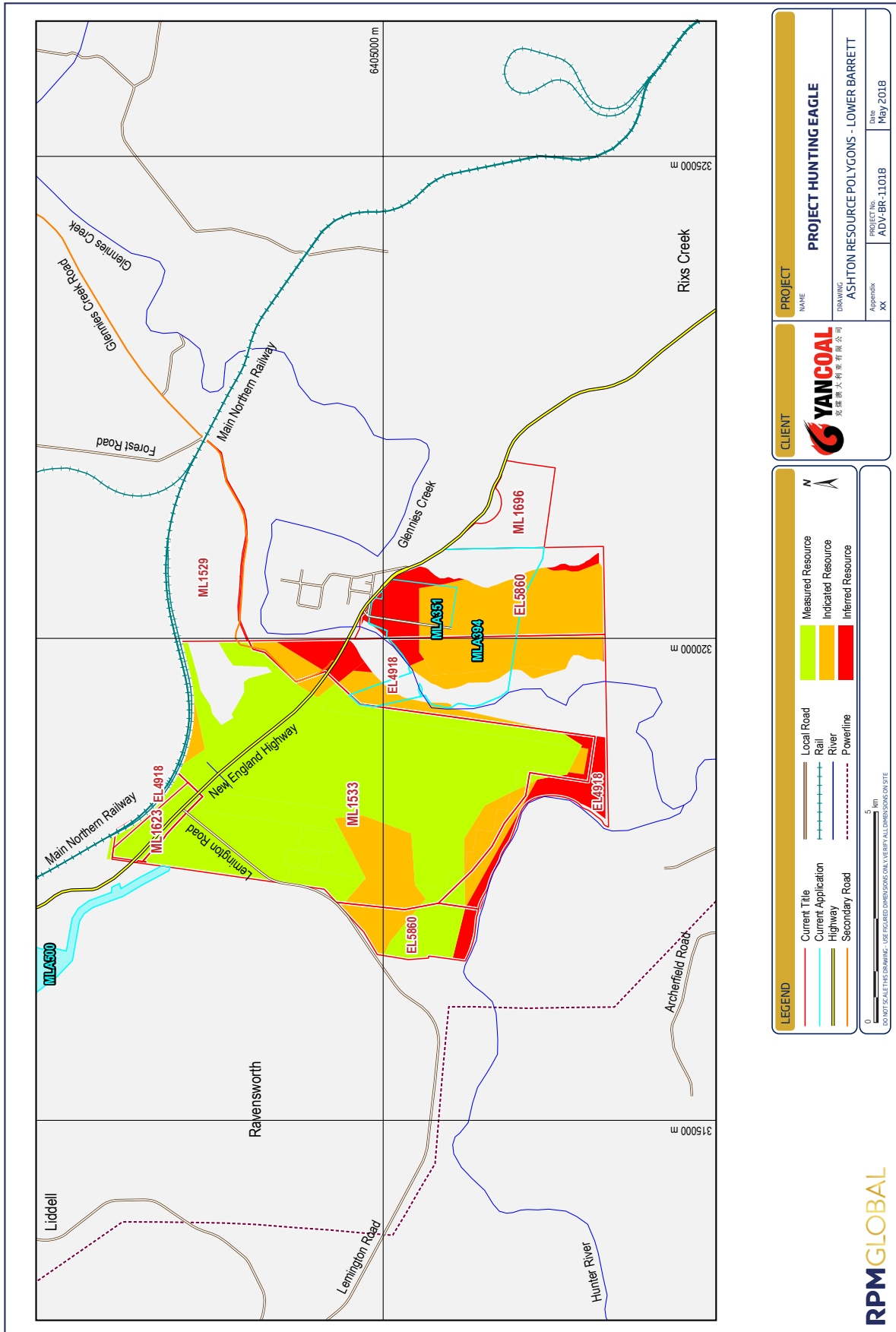
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	Current Application		Rail		Indicated Resource
	Highway		River		Inferred Resource
	Secondary Road		Powerline		

0 5 10
DO NOT SCALE THIS DRAWING. USE FIGURED DIMENSIONS ONLY. VERIFY ALL DIMENSIONS ON SITE.



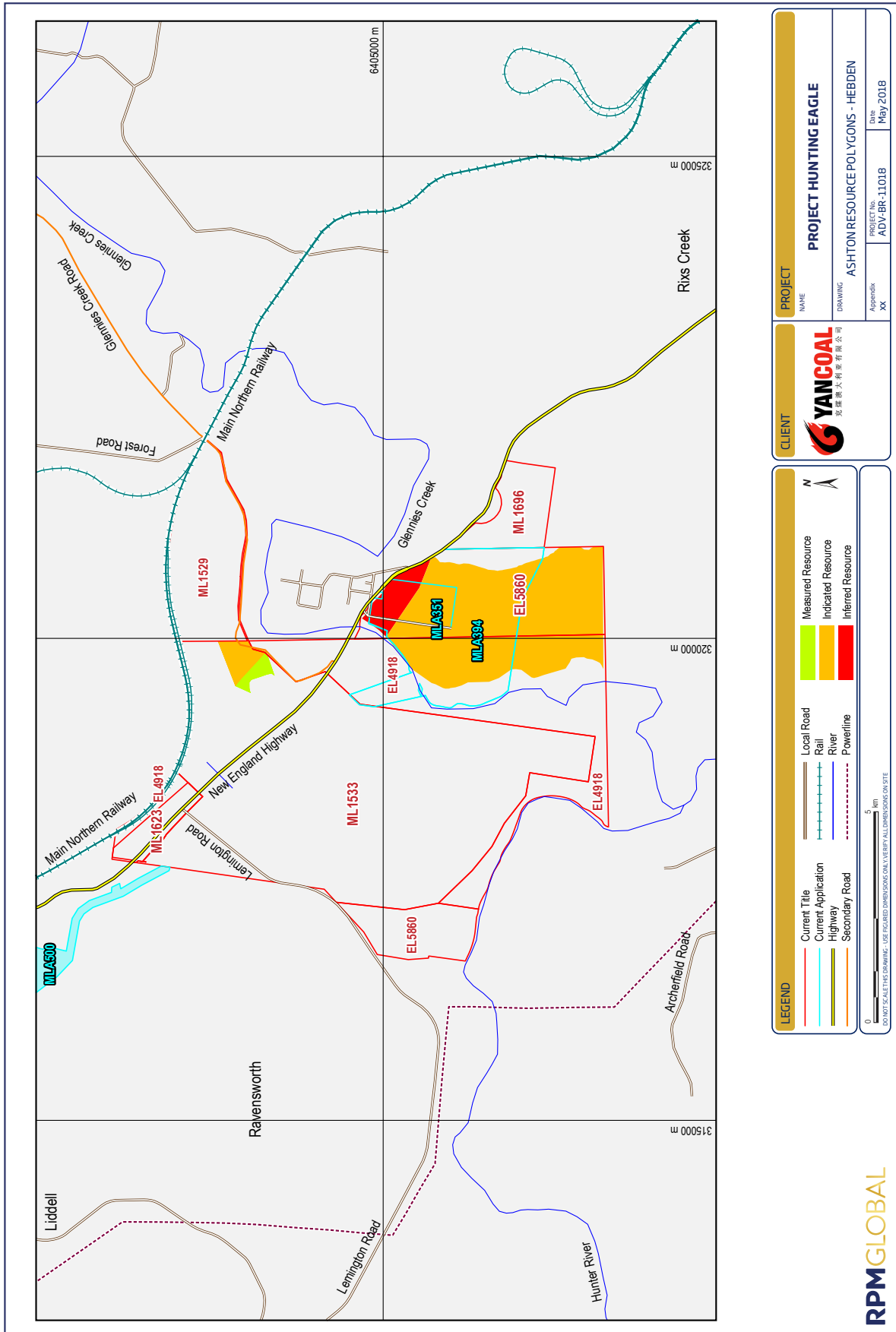
APPENDIX III

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APPENDIX III

COMPETENT PERSON'S REPORT



PROJECT	NAME	PROJECT HUNTING EAGLE	
	DRAWING	ASHTON RESOURCE POLYGONS - HEBDEN	
CLIENT	PROJECT No.	ADV-BR-1101B	Date
	Appendix	XX	May 2018

YAN COAL
 藍煤澳洲有限公司

LEGEND

	Current Title		Measured Resource
	Current Application		Indicated Resource
	Highway		Inferred Resource
	Secondary Road		
	Local Road		
	Rail		
	River		
	Powerline		

0 5 10
 DO NOT SCALE THIS DRAWING. USE FIGURED DIMENSIONS ONLY. VERIFY ALL DIMENSIONS ON SITE.

RPMGLOBAL



Resource Polygons

Yarrabee

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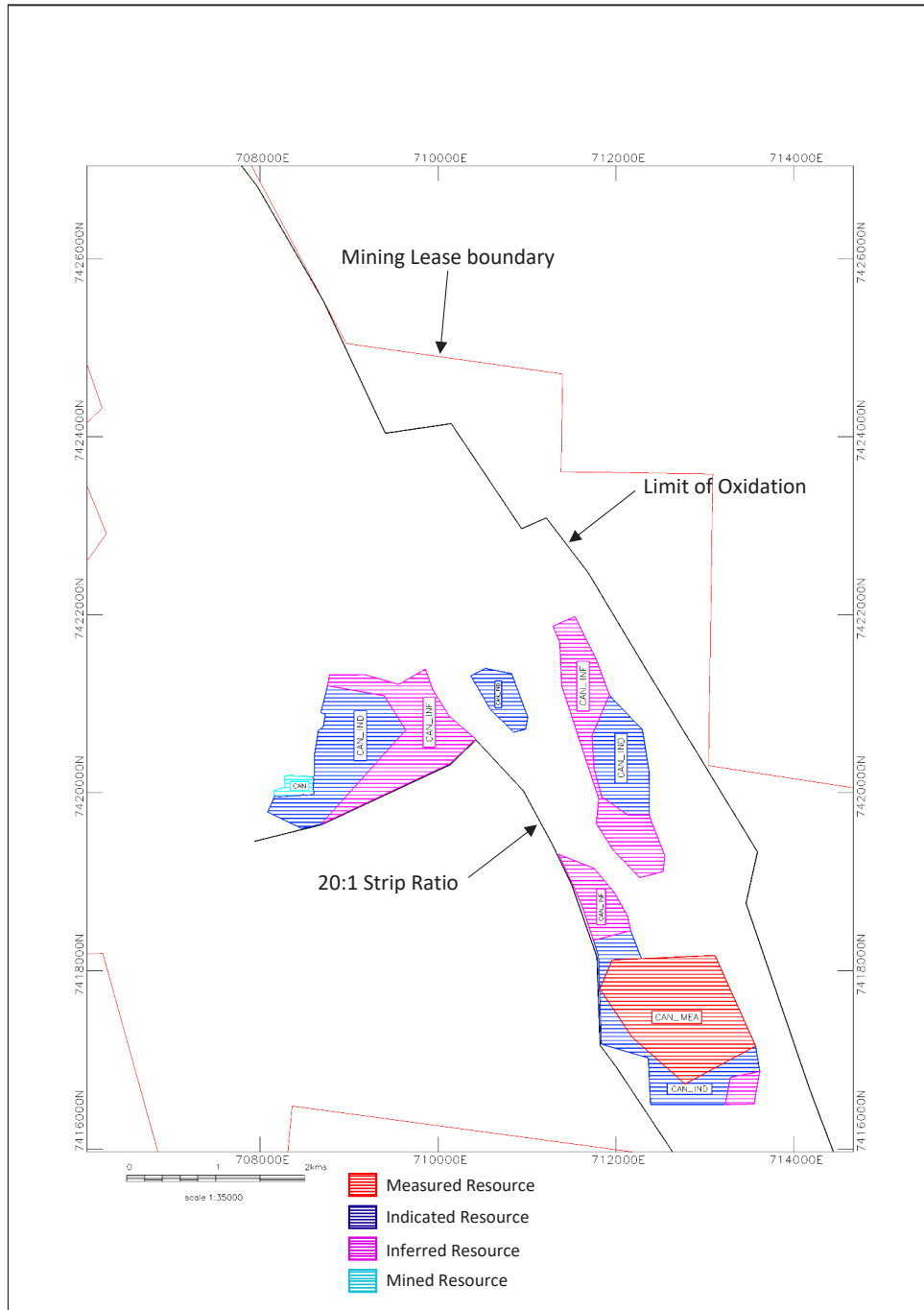


Figure 1 Yarrabee East Cancer Resource Polygons

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COMPETENT PERSON'S REPORT

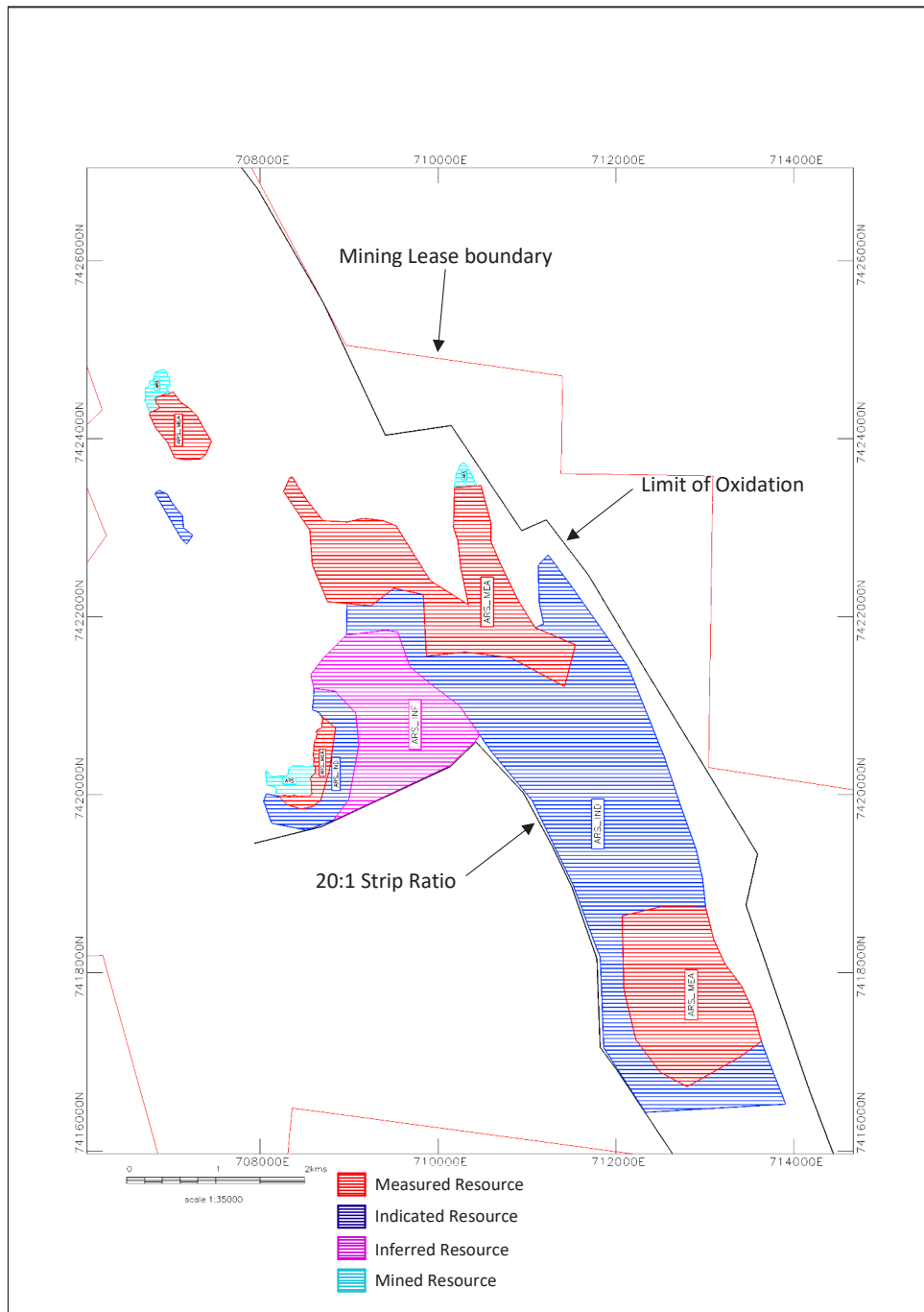


Figure 3 Yarrabee East Aries Resource Polygons

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COMPETENT PERSON'S REPORT

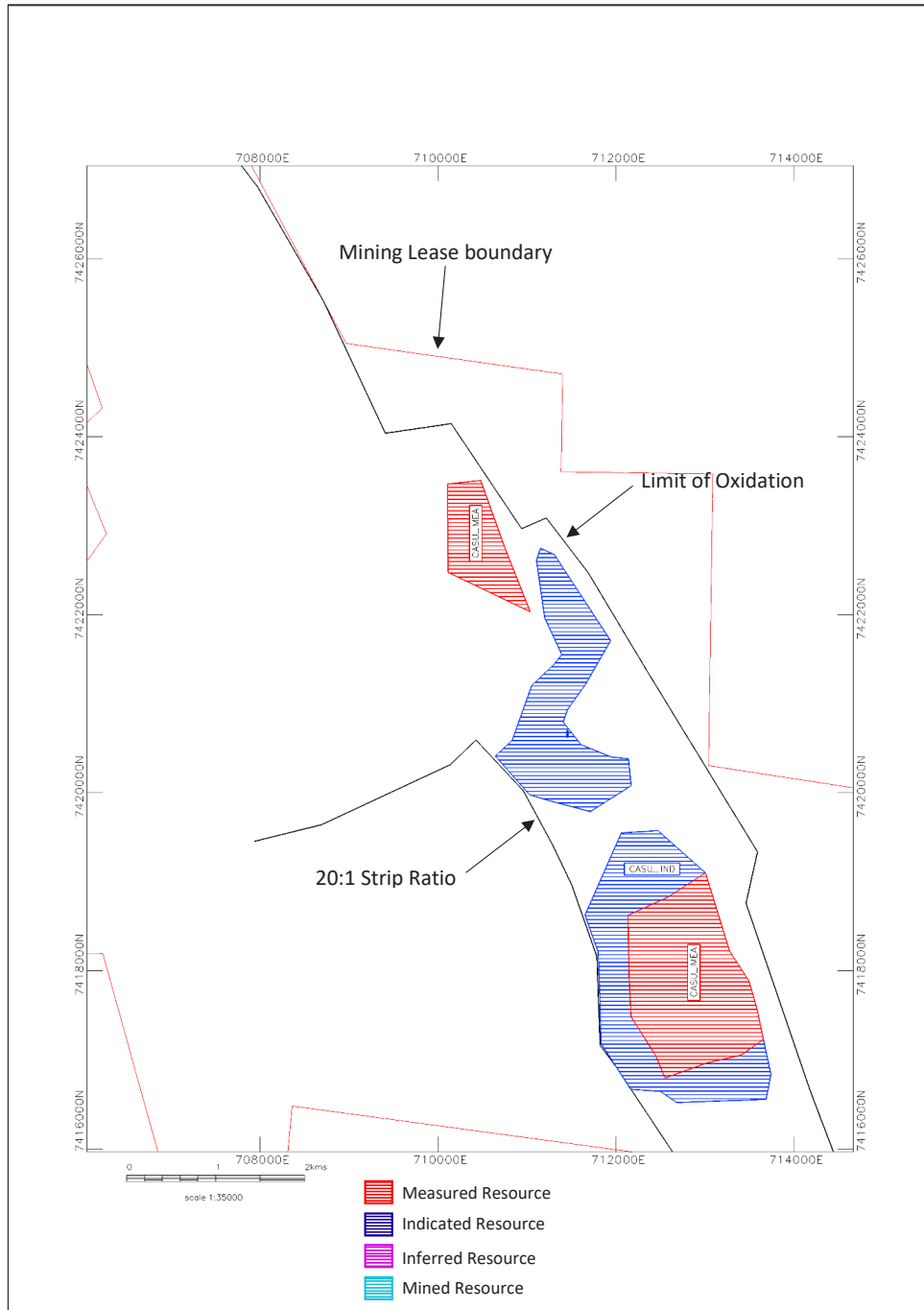


Figure 5 Yarrabee East Castor Upper Resource Polygons

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COMPETENT PERSON'S REPORT

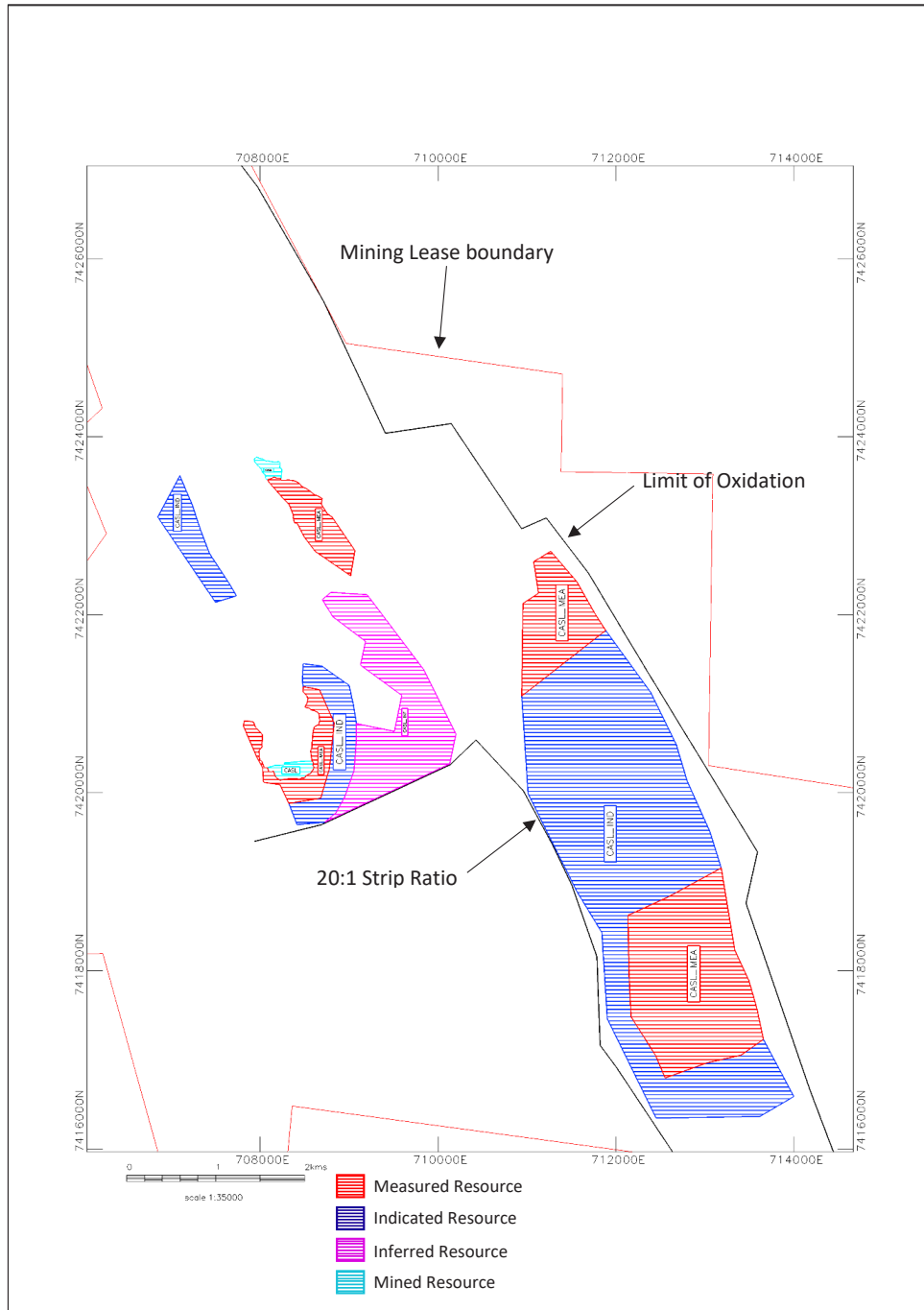


Figure 7 Yarrabee East Castor Upper Resource Polygons

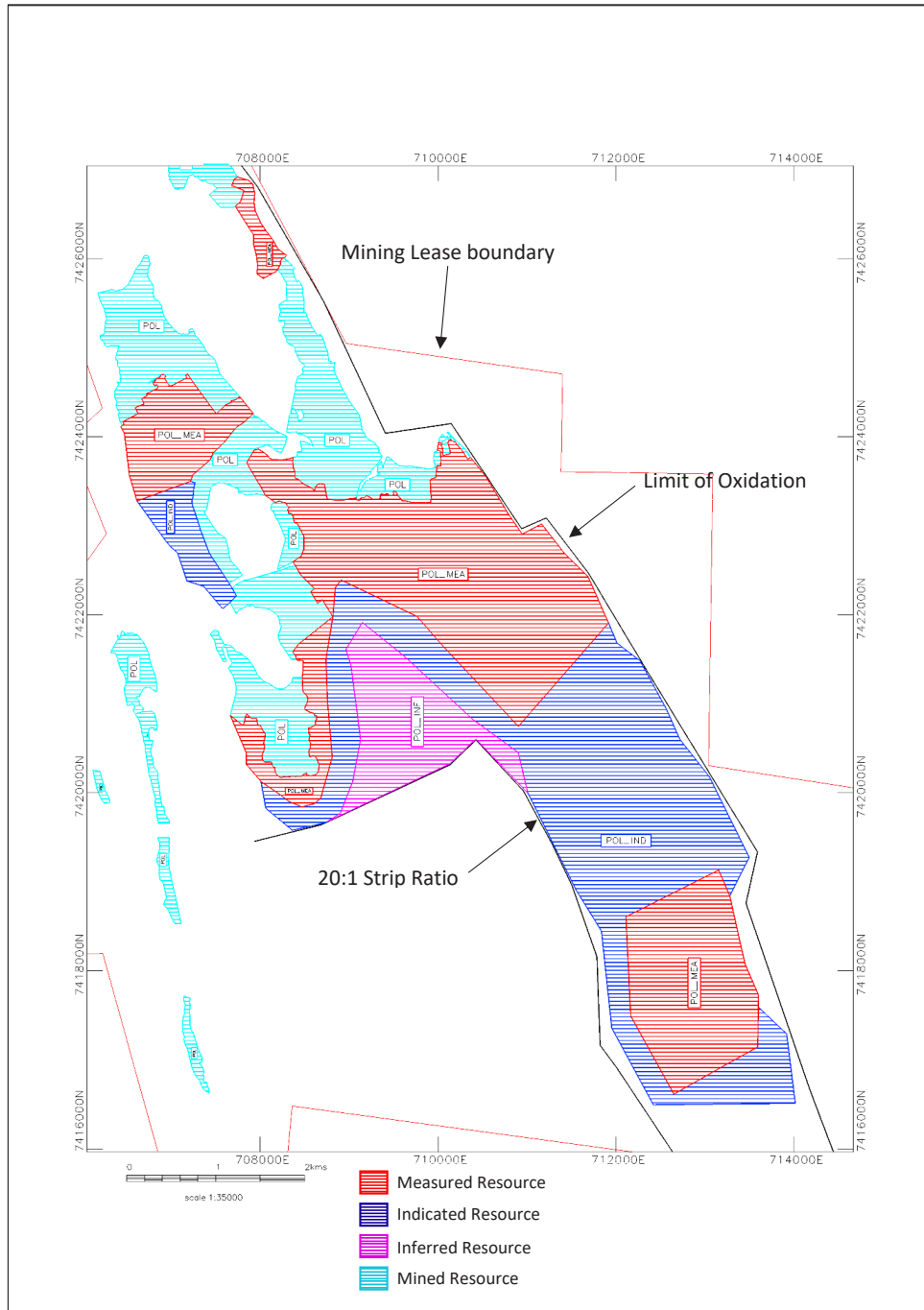


Figure 9 Yarrabee East Pollux Resource Polygons

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COMPETENT PERSON'S REPORT

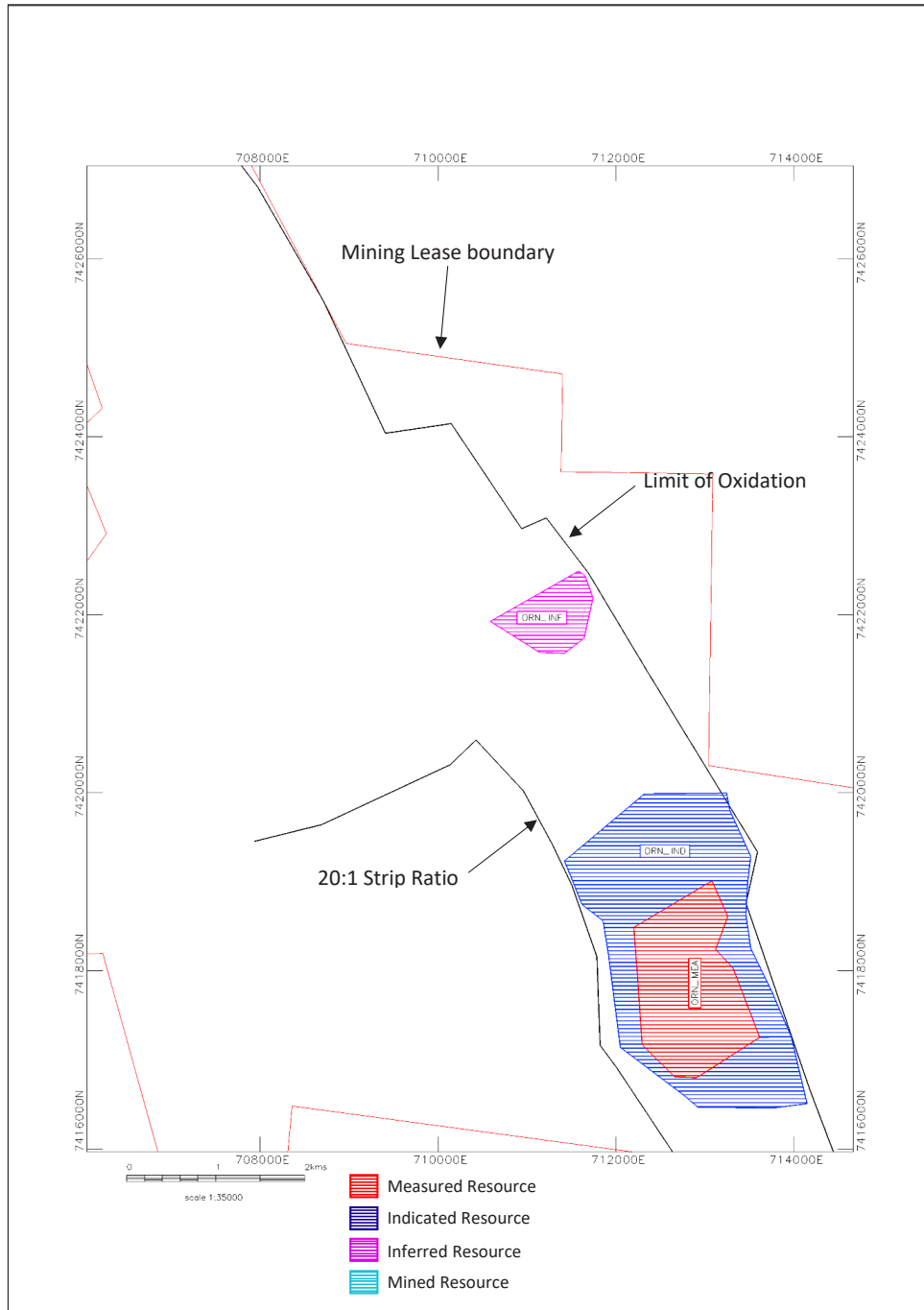


Figure 11 Yarrabee East Orion Resource Polygons

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COMPETENT PERSON'S REPORT

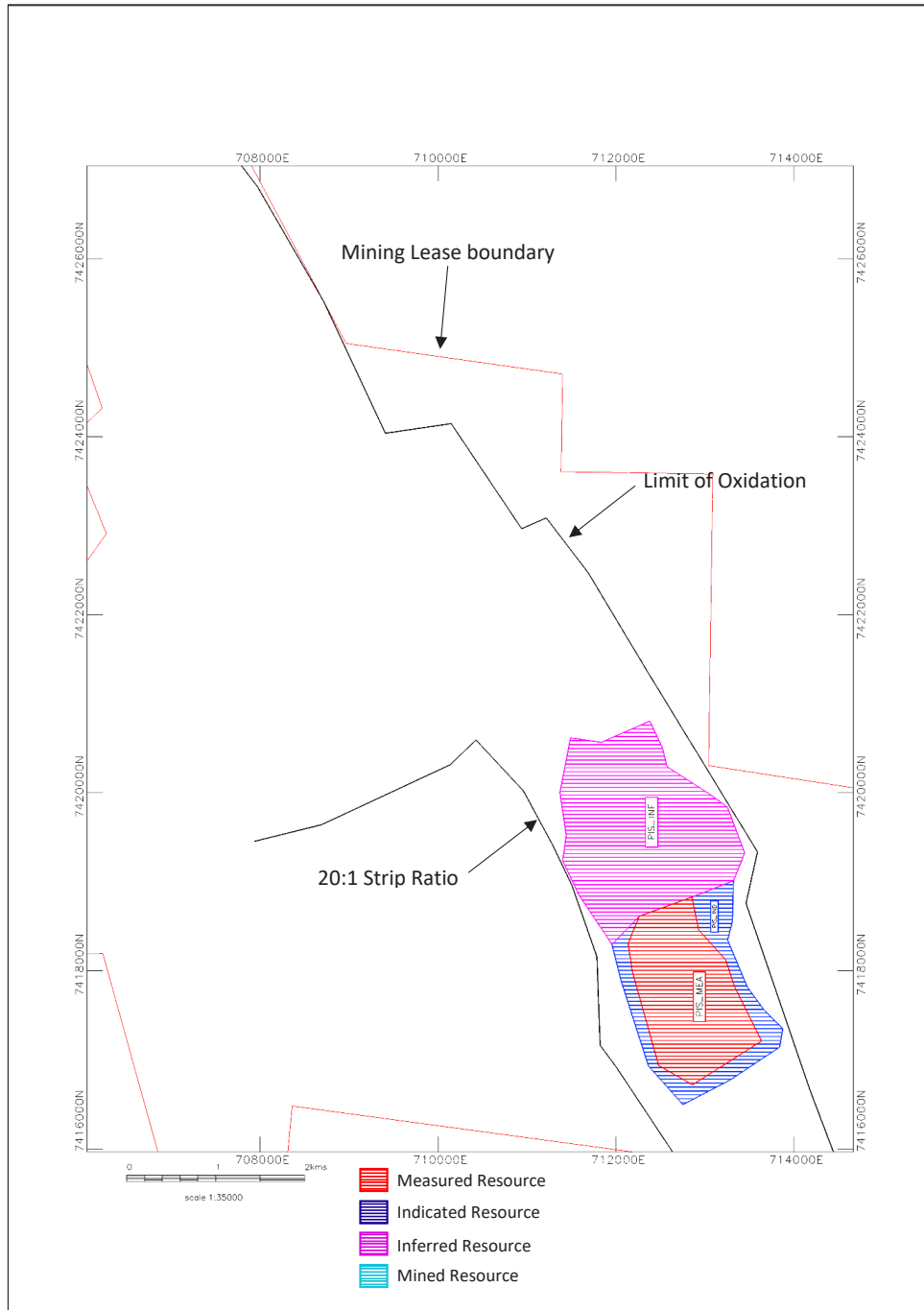


Figure 13 Yarrabee East Pisces Resource Polygons

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COMPETENT PERSON'S REPORT

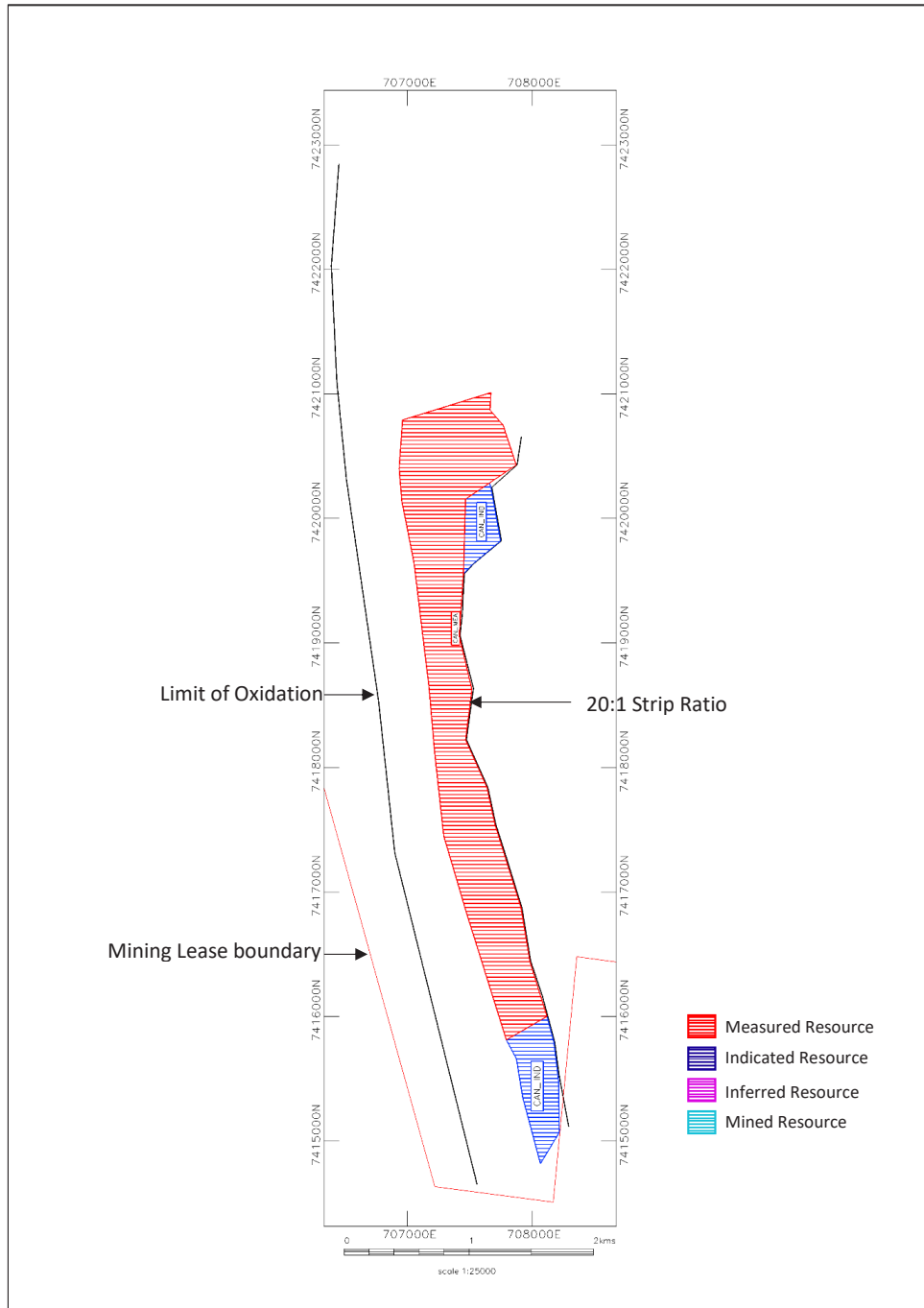


Figure 21 Domain 2 Cancer Resource Polygons

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Figure 23 Domain 2 Aries Resource Polygons

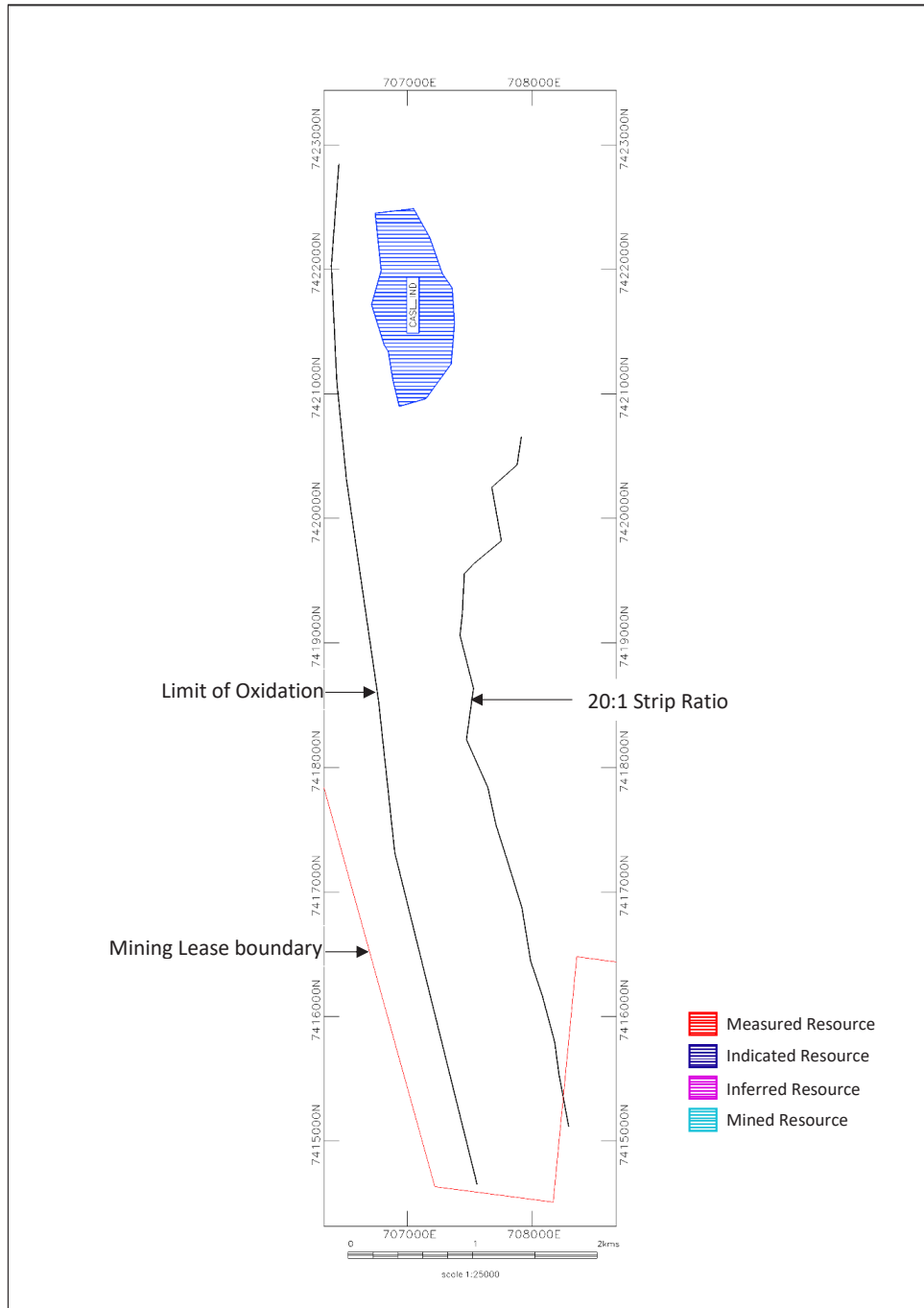


Figure 25 Domain 2 Castor Lower Resource Polygons

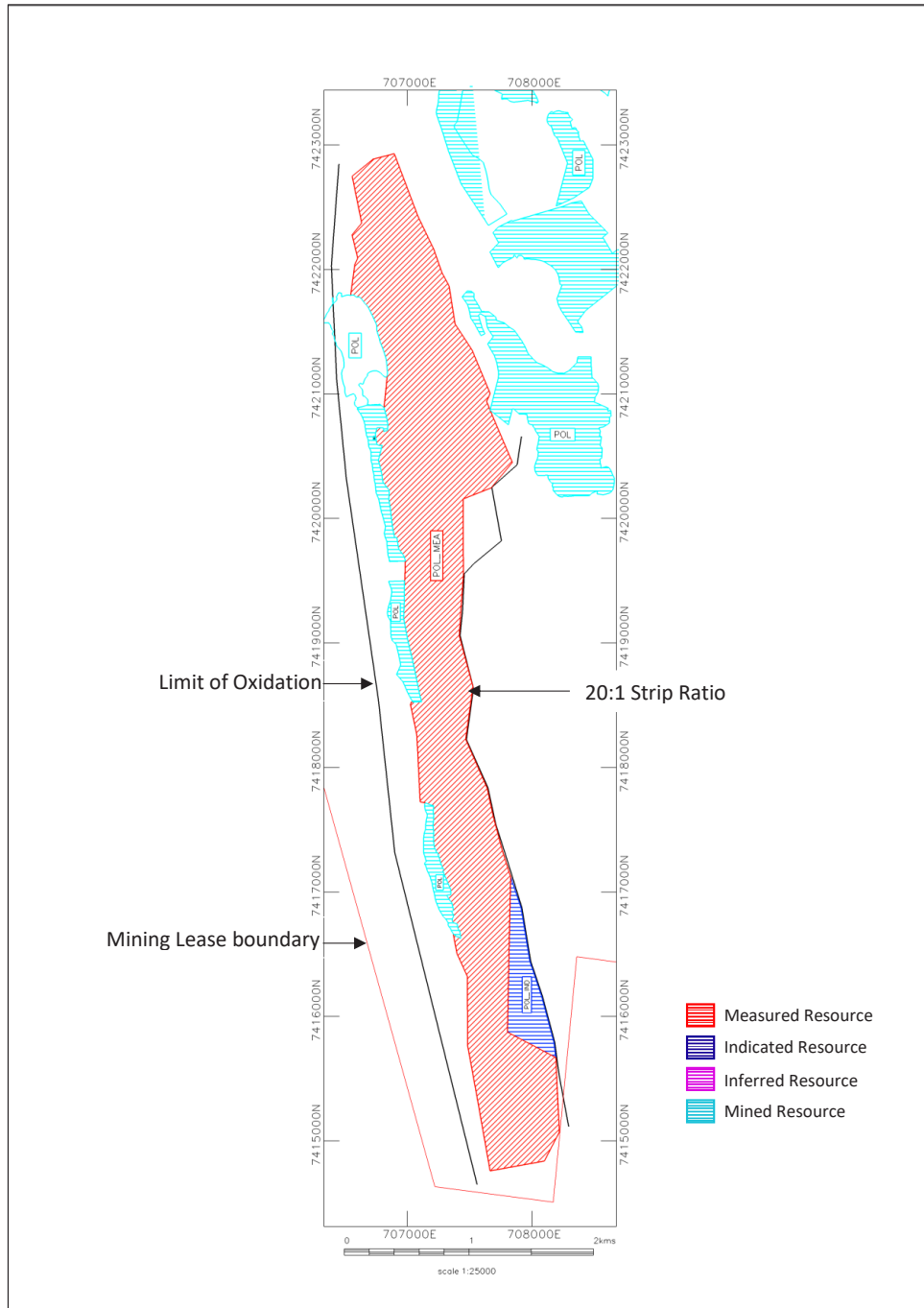


Figure 27 Domain 2 Pollux Resource Polygons

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COMPETENT PERSON'S REPORT

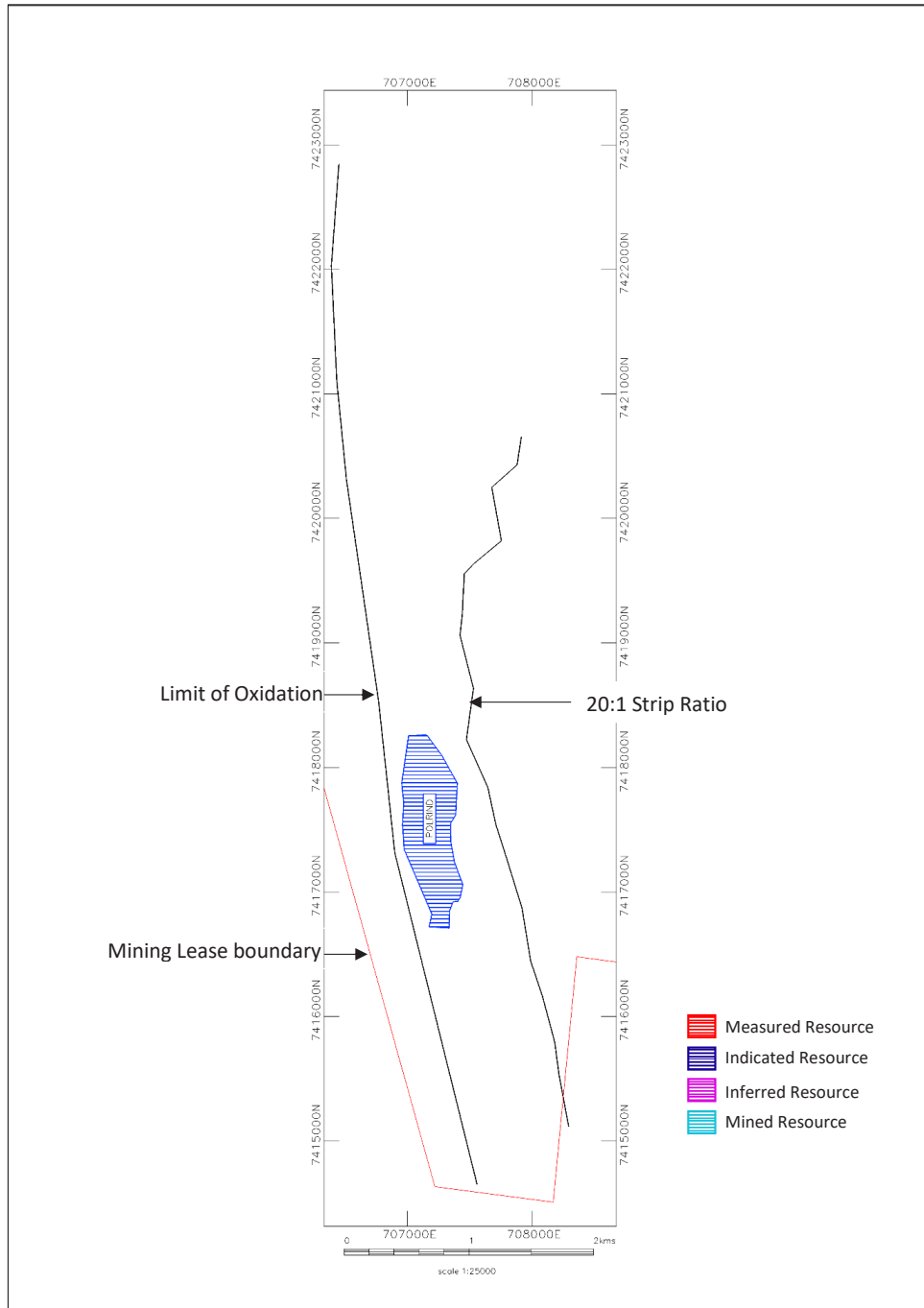


Figure 29 Domain 2 Pisces Upper Resource Polygons

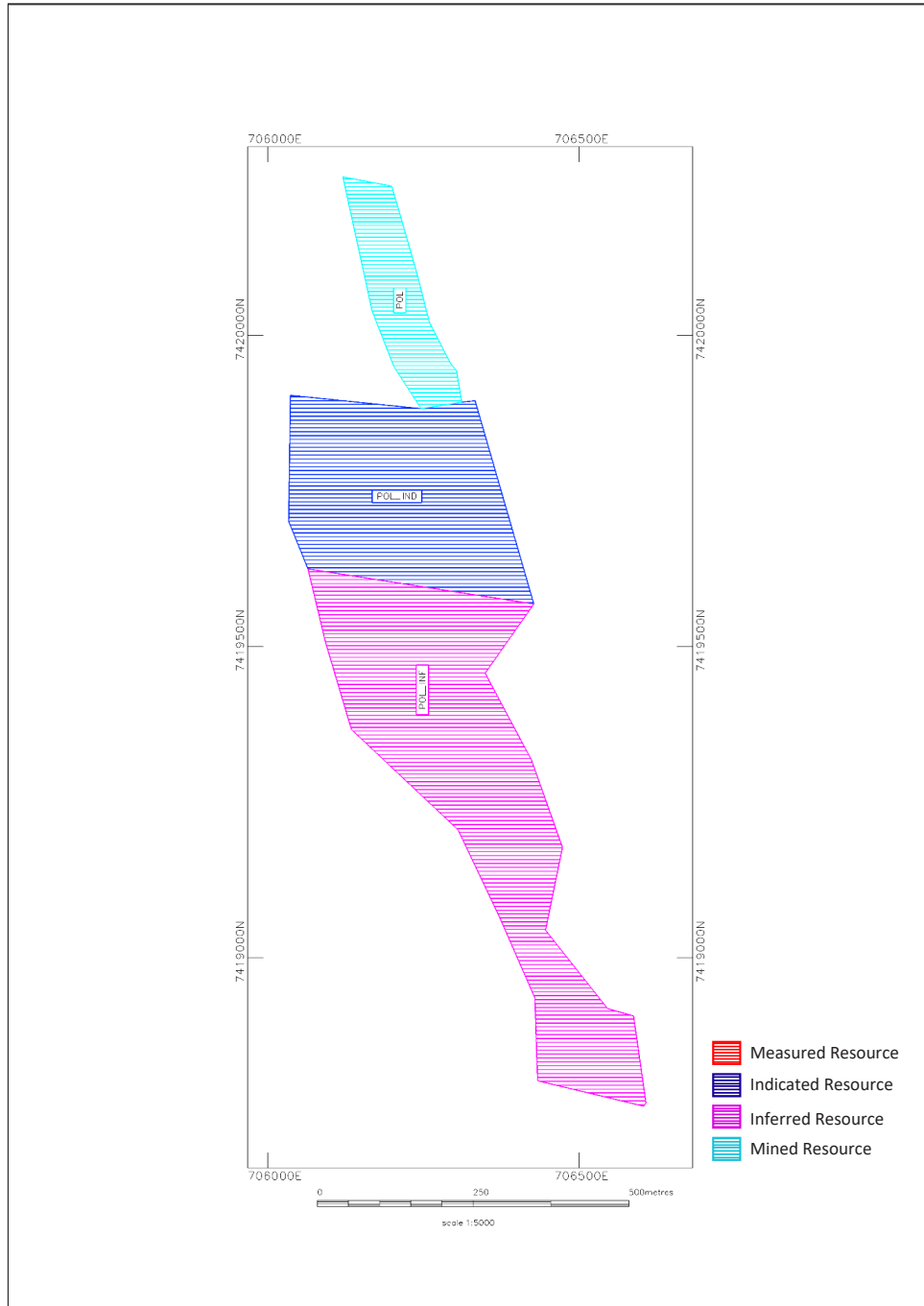


Figure 37 Domain 3 Pollux Resource Polygons

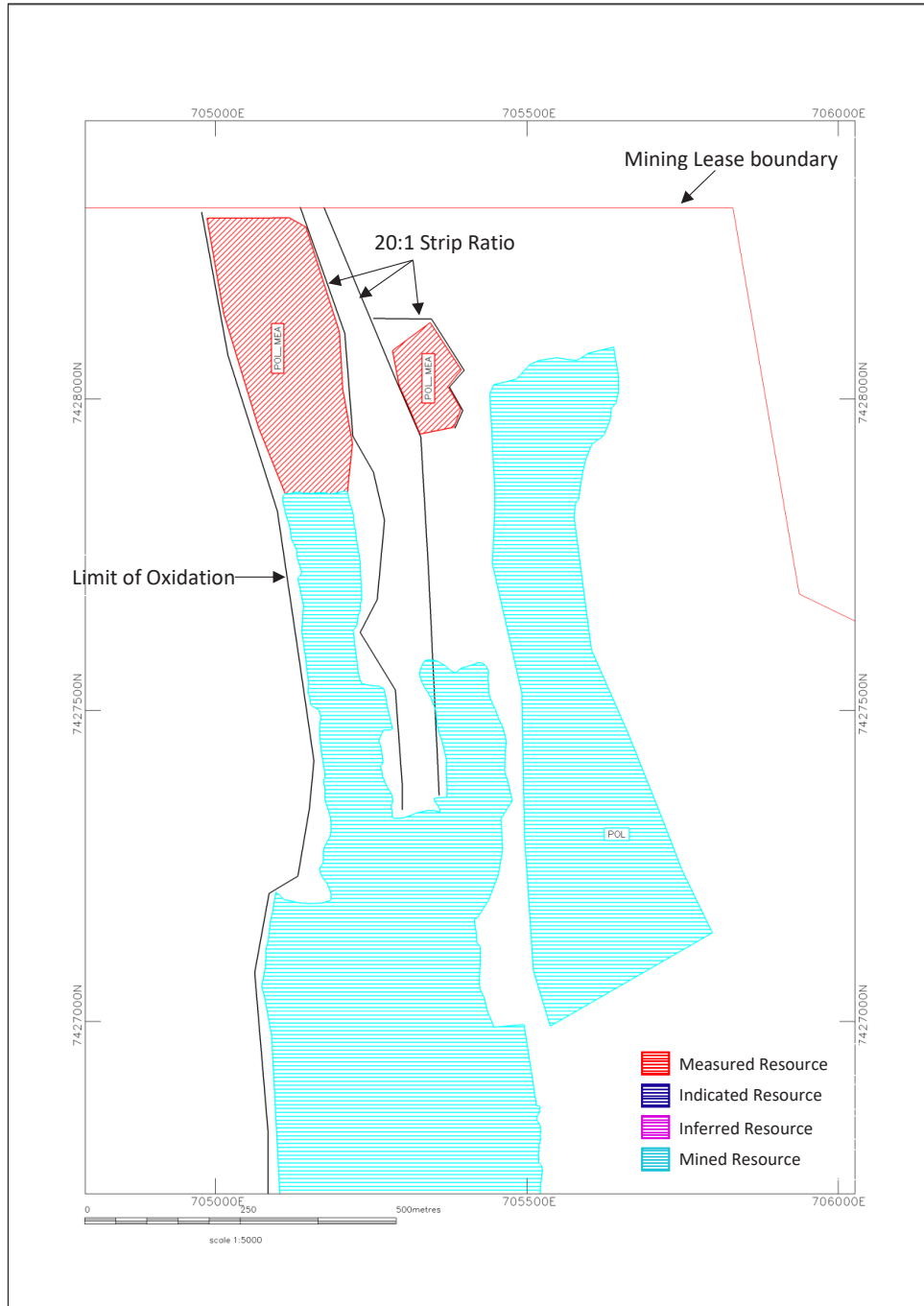


Figure 42 Domain 5 Pollux Resource Polygons

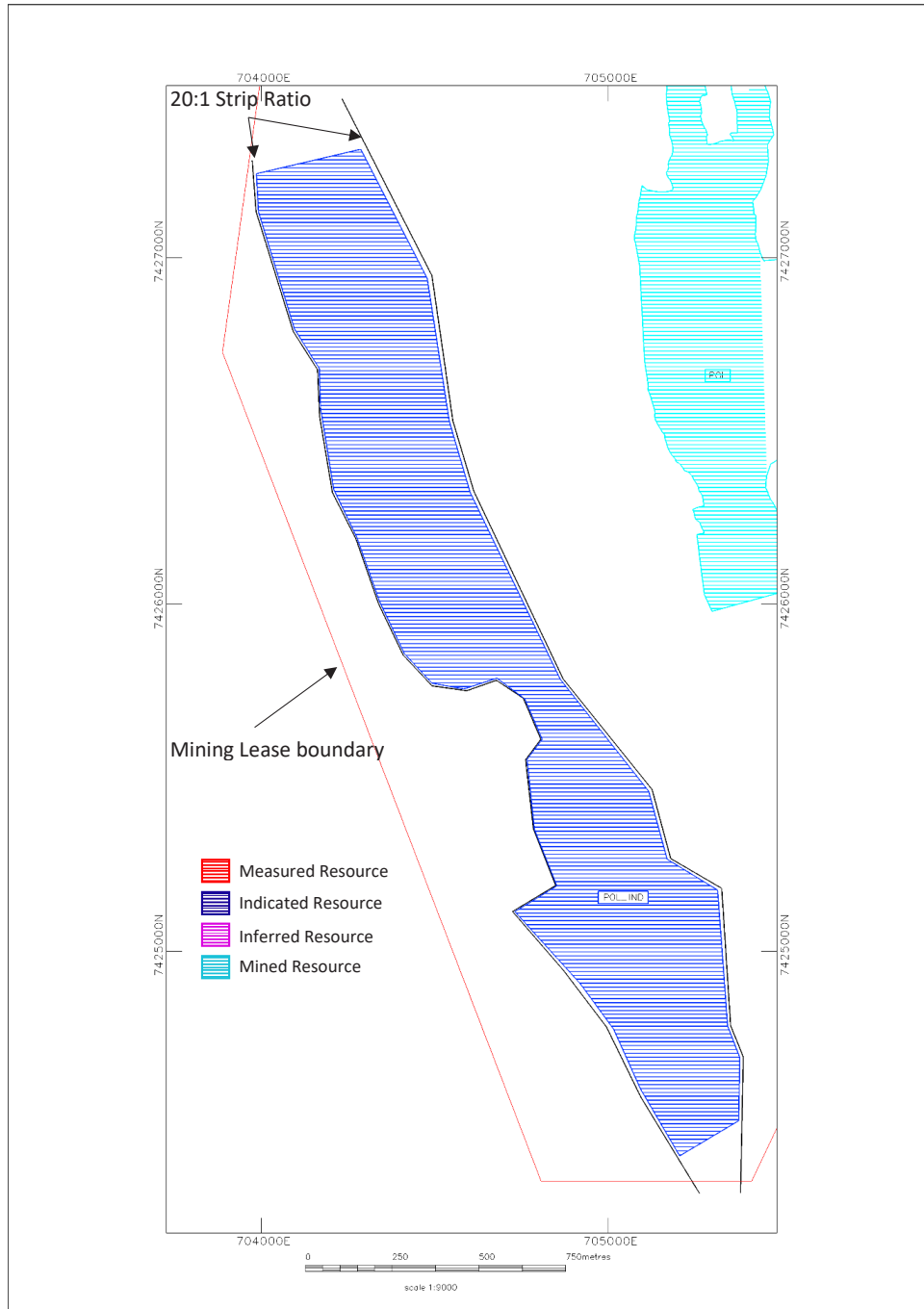


Figure 47 Domain 6 Pollux Resource Polygons

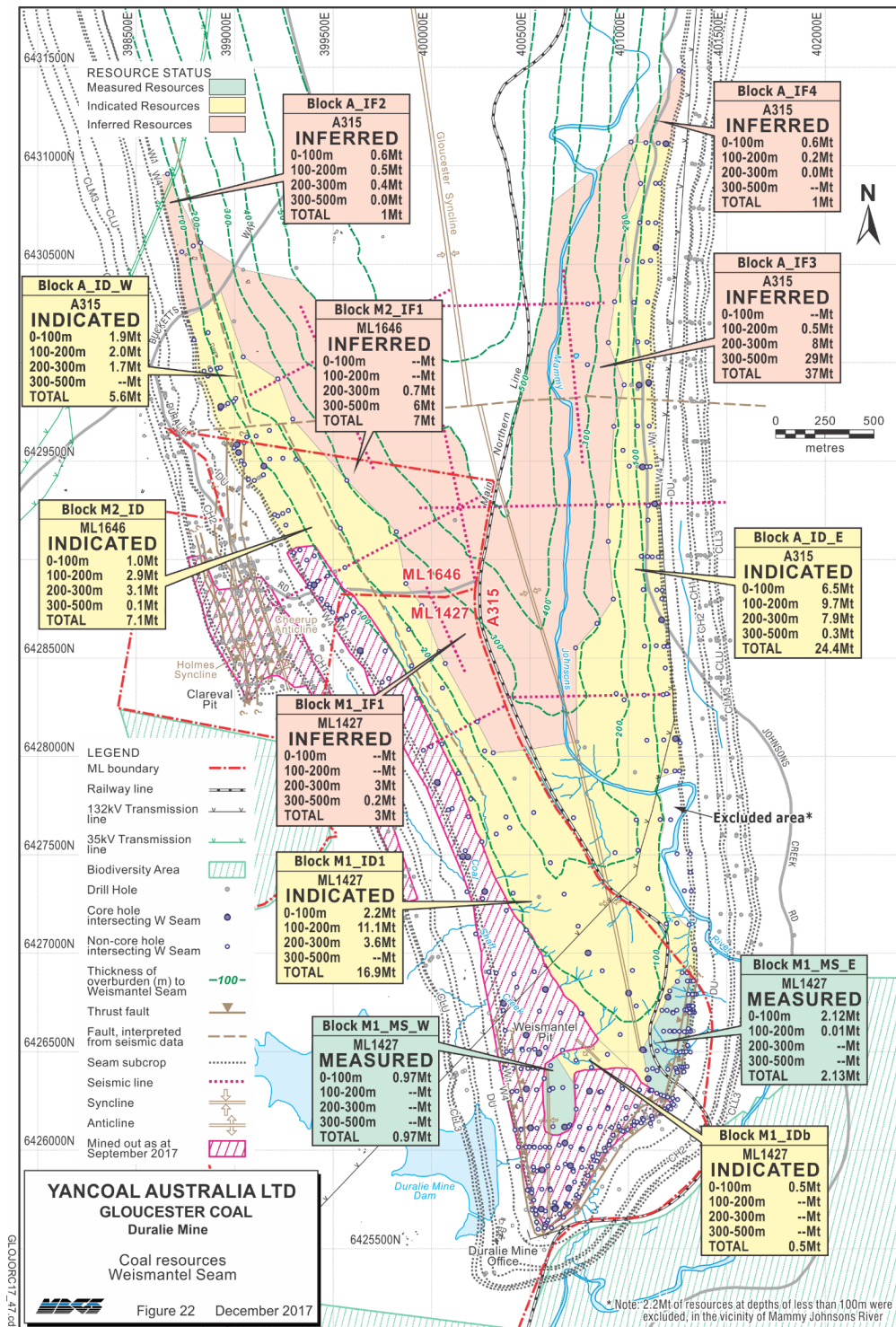


Resource Polygons
Stratford Duralie

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COMPETENT PERSON'S REPORT

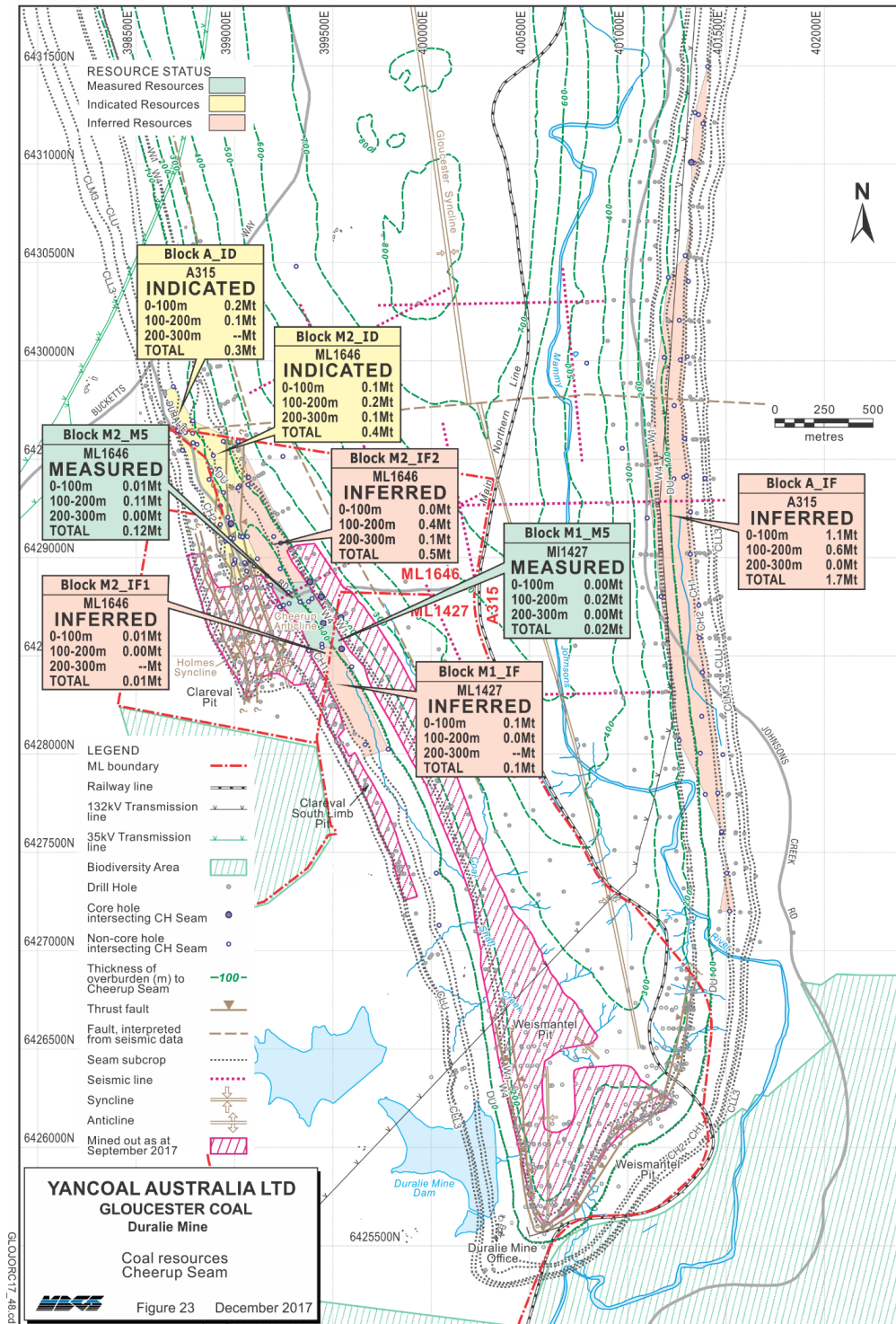
COMPETENT PERSON RESOURCE REPORT – GLOUCESTER COAL LTD (STRATFORD MINE, DURALIE MINE AND GRANT & CHAINEY PROJECT), GLOUCESTER BASIN, 2017



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COMPETENT PERSON'S REPORT

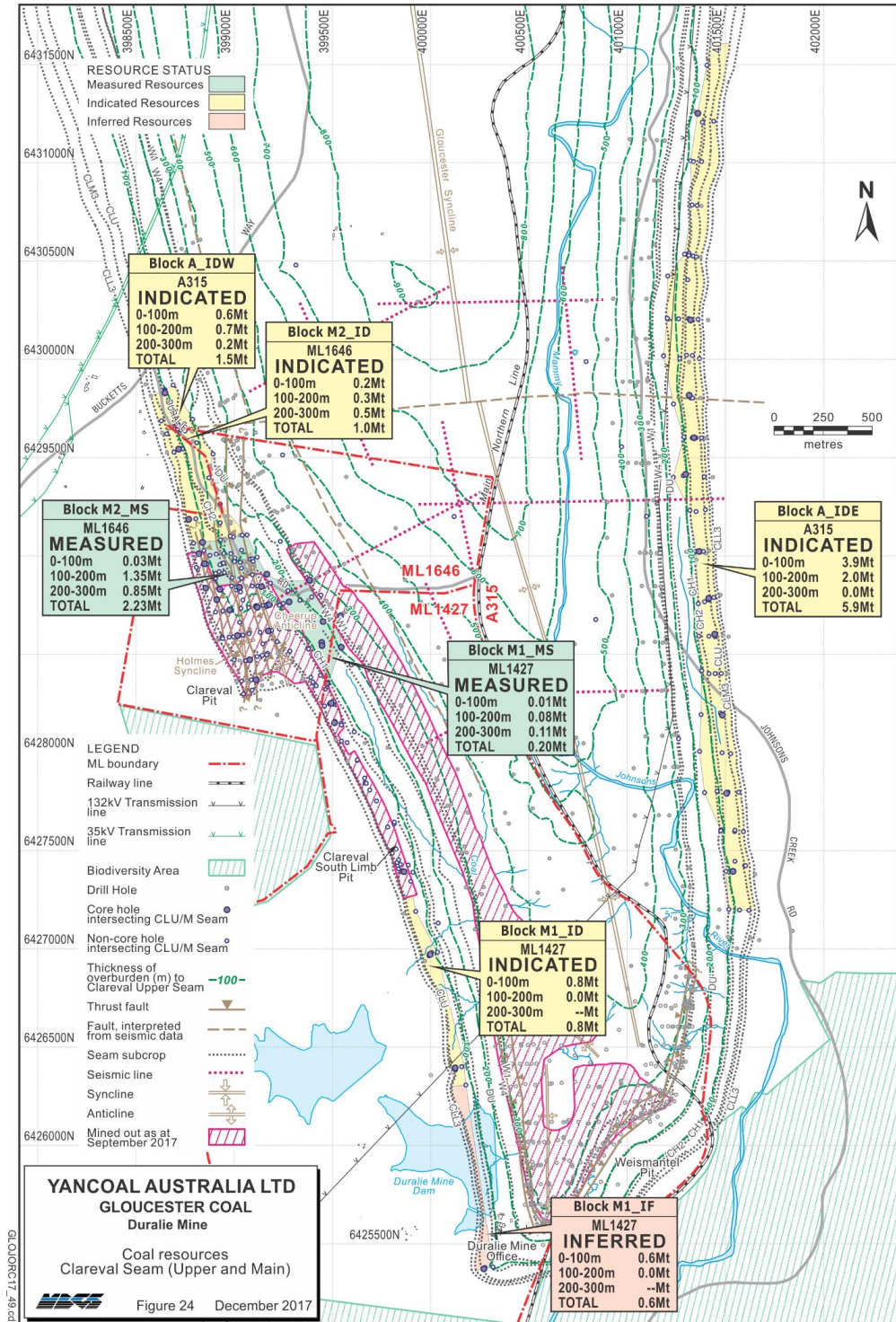
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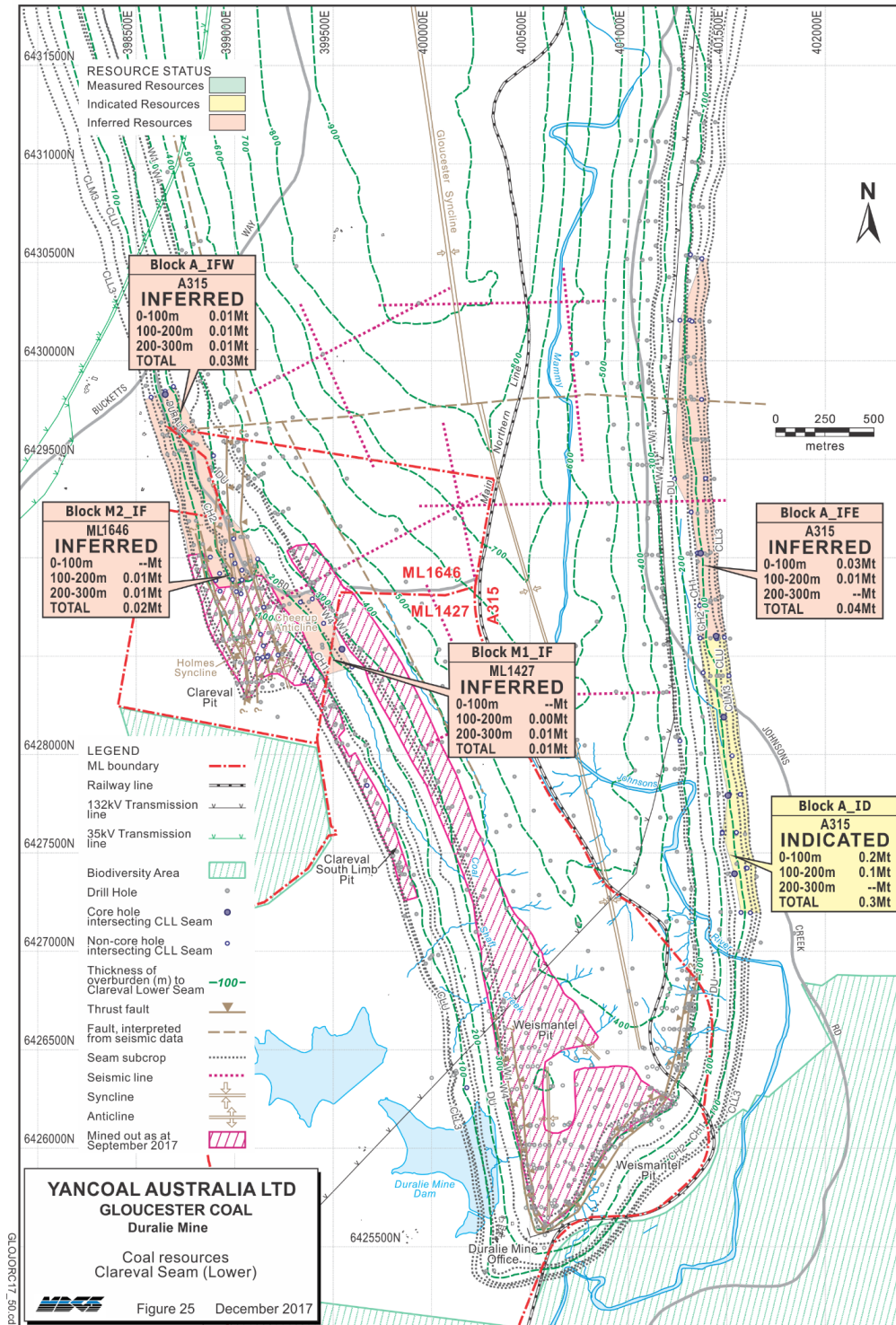
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COMPETENT PERSON'S REPORT

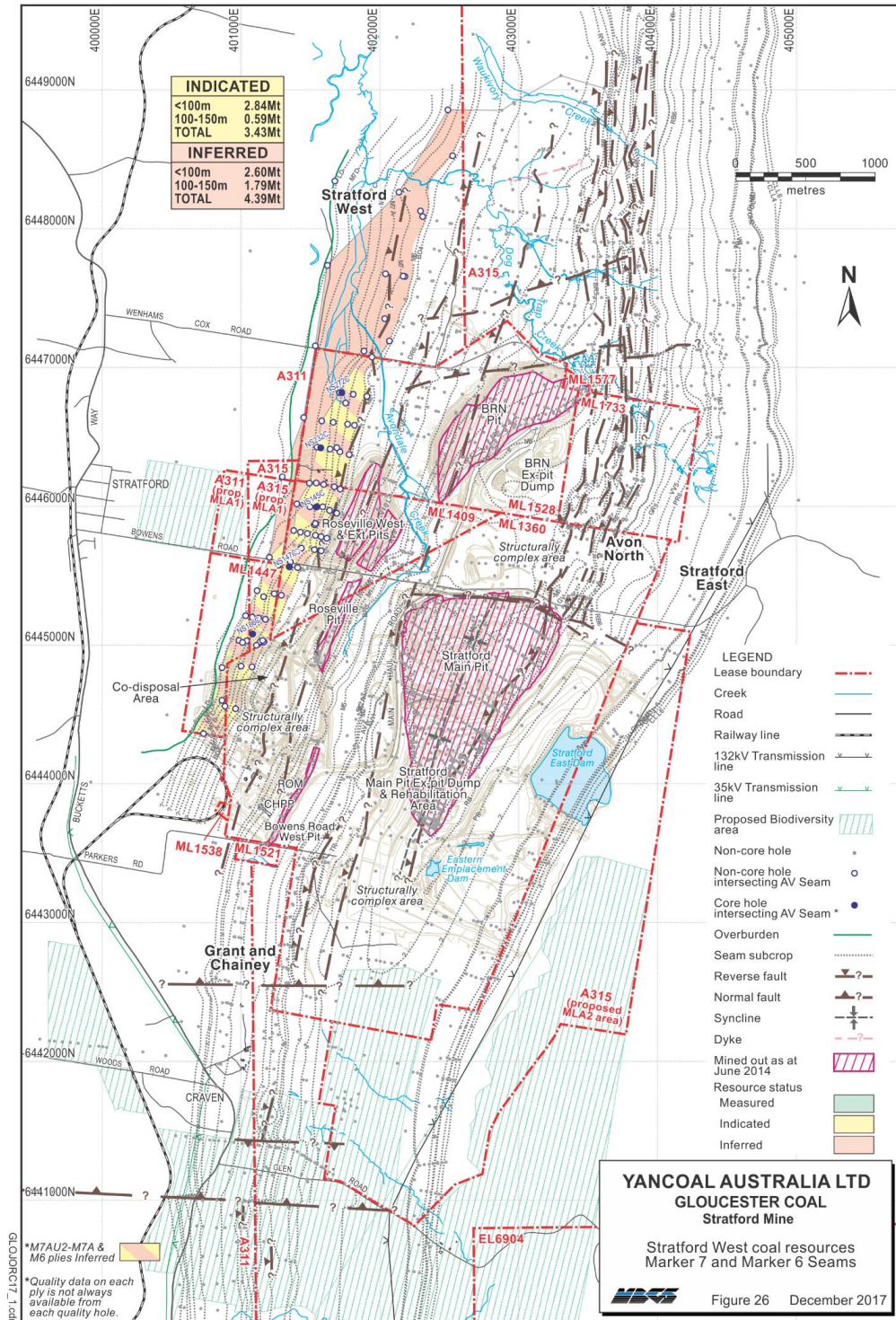
COMPETENT PERSON RESOURCE REPORT – GLOUCESTER COAL LTD (STRATFORD MINE, DURALIE MINE AND GRANT & CHAINEY PROJECT), GLOUCESTER BASIN, 2017



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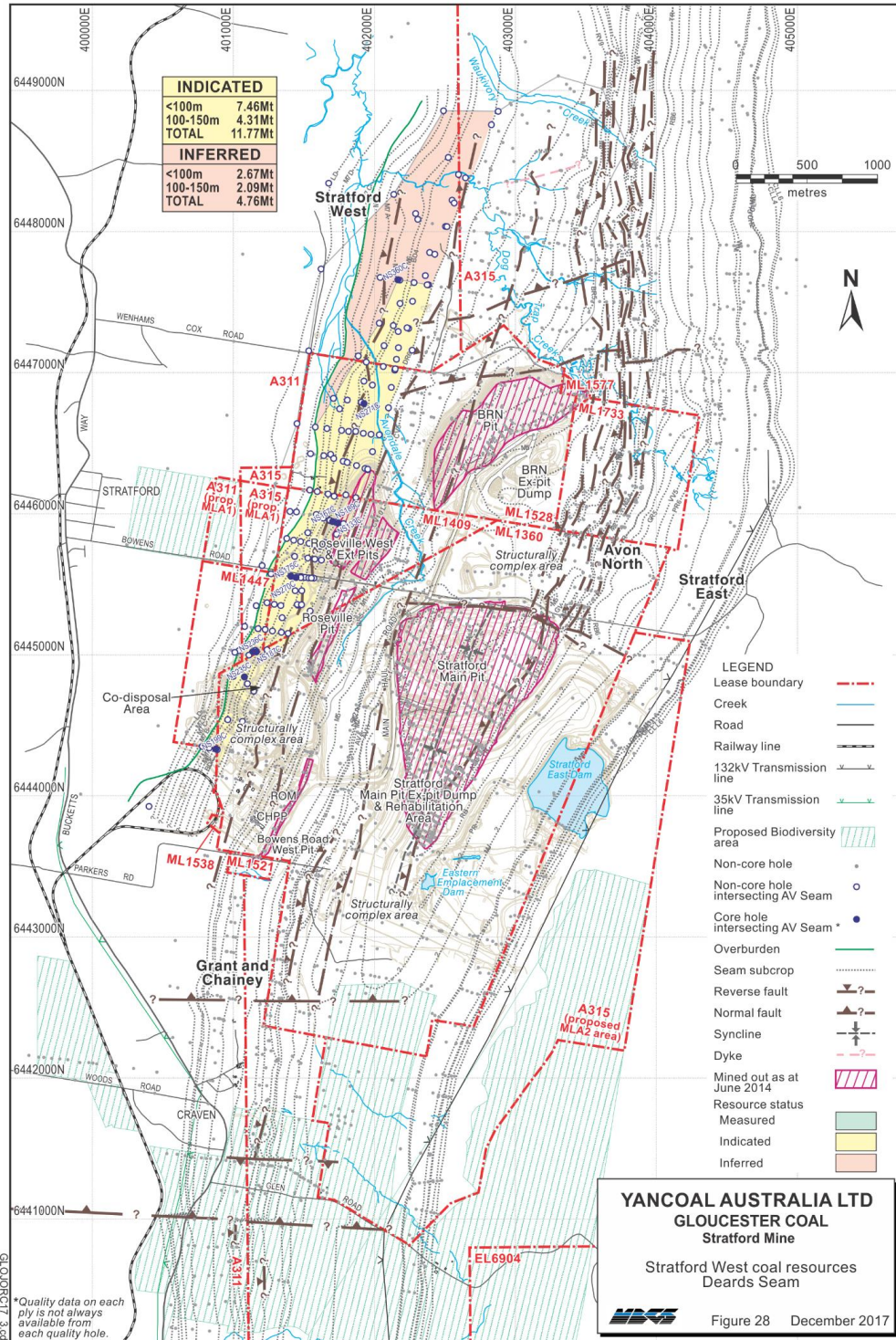
COMPETENT PERSON RESOURCE REPORT – GLOUCESTER COAL LTD (STRATFORD MINE, DURALIE MINE AND GRANT & CHAINEY PROJECT), GLOUCESTER BASIN, 2017



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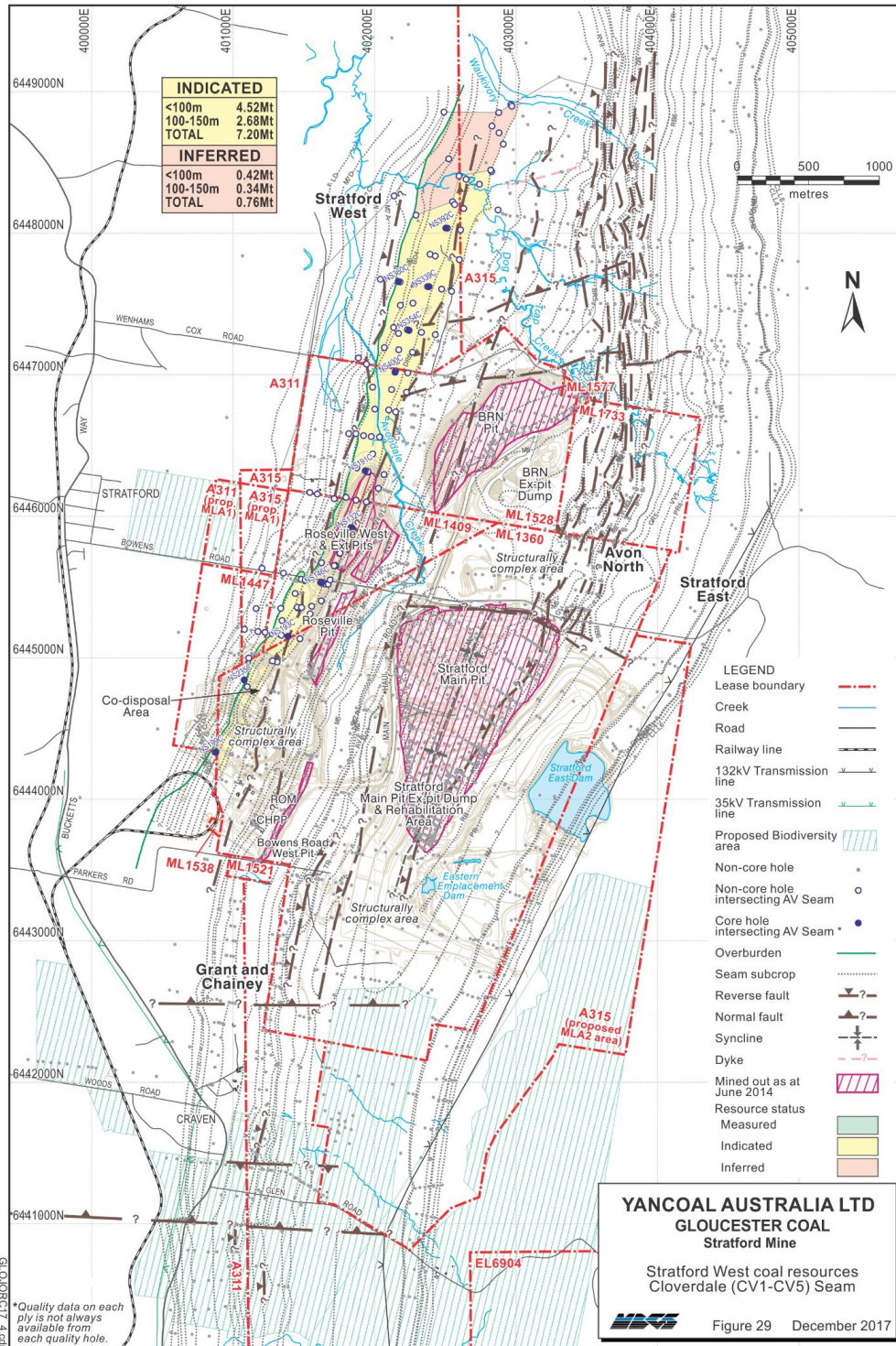
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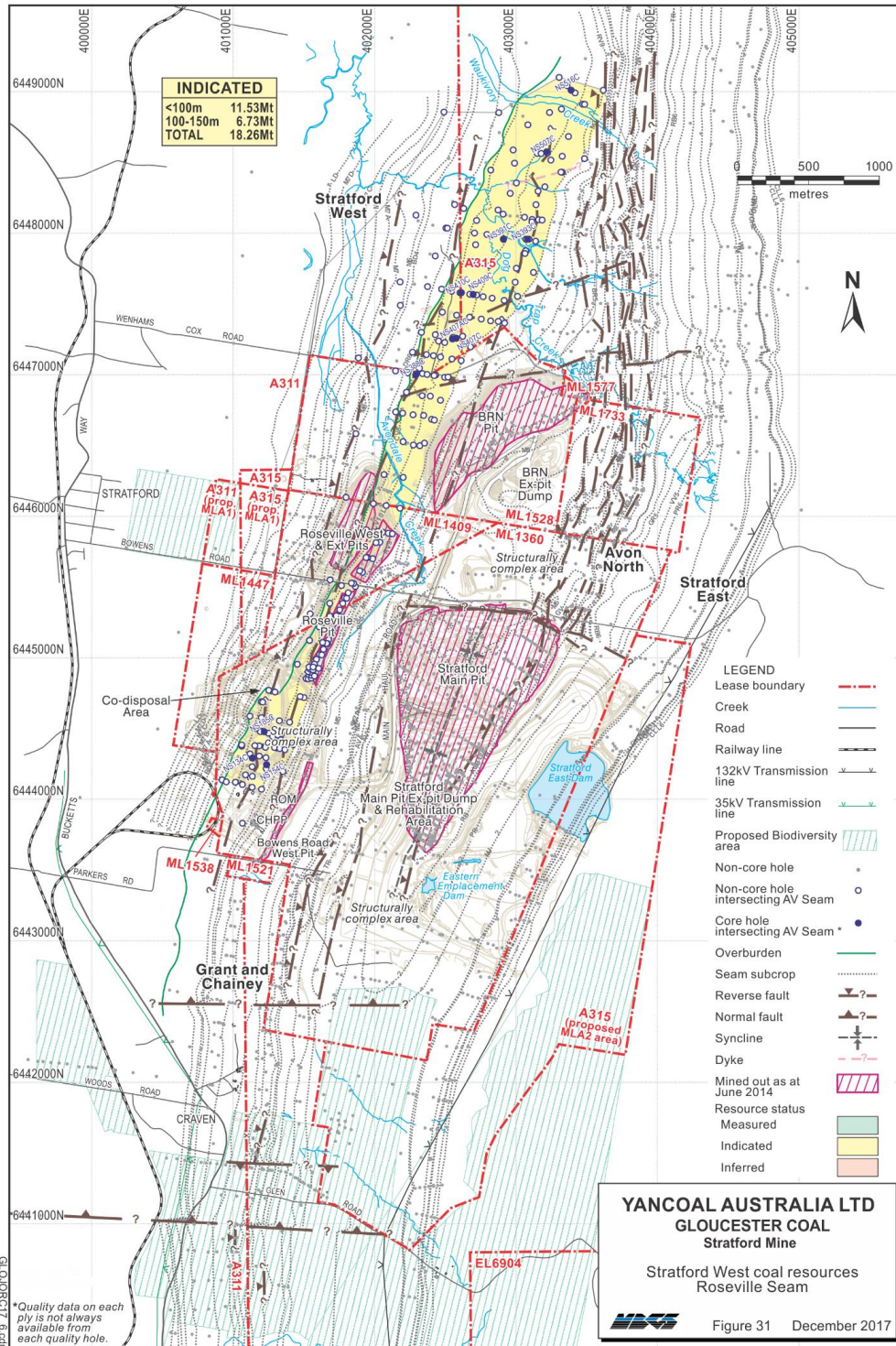
COMPETENT PERSON RESOURCE REPORT – GLOUCESTER COAL LTD (STRATFORD MINE, DURALIE MINE AND GRANT & CHAINEY PROJECT), GLOUCESTER BASIN, 2017



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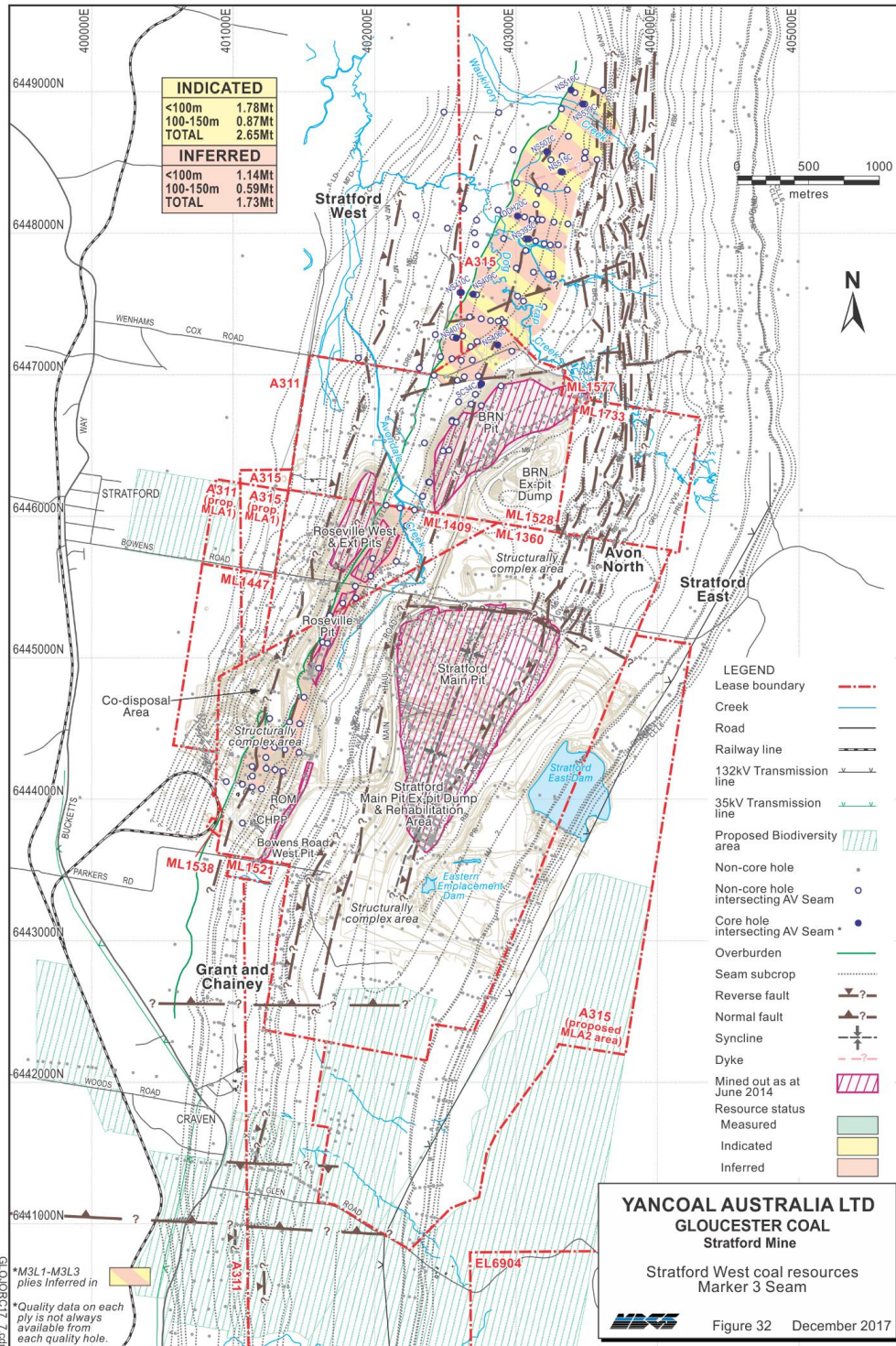
COMPETENT PERSON RESOURCE REPORT – GLOUCESTER COAL LTD (STRATFORD MINE, DURALIE MINE AND GRANT & CHAINEY PROJECT), GLOUCESTER BASIN, 2017



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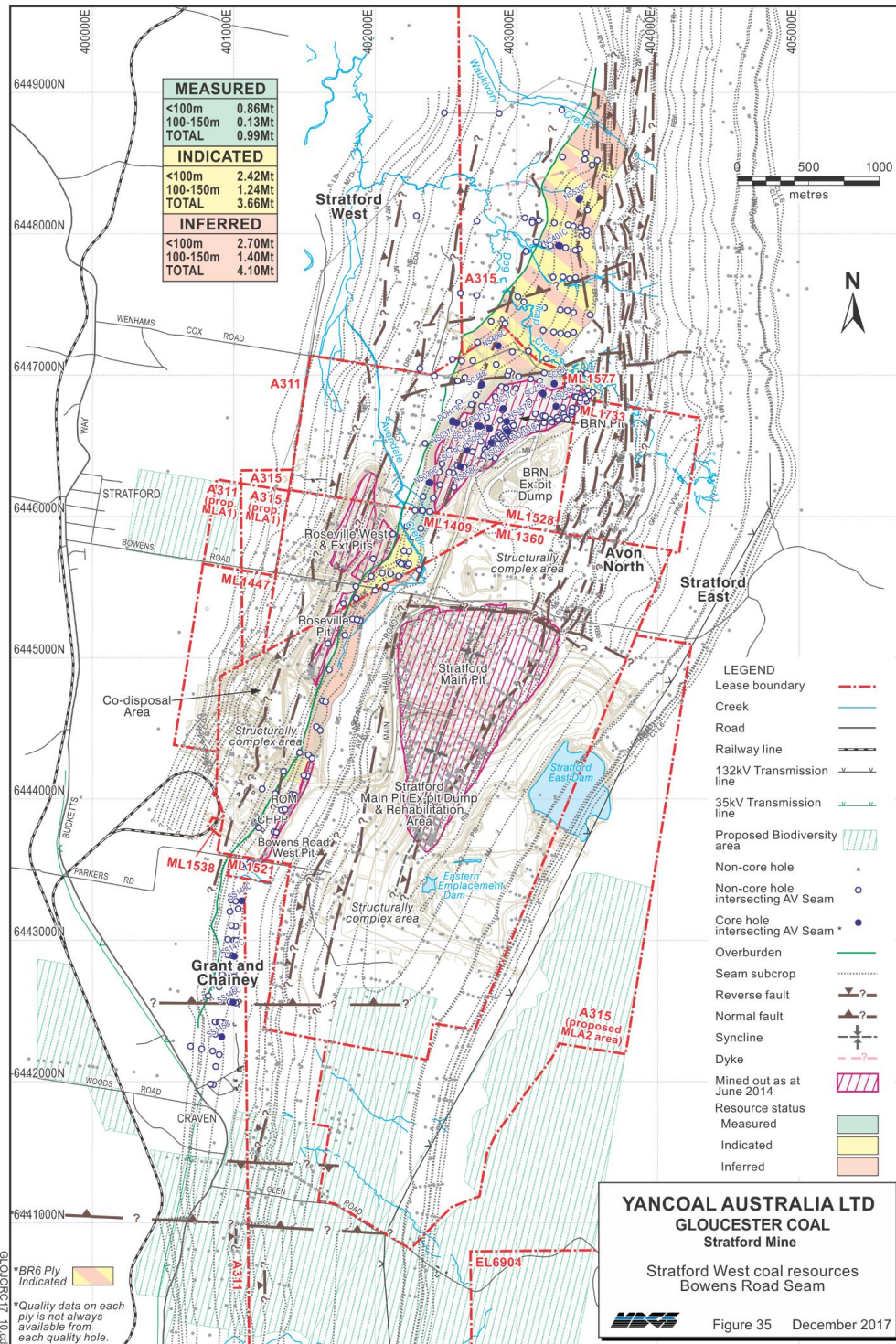
COMPETENT PERSON RESOURCE REPORT – GLOUCESTER COAL LTD (STRATFORD MINE, DURALIE MINE AND GRANT & CHAINEY PROJECT), GLOUCESTER BASIN, 2017



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COMPETENT PERSON'S REPORT

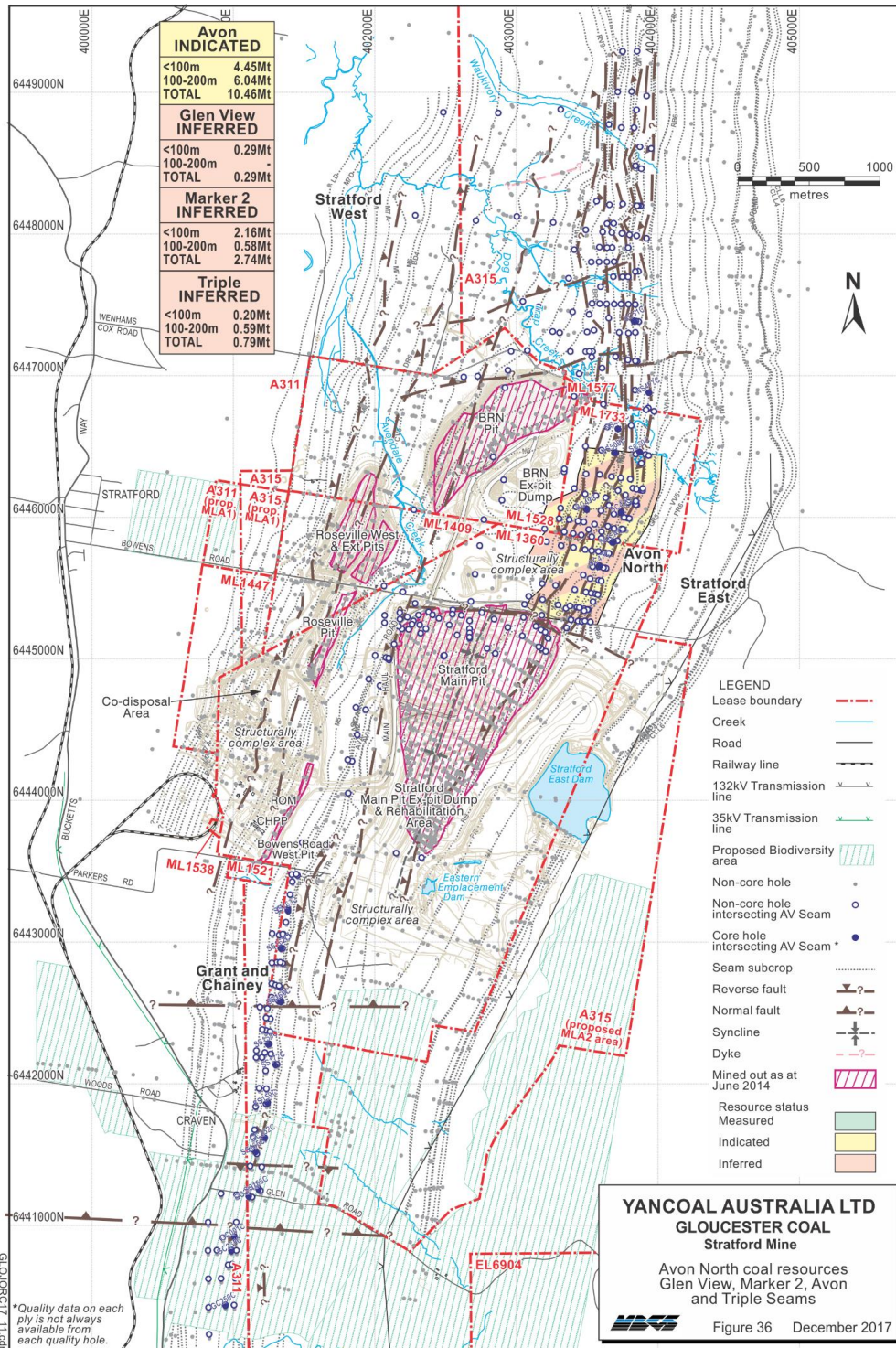
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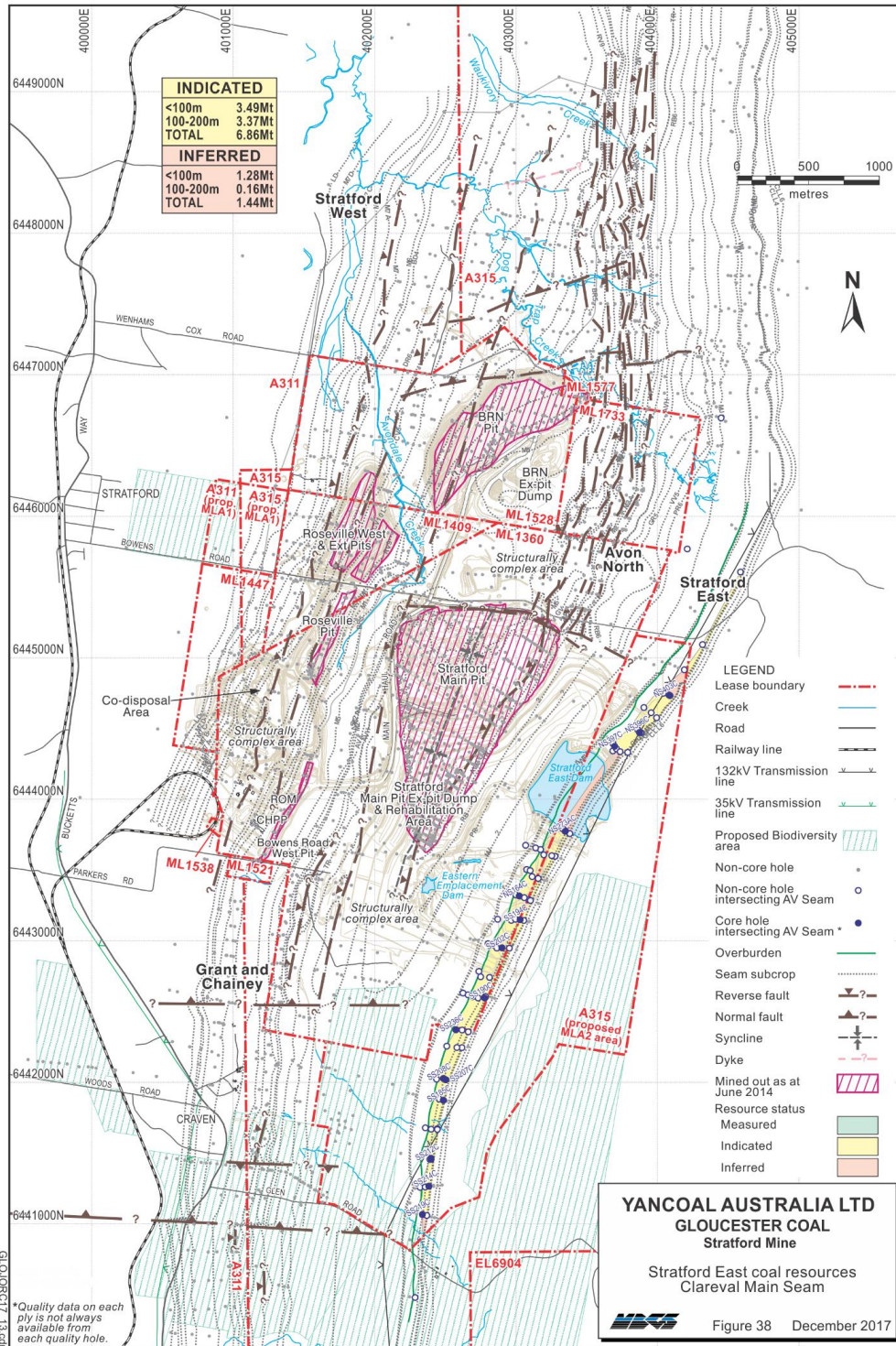
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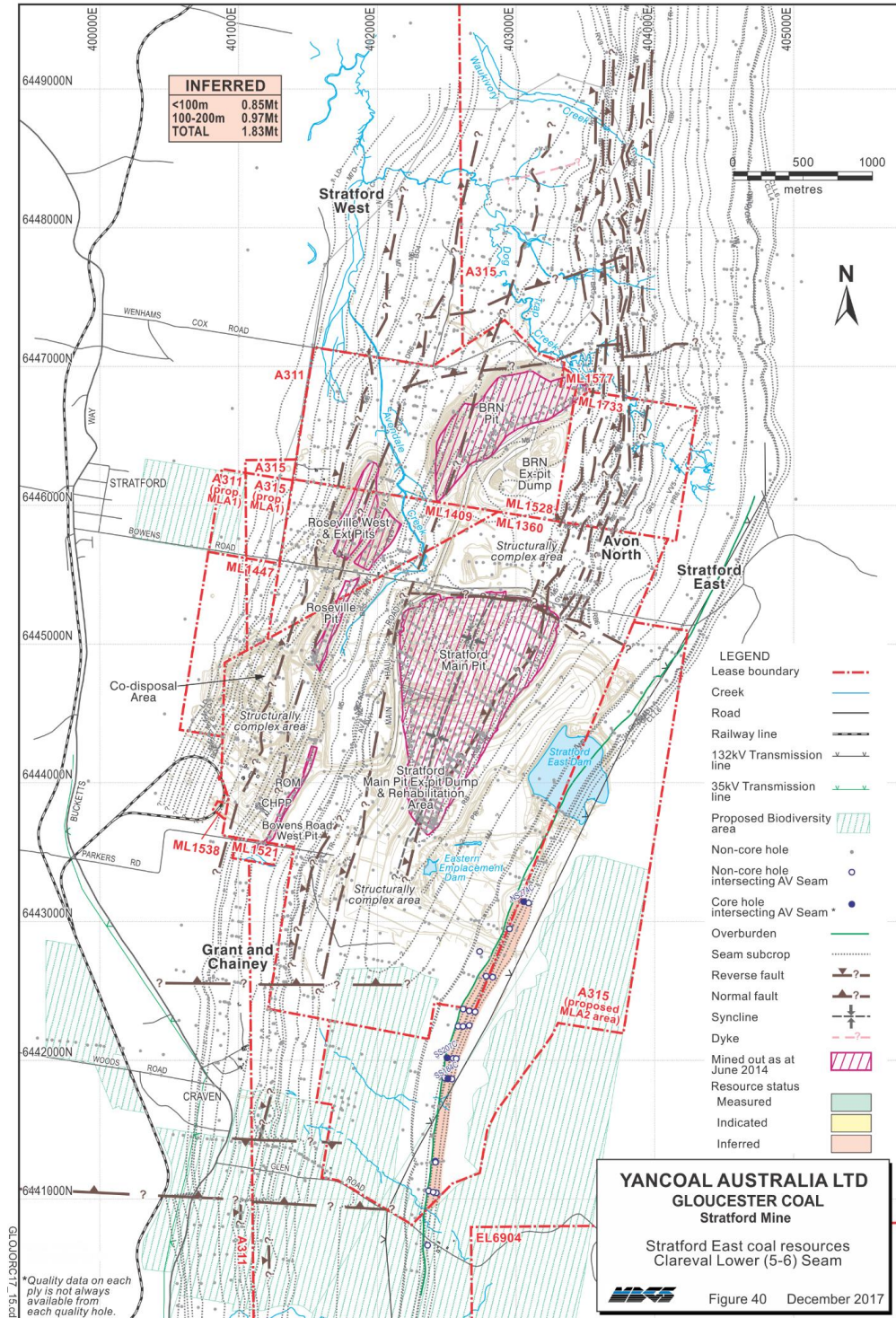
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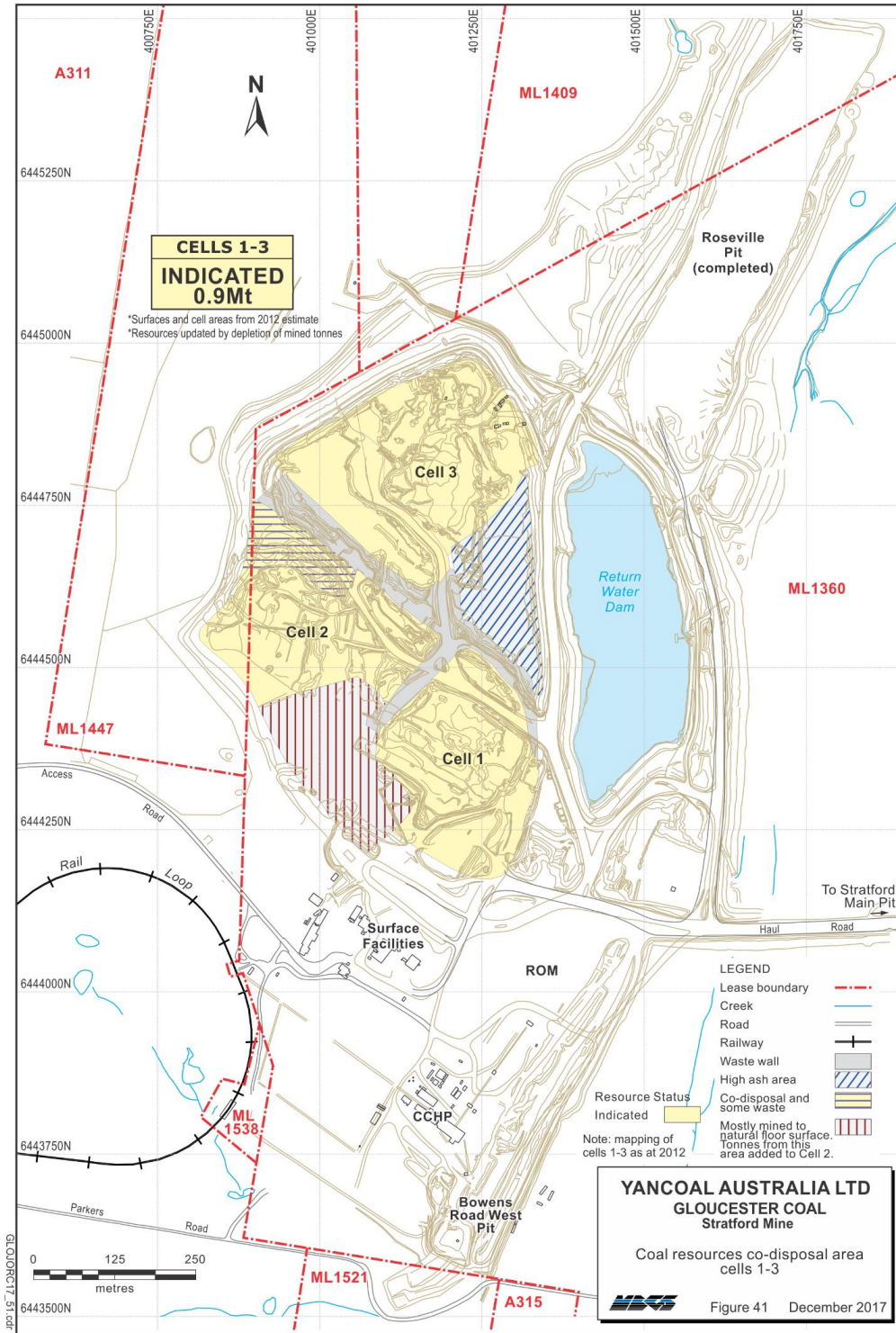
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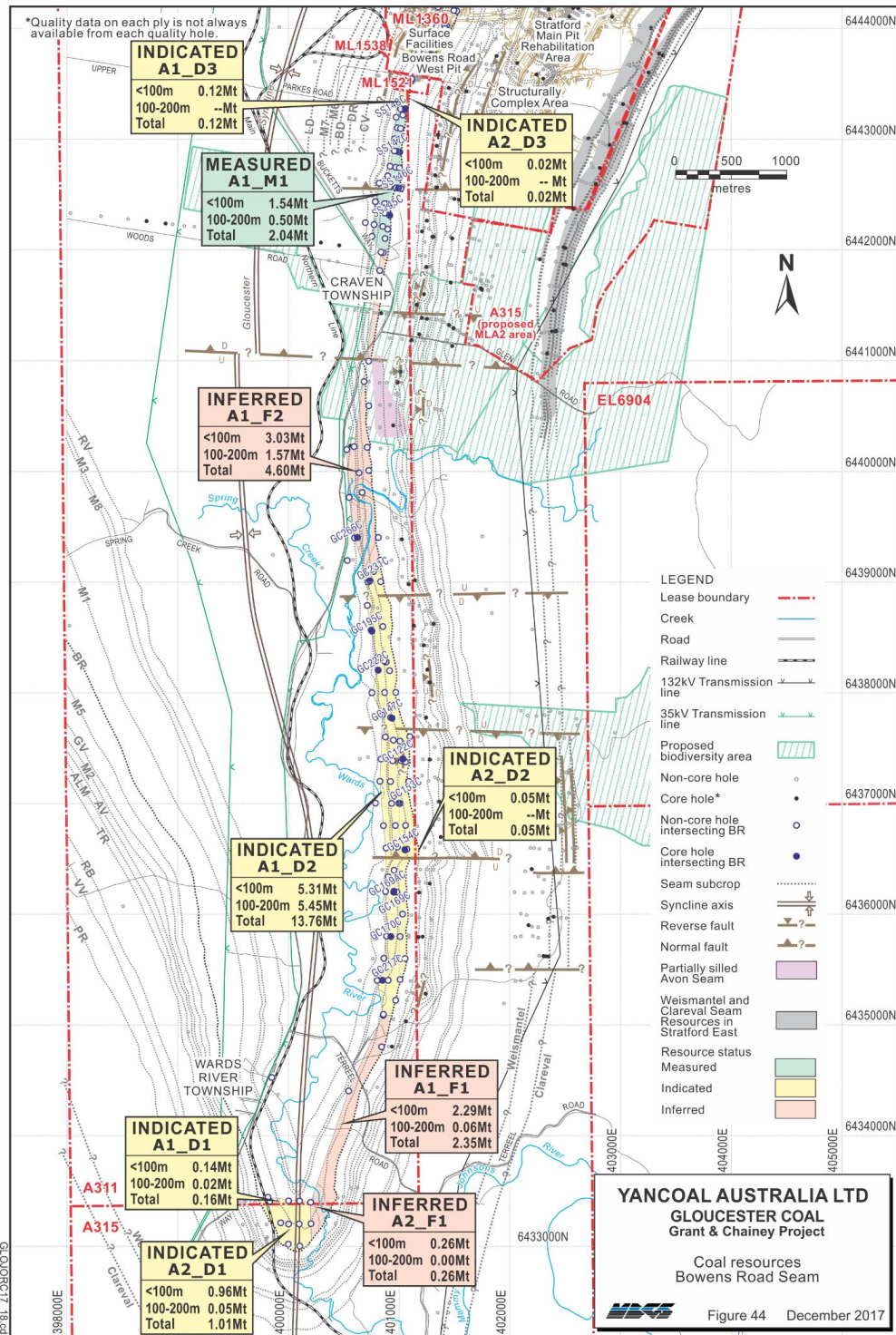
COMPETENT PERSON RESOURCE REPORT – GLOUCESTER COAL LTD (STRATFORD MINE, DURALIE MINE AND GRANT & CHAINEY PROJECT), GLOUCESTER BASIN, 2017



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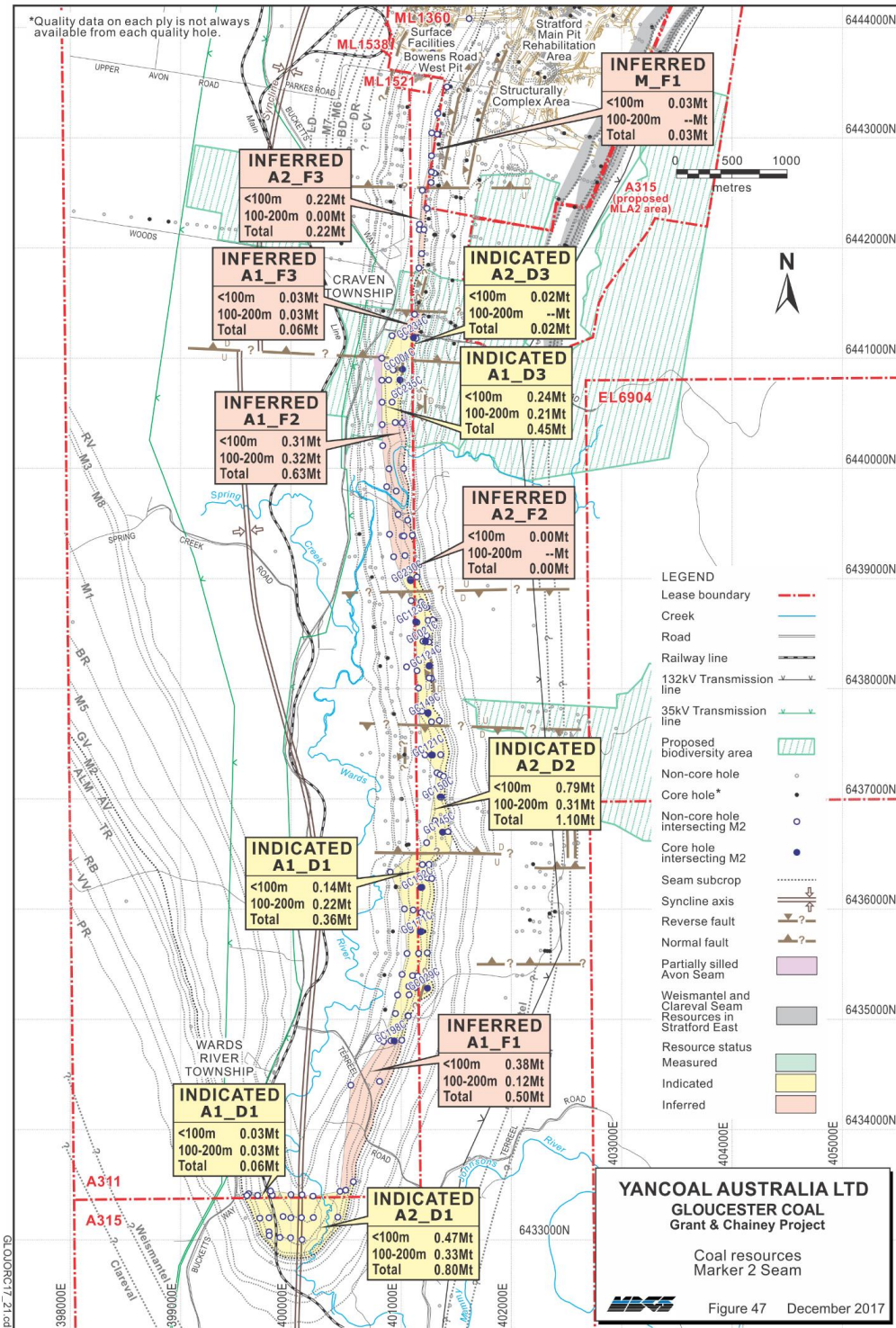
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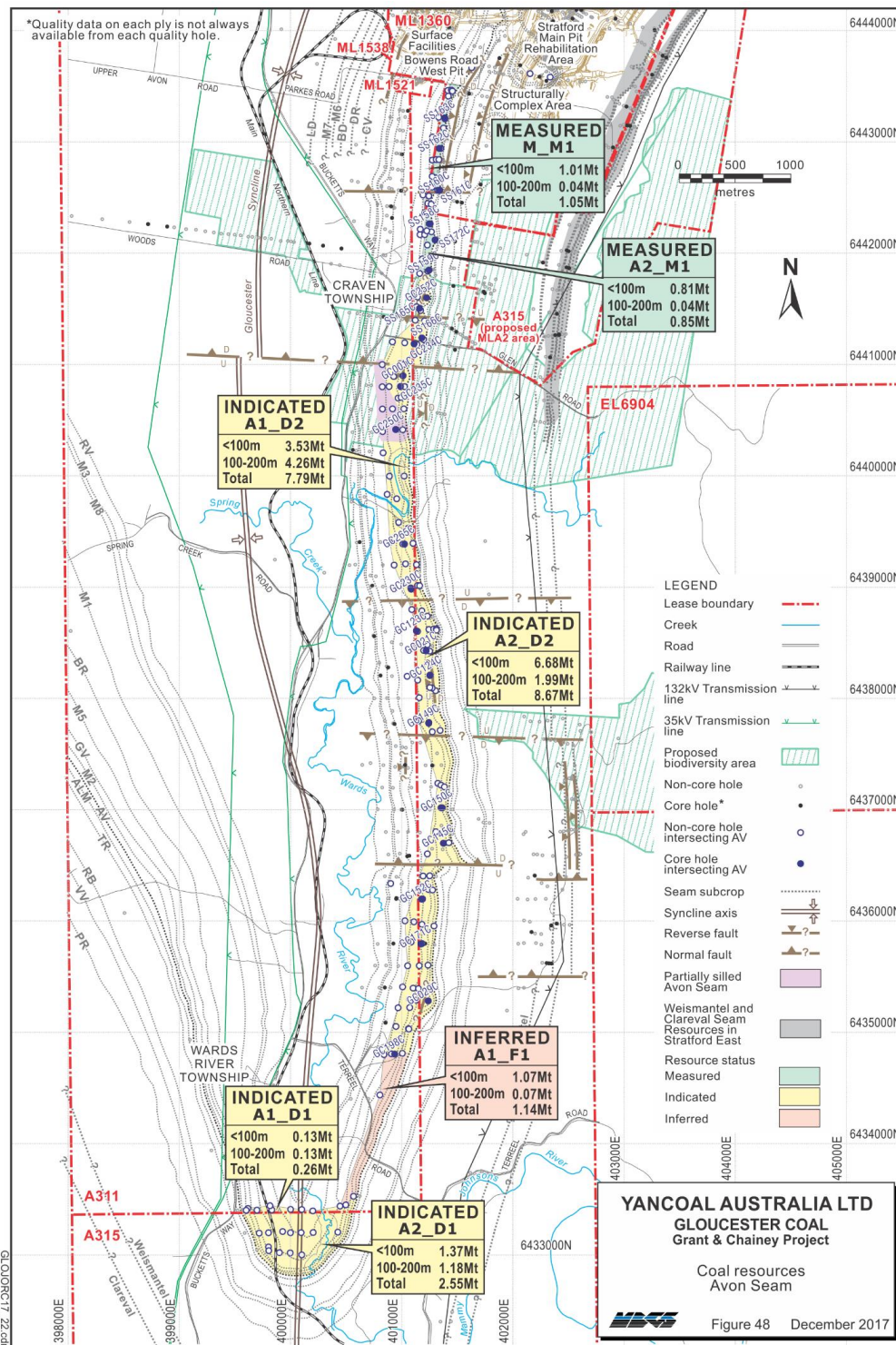
COMPETENT PERSON RESOURCE REPORT – GLOUCESTER COAL LTD (STRATFORD MINE, DURALIE MINE AND GRANT & CHAINEY PROJECT), GLOUCESTER BASIN, 2017



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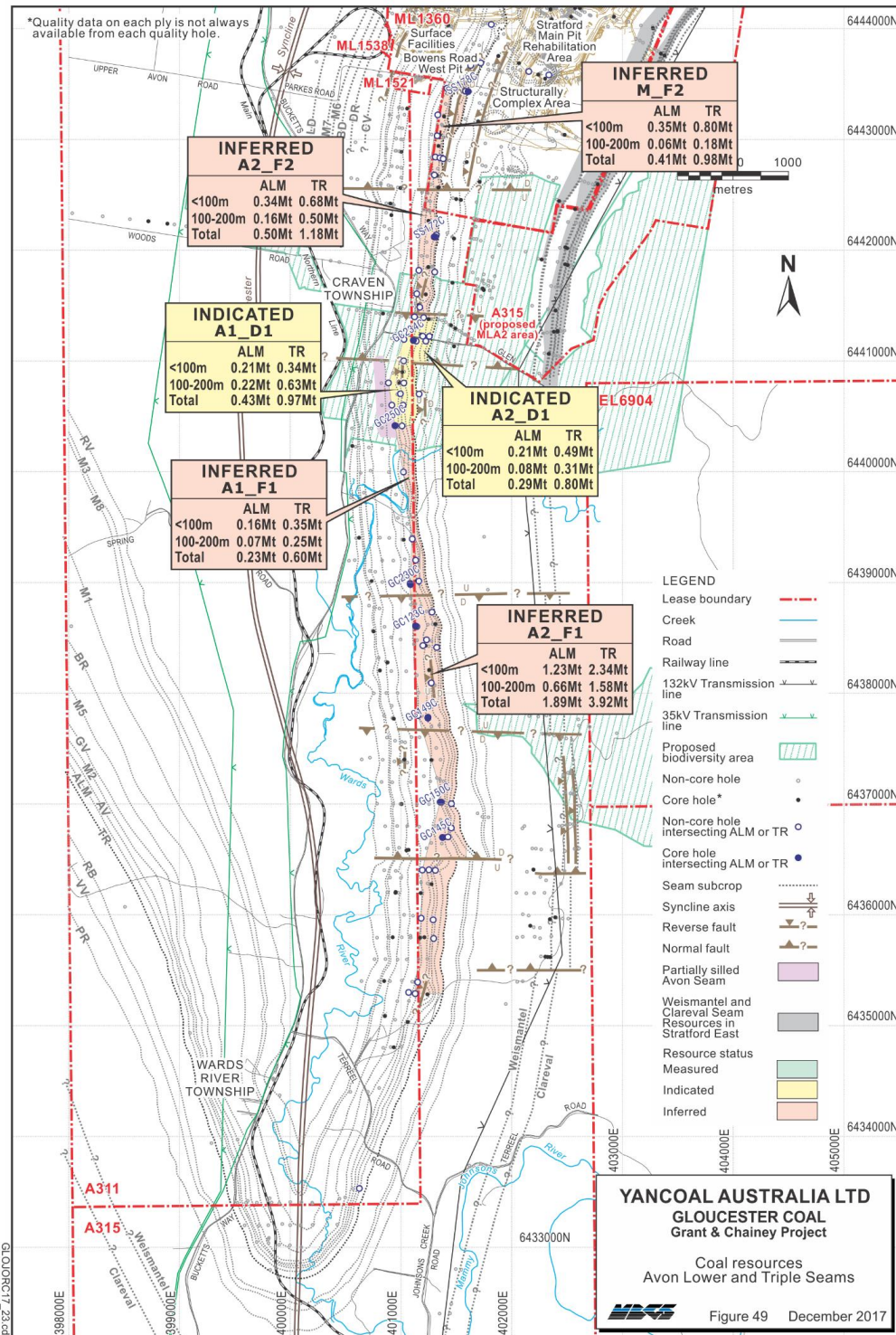
COMPETENT PERSON RESOURCE REPORT – GLOUCESTER COAL LTD (STRATFORD MINE, DURALIE MINE AND GRANT & CHAINEY PROJECT), GLOUCESTER BASIN, 2017



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COMPETENT PERSON RESOURCE REPORT – GLOUCESTER COAL LTD (STRATFORD MINE, DURALIE MINE AND GRANT & CHAINEY PROJECT), GLOUCESTER BASIN, 2017



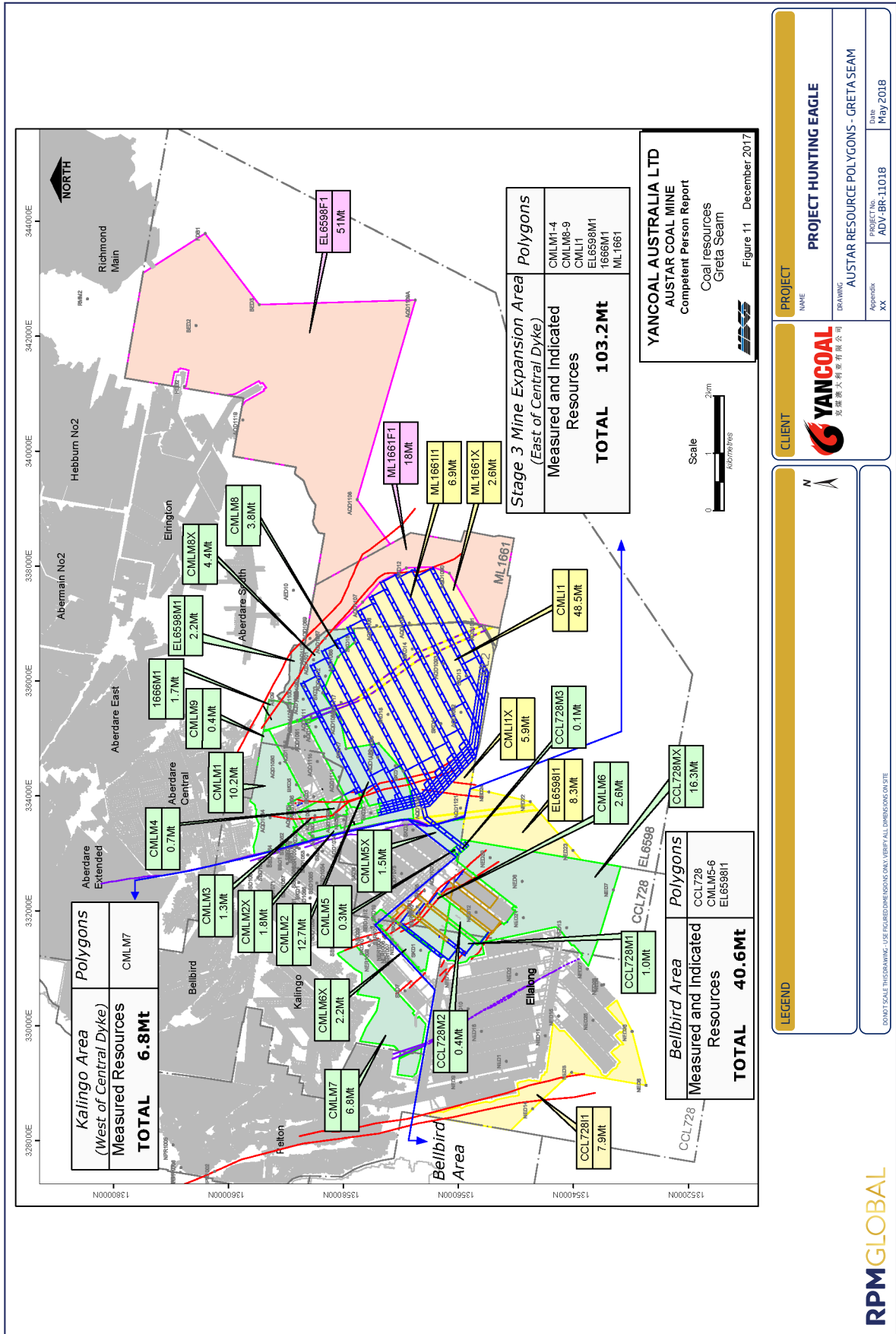


Resource Polygons

Austar

APPENDIX III

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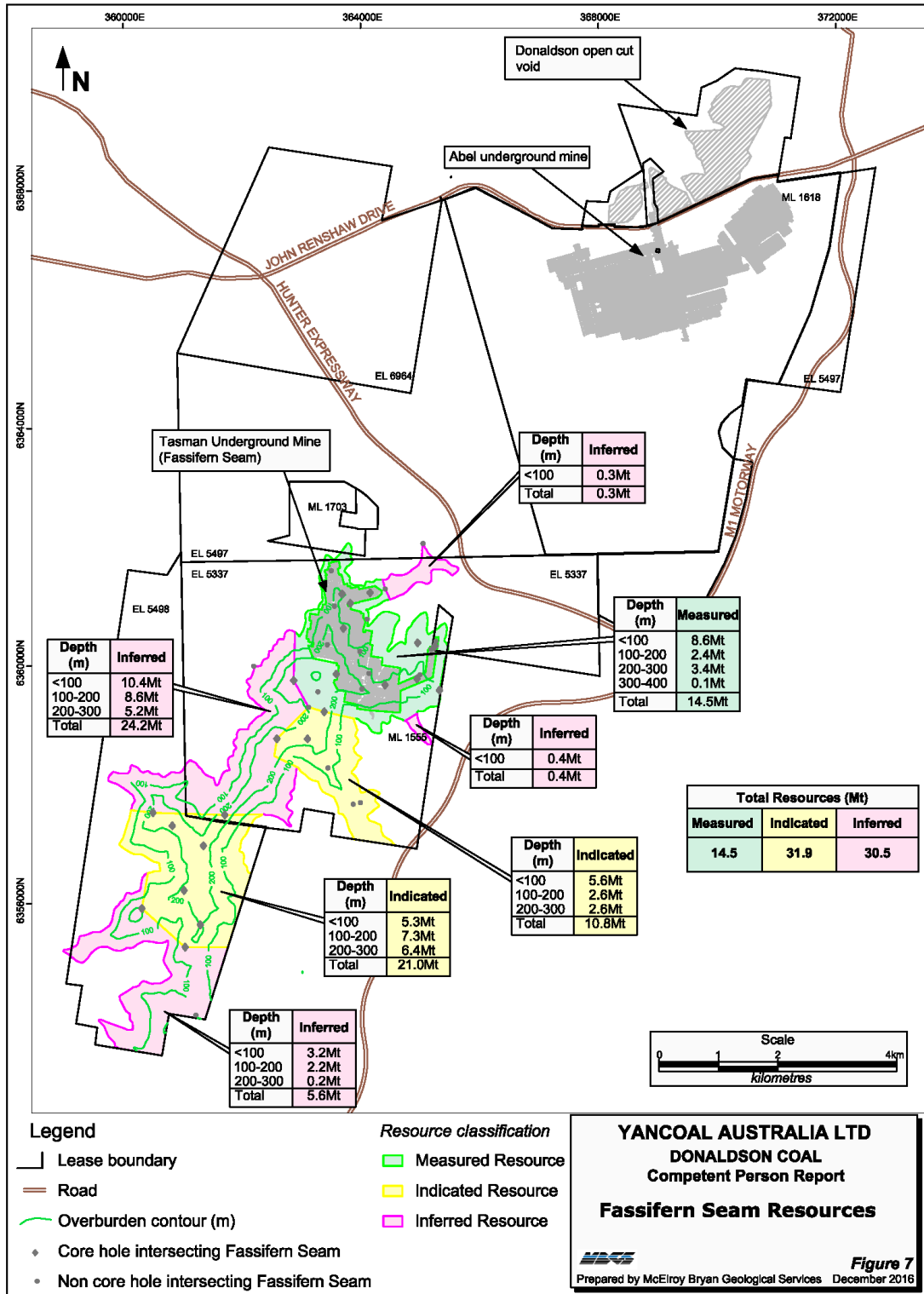
Resource Polygons

Donaldson

APPENDIX III

COMPETENT PERSON'S REPORT

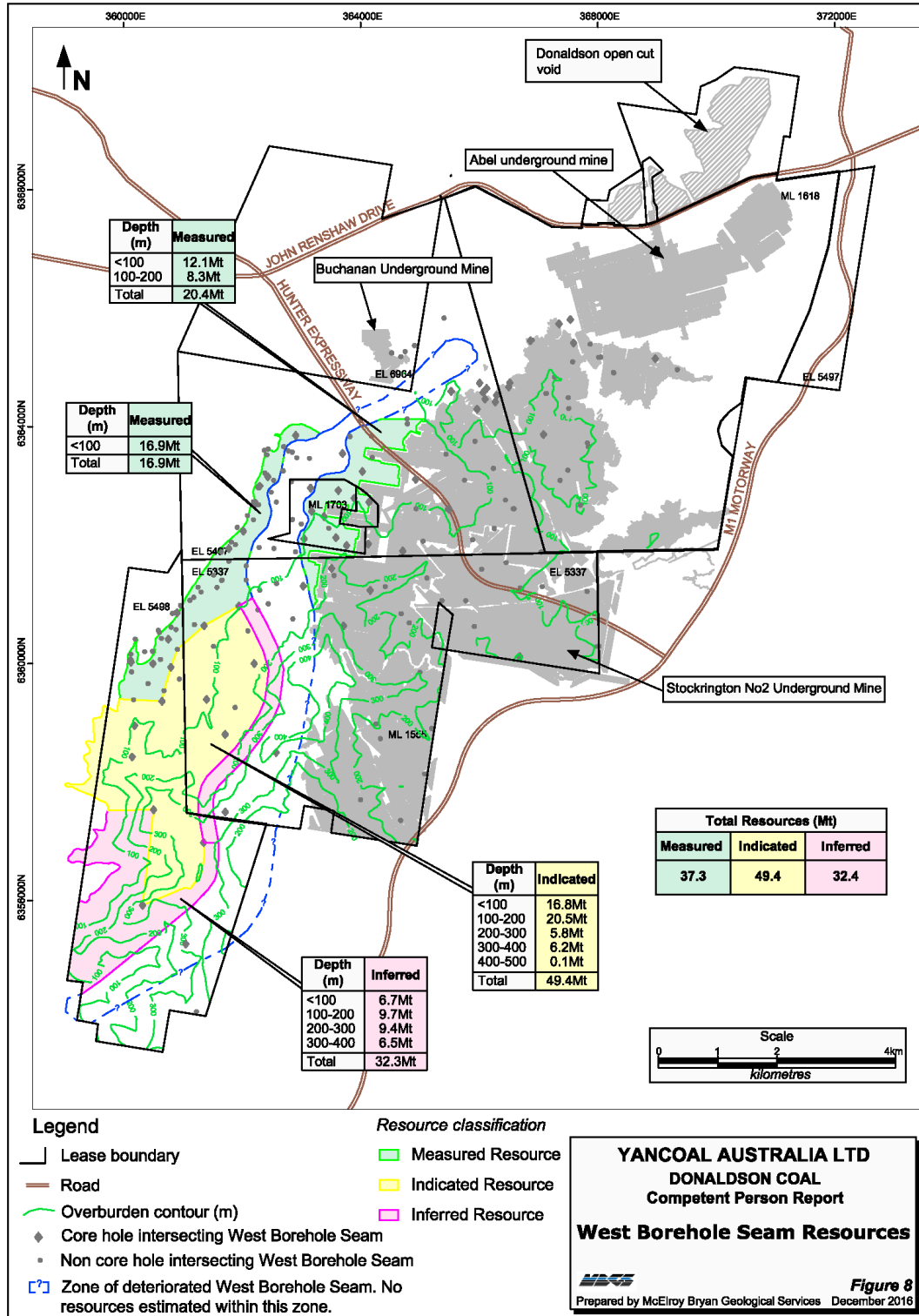
COMPETENT PERSON RESOURCE REPORT – DONALDSON COAL



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COMPETENT PERSON'S REPORT

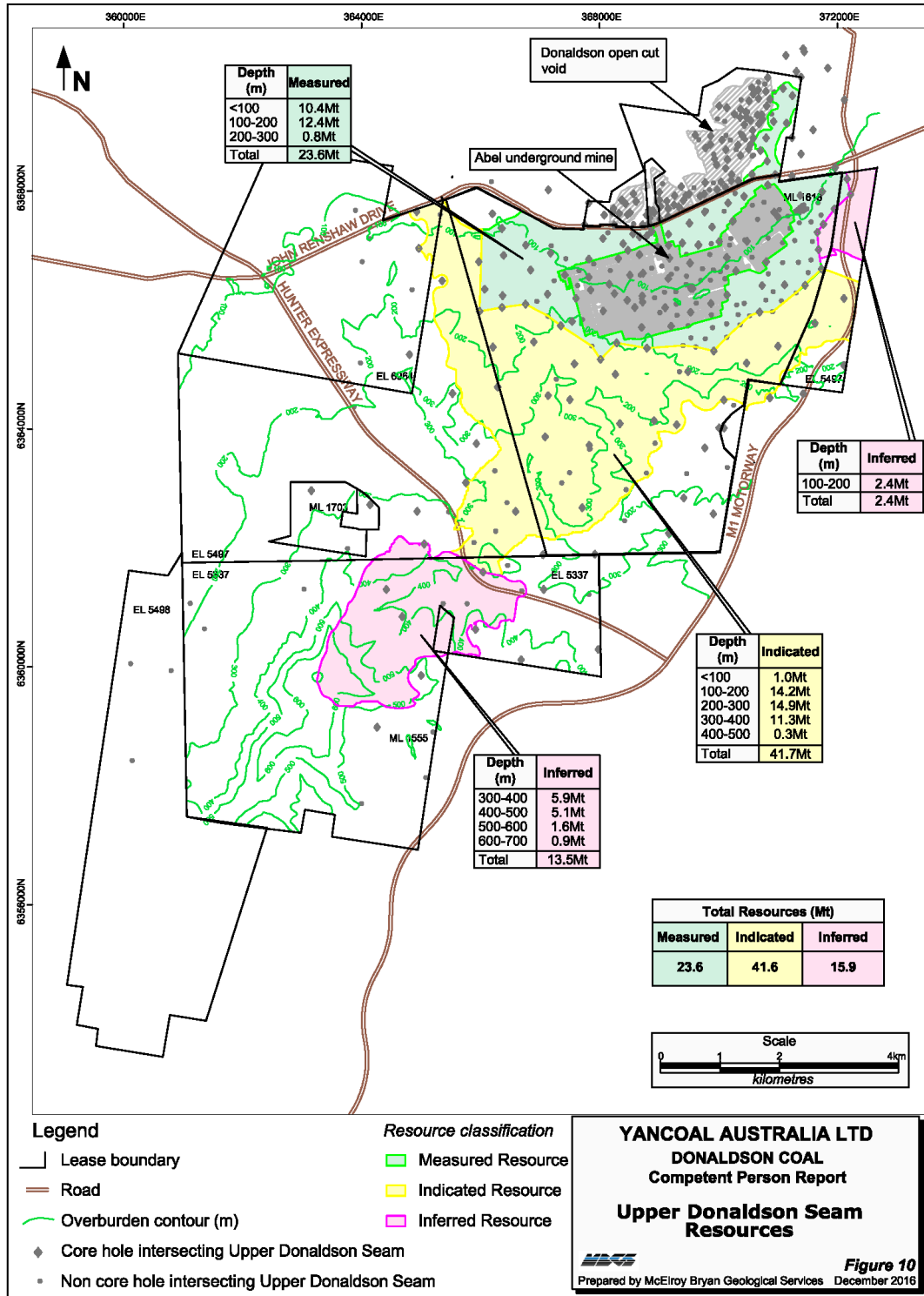
COMPETENT PERSON RESOURCE REPORT – DONALDSON COAL



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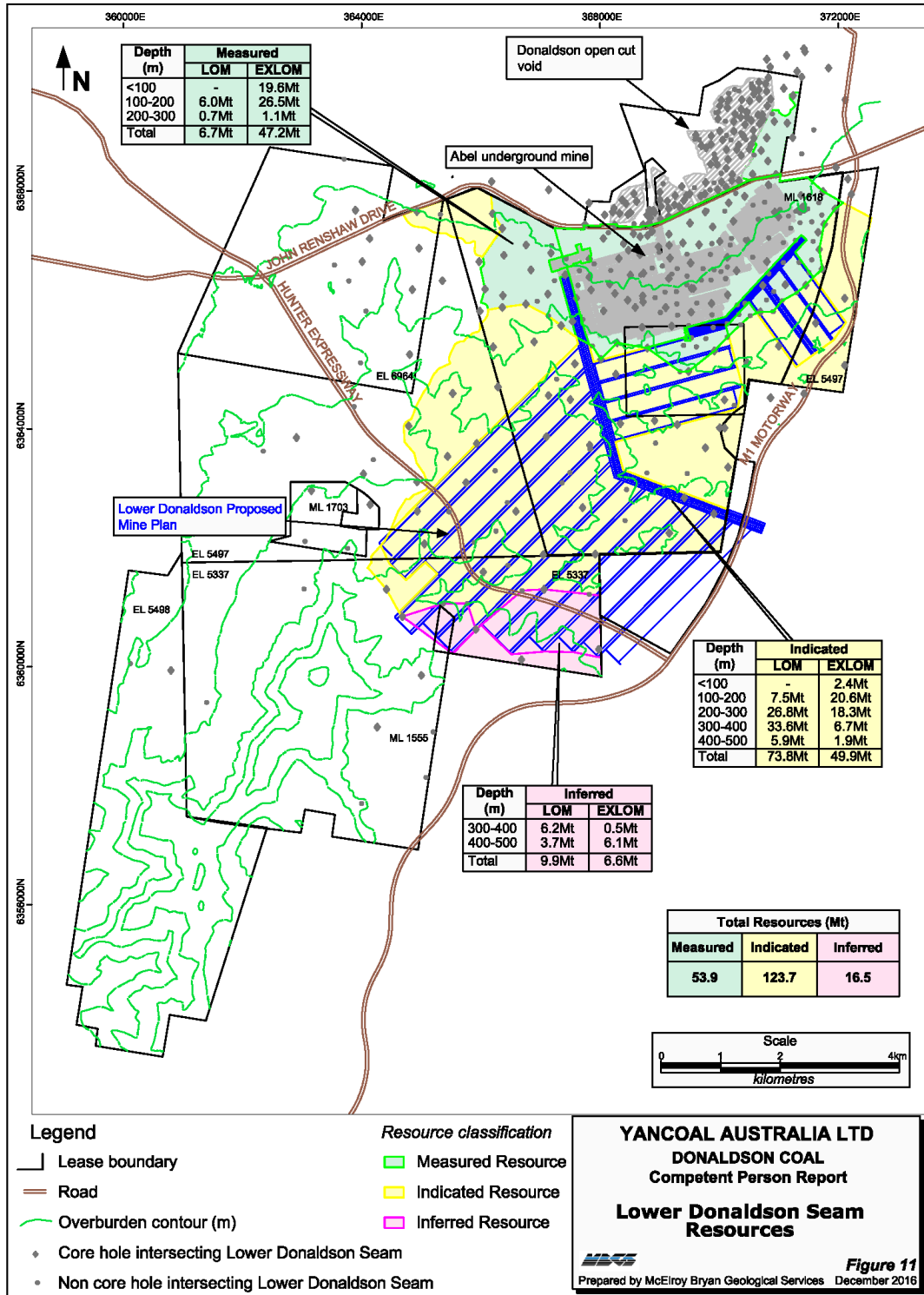
COMPETENT PERSON RESOURCE REPORT – DONALDSON COAL



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COMPETENT PERSON'S REPORT

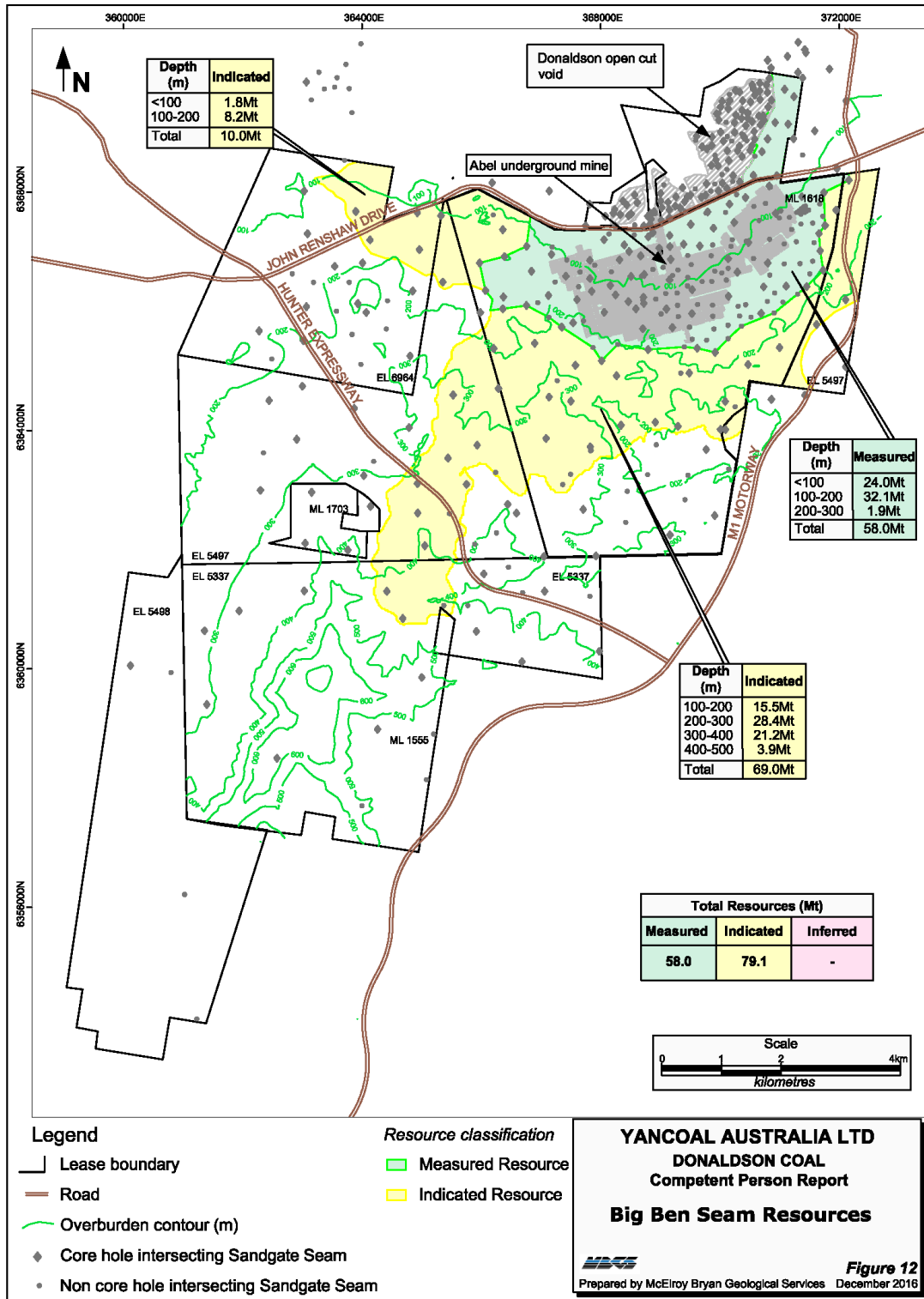
COMPETENT PERSON RESOURCE REPORT – DONALDSON COAL



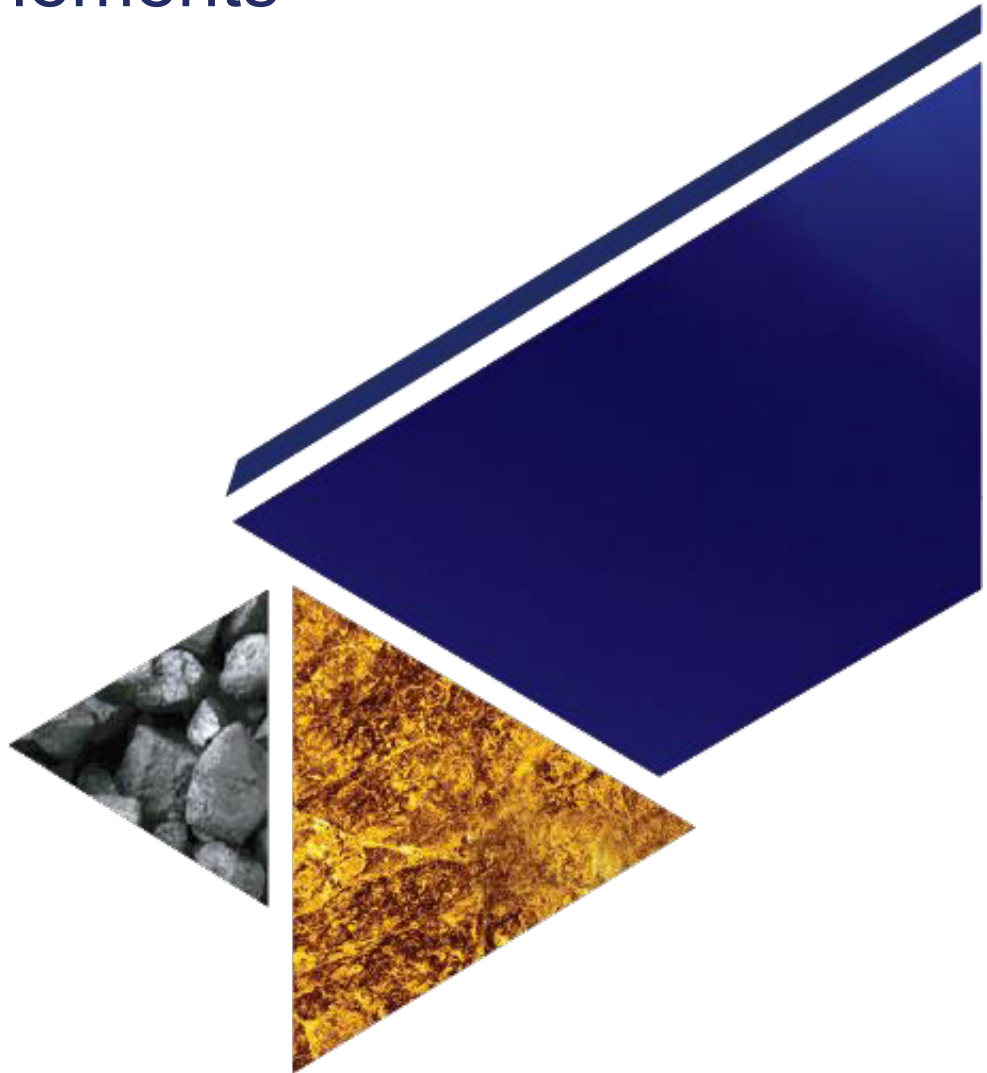
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COMPETENT PERSON'S REPORT

COMPETENT PERSON RESOURCE REPORT – DONALDSON COAL



Appendix F. Tenements



APPENDIX III

COMPETENT PERSON'S REPORT

Yancoal Australia Group

Title Tenement	Title Type	Grant or Application Date	Renewal Date	Expiry Date	Mine Site or Project	Company	Comment
EL 4918	EL	18/12/1995	Pending	17/12/2015	ASHTON	White Mining (NSW) Pty Limited	Renewal Lodged Dec 2015
EL 5860	EL	22/05/2001		21/05/2020	ASHTON	White Mining (NSW) Pty Limited	
ML 1529	ML	10/09/2003	11/11/2012	11/11/2021	ASHTON	White Mining (NSW) Pty Limited	
ML 1533	ML	26/02/2003		25/02/2024	ASHTON	White Mining (NSW) Pty Limited	
ML 1623	ML	30/10/2008		30/10/2029	ASHTON	White Mining (NSW) Pty Limited	
ML 1696	ML	16/05/2014		16/05/2035	ASHTON	White Mining (NSW) Pty Limited	ex MLA 396 - SEOC dump
MLA 351	MLA	28/05/2010			ASHTON	White Mining (NSW) Pty Limited (main) ICRA Ashton Pty Ltd Ashton (other)	SEOC w/out Bowman
MLA 394	MLA	21/12/2010			ASHTON	White Mining (NSW) Pty Limited (main) ICRA Ashton Pty Ltd Ashton (other)	SEOC w/out Bowman, Crown Land
MLA 500	MLA	2/07/2015			ASHTON	White Mining (NSW) Pty Limited	Ashton - Tailings
EL 6598	EL	13/07/2006		13/07/2021	AUSTAR	Austar Coal Mine Pty Limited	
ML 1283	ML	13/07/1961	14/05/2003	13/07/2022	AUSTAR	Austar Coal Mine Pty Limited	
CCL 728	ML	10/10/1989	20/11/2009	30/12/2023	AUSTAR	Austar Coal Mine Pty Limited	
CCL 752	ML	23/05/1990	17/11/2003	31/12/2023	AUSTAR	Austar Coal Mine Pty Limited	
CML 2	ML	24/03/1993	4/12/2008	6/07/2025	AUSTAR	Austar Coal Mine Pty Limited	
DSL 89	DSL	4/04/1908	20/03/2009	4/04/2030	AUSTAR	Austar Coal Mine Pty Limited	
ML 1157	ML	8/07/1949	31/08/2006	8/07/2028	AUSTAR	Austar Coal Mine Pty Limited	
ML 1345	ML	23/03/1995	2/11/2009	30/12/2023	AUSTAR	Austar Coal Mine Pty Limited	
ML 1388	ML	2/04/1996		2/04/2038	AUSTAR	Austar Coal Mine Pty Limited	
ML 1550	ML	24/06/2004		23/06/2025	AUSTAR	Austar Coal Mine Pty Limited	
ML 1661	ML	22/11/2011		22/11/2032	AUSTAR	Austar Coal Mine Pty Limited	
ML 1666	ML	25/01/2012		25/01/2033	AUSTAR	Austar Coal Mine Pty Limited	
ML 1677	ML	23/08/2012		22/08/2032	AUSTAR	Austar Coal Mine Pty Limited	
MPL 1364	MPL	28/10/1968	20/03/2009	28/10/2029	AUSTAR	Austar Coal Mine Pty Limited	
MPL 204	MPL	3/02/1916	3/02/2018	3/02/2039	AUSTAR	Austar Coal Mine Pty Limited	
MPL 217	MPL	12/04/1916	16/09/2003	3/02/2039	AUSTAR	Austar Coal Mine Pty Limited	
MPL 23	MPL	17/05/1909	20/03/2009	17/05/2030	AUSTAR	Austar Coal Mine Pty Limited	
MPL 233	MPL	1/08/1916	15/09/2015	1/08/2036	AUSTAR	Austar Coal Mine Pty Limited	
MPL 269	MPL	7/12/1917	16/09/2003	7/12/2018	AUSTAR	Austar Coal Mine Pty Limited	
MLA 521	MLA	24/02/2016			AUSTAR	Austar Coal Mine Pty Limited	
EL 5337	EL	8/08/1997		8/08/2019	DONALDSON	Newcastle Coal Company Pty Ltd	Renewal submitted
EL 5497	EL	22/07/1998	20/11/2017	21/07/2019	DONALDSON	Donaldson Coal Pty Ltd	
EL 5498	EL	24/07/1998		23/07/2019	DONALDSON	Newcastle Coal Company Pty Ltd	
EL 6964	EL	10/12/2007	Pending	10/12/2015	DONALDSON	Donaldson Coal Pty Ltd	Renewal Lodged Dec 2015
ML 1461	ML	21/12/1999		20/12/2020	DONALDSON	Donaldson Coal Pty Ltd	
ML 1555	ML	7/09/2004		6/09/2025	DONALDSON	Newcastle Coal Company Pty Ltd	
ML 1618	ML	15/05/2008		15/05/2029	DONALDSON	Donaldson Coal Pty Ltd	
ML 1653	ML	21/01/2011		21/01/2032	DONALDSON	Donaldson Coal Pty Ltd	
ML 1703	ML	9/12/2014		9/12/2035	DONALDSON	Donaldson Coal Pty Ltd	ex MLA 426
ML1756	ML	30/06/2017		30/06/2038	DONALDSON	Donaldson Coal Pty Ltd	ex MLA 416
MDL 282	MDL	10/04/2002		30/04/2020	MIDDLEMOUNT	Middlemount Coal Pty Ltd Ribfield Pty Ltd	
ML 700014	ML	6/01/2017		30/09/2031	MIDDLEMOUNT	Middlemount Coal Pty Ltd Ribfield Pty Ltd	
ML 70379	ML	10/09/2009		30/09/2031	MIDDLEMOUNT	Middlemount Coal Pty Ltd Ribfield Pty Ltd	
ML 70417	ML	8/12/2011		30/09/2031	MIDDLEMOUNT	Middlemount Coal Pty Ltd Ribfield Pty Ltd	
ML700027	MLA	10/01/2018	Pending		MIDDLEMOUNT	Middlemount Coal Pty Ltd Ribfield Pty Ltd	
EL 6123	EL	8/09/2003		3/09/2019	MONASH	Monash Coal Pty Ltd	Renewal Lodged Aug 2016
EL 7579	EL	22/07/2010		22/07/2019	MONASH	Monash Coal Pty Ltd	

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EL 6288	EL	23/08/2004	31/08/2015	22/08/2017	MOOLARBEN	Moolarben Coal Mines Pty Limited (main)Kores Australia Moolarben Coal Pty Limited Sojitz Moolarben Resources Pty Ltd	Renewal submitted
EL 7073	EL	12/02/2008	1/09/2015	12/02/2020	MOOLARBEN	Moolarben Coal Mines Pty Limited Kores Australia Moolarben Coal Pty Limited Sojitz Moolarben Resources Pty Ltd	
EL 7074	EL	12/02/2008	7/10/2015	12/02/2020	MOOLARBEN	Moolarben Coal Mines Pty Limited Kores Australia Moolarben Coal Pty Limited Sojitz Moolarben Resources Pty Ltd	
ML 1605	ML	20/12/2007		20/12/2028	MOOLARBEN	Moolarben Coal Mines Pty Limited Kores Australia Moolarben Coal Pty Limited Sojitz Moolarben Resources Pty Ltd	
ML 1606	ML	20/12/2007		20/12/2028	MOOLARBEN	Moolarben Coal Mines Pty Limited Kores Australia Moolarben Coal Pty Limited Sojitz Moolarben Resources Pty Ltd	
ML 1628	ML	24/02/2009		24/02/2030	MOOLARBEN	Moolarben Coal Mines Pty Limited	
ML 1691	ML	23/09/2013		23/09/2034	MOOLARBEN	Moolarben Coal Mines Pty Limited	ex MLA 316, 317
ML 1715	ML	31/08/2015		31/08/2036	MOOLARBEN	Moolarben Coal Mines Pty Limited Sojitz Moolarben Resources Pty Ltd Kores Australia Moolarben Coal Pty Limited	ex MLA 319, 327, 331, 458
A 311	EL	17/09/1982	Pending	28/11/2017	STRATFORD / DURALIE	Gloucester Coal Ltd CIM Stratford Pty Ltd Agent: Stratford Coal Pty Ltd	Renewal submitted
A 315	EL	27/12/1982	Pending	28/11/2017	STRATFORD / DURALIE	Gloucester Coal Ltd CIM Stratford Pty Ltd Agent: Stratford Coal Pty Ltd	Renewal submitted
EL 6904	EL	9/10/2007	Pending	9/10/2017	STRATFORD / DURALIE	Gloucester Coal Ltd	Renewal submitted
ML 1360	ML	21/12/1994		21/12/2036	STRATFORD / DURALIE	Gloucester Coal Ltd CIM Stratford Pty Ltd	
ML 1409	ML	7/01/1997	Pending	6/01/2018	STRATFORD / DURALIE	Gloucester Coal Ltd CIM Stratford Pty Ltd	Renewal submitted
ML 1427	ML	6/04/1998		5/04/2019	STRATFORD / DURALIE	CIM Duralie Pty Ltd CIM Services Pty Ltd	
ML 1447	ML	1/04/1999		31/03/2020	STRATFORD / DURALIE	Gloucester Coal Ltd CIM Stratford Pty Ltd	
ML 1521	ML	24/09/2002		23/09/2023	STRATFORD / DURALIE	Gloucester Coal Ltd CIM Stratford Pty Ltd	
ML 1528	ML	20/01/2003		19/01/2024	STRATFORD / DURALIE	Gloucester Coal Ltd CIM Stratford Pty Ltd	
ML 1538	ML	25/06/2003		24/06/2024	STRATFORD / DURALIE	Gloucester Coal Ltd CIM Stratford Pty Ltd	
ML 1577	ML	1/03/2006		28/02/2027	STRATFORD / DURALIE	Gloucester Coal Ltd CIM Stratford Pty Ltd	
ML 1646	ML	4/01/2011		4/01/2032	STRATFORD / DURALIE	CIM Duralie Pty Ltd CIM Services Pty Ltd	
ML 1733	ML	8/04/2016		8/04/2037	STRATFORD / DURALIE	Gloucester Coal Ltd CIM Stratford Pty Ltd	ex MLA 466 and 446
MLA552	MLA	5/12/17	Pending		Not associated with colliery holding	CIM Stratford Pty Ltd (main) Gloucester Coal Ltd (other)	
EPC 621	EPC	29/10/1996	19/08/2014	28/10/2019	YARRABEE / WILPEENA	Yarrabee Coal Company Pty Ltd (this tenement is held beneficially for Yanzhou)	Shared - Wilpeena & Yarrabee
EPC 1429	EPC	15/06/2010	7/04/2015	14/06/2020	YARRABEE / WILPEENA	Yarrabee Coal Company Pty Ltd	Shared - Wilpeena & Yarrabee
EPC1668	EPC	26/11/2010		25/11/2020	YARRABEE / WILPEENA	Yarrabee Coal Company Pty Ltd (this tenement is held beneficially for Yanzhou)	
EPC1177	EPC	14/11/2008		13/11/2018	YARRABEE / WILPEENA	Yarrabee Coal Company Pty Ltd (this tenement is held beneficially for Yanzhou)	
EPC 1684	EPC	12/03/2010		11/03/2022	YARRABEE	Yarrabee Coal Company Pty Ltd	
EPC 717	EPC	28/08/2000		27/08/2022	YARRABEE	Yarrabee Coal Company Pty Ltd	

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MDL 160	MDL	27/03/1996		31/03/2022	YARRABEE	Yarrabee Coal Company Pty Ltd	
ML 1770	ML	25/03/1976	1/04/2007	31/03/2022	YARRABEE	Yarrabee Coal Company Pty Ltd	
ML 80049	ML	24/06/1999		30/06/2019	YARRABEE	Yarrabee Coal Company Pty Ltd	
ML 80050	ML	1/10/1998		31/10/2018	YARRABEE	Yarrabee Coal Company Pty Ltd	
ML 80096	ML	20/06/2002		30/06/2020	YARRABEE	Yarrabee Coal Company Pty Ltd	
ML 80104	ML	4/09/2003		30/09/2023	YARRABEE	Yarrabee Coal Company Pty Ltd	
ML 80172	ML	4/10/2012		31/10/2042	YARRABEE	Yarrabee Coal Company Pty Ltd	
ML 80195	ML	1/04/2014		30/04/2044	YARRABEE	Yarrabee Coal Company Pty Ltd	
ML 80196	ML	1/04/2014		30/04/2044	YARRABEE	Yarrabee Coal Company Pty Ltd	
ML 80197	ML	7/05/2014		31/05/2044	YARRABEE	Yarrabee Coal Company Pty Ltd	
ML 80198	ML	1/04/2014		30/04/2044	YARRABEE	Yarrabee Coal Company Pty Ltd	

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COMPETENT PERSON'S REPORT

Coal and Allied Group

Tenement	Grant Date	Expiry Date	Site	Company	Minerals	Area (HA)	Method	Notes	Notes
ML1324	19-Aug-93	19-Aug-14	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal, Petroleum	192.6	OC Only	Surface to 5m below Floor of Vaux Seam	Under review by department
ML1337	1-Feb-94	9-Sep-14	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal, Petroleum	1.052	Unspecified	Surface to depth of 15.24m	Under review by department
ML1359	1-Nov-94	1-Nov-15	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Nil Minerals	23.44	Unspecified	Surface to depth of 15.24m	Under review by department
ML1406	27-Feb-97	10-Feb-27	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal, Petroleum	73.9	Unspecified	Surface to depth of 15.24m	
ML1412	11-Jan-97	10-Jan-18	WARKWORTH	WARKWORTH MINING LTD	Coal, Petroleum	5.95	OC Only	Surface to depth of 20m	Under review by department
ML1428	15-Apr-98	14-Apr-19	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal, Petroleum	1001	OC Only	Majority is Surface to Unlimited, remainder is 15.24m to Unlimited	Company changed from Novacoal
ML1465	21-Feb-00	21-Feb-21	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal, Petroleum	67.55	OC Only	Surface to depth of 20m	
ML1474	24-Nov-00	23-Nov-21	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal, Petroleum	373.3	Unspecified	From 5m below Vaux Seam to Unlimited (120.2ha), Surface to unlimited for remainder (253.1ha)	Area limited to Vaux seam is along the eastern side of the tenement
ML1482	19-Mar-01	14-Apr-19	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal, Petroleum	8481 M2	DAM	Nil	Covers 3 isolated Dam sites of 30m radii, not for mining of coal
ML1500	21-Dec-01	20-Dec-22	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal, Petroleum	7.333	OC Only	Partially Surface to Depth of 15.24m, remainder Surface to Depth of	

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COMPETENT PERSON'S REPORT

								5m	
ML1526	3-Dec-02	2-Dec-23	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal	11.43	OC Only	Surface to depth of 15.24m	This was a partial transfer of ML1526 to C&A, remainder of ML is now ML1669 held by Cumnock Coal
ML1560	28-Jan-05	27-Jan-26	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal, Petroleum - Coal Seam Methane Only	317.7	OC Only	Majority is Surface to Unlimited, 2 zones are Surface to 15.24m	One of the zones of Surface to 15.24m is also granted under ML1428, which is 15.24m to Unlimited. Company changed from Novacoal
ML1589	2-Nov-06	1-Nov-27	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal, Petroleum - Coal Seam Methane Only	277.9	OC/UG	Majority is from 5m below Surface to 5m below floor of Vaux Seam, 2 small zones in southwest of Surface to Unlimited and 1 very small zone that excludes zone 5m below Surface to 5m below floor of Vaux Seam	
ML1590	27-Feb-07	26-Feb-28	WARKWORTH	WARKWORTH MINING LTD	Coal, Petroleum - Coal Seam Methane Only	1.4	OC/UG	Surface to depth of 20m	Allows Underground mining method, however is limited to 20m depth. Lease appears to be road easement
ML1622	22-Oct-10	10-Mar-27	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal	6.732	OC/UG	Surface to depth of 15.24m	Company changed from Novacoal
ML1634	31-Jul-09	31-Jul-30	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal, Petroleum - Coal Seam Methane Only	4514	OC/UG	Surface to depth of 900m below AHD (Australian Height Datum)	

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ML1682	16-Dec-12	16-Dec-33	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Nil Minerals	67.12	DAM	Surface to depth of 20m	
ML1704	5-Dec-14	5-Dec-35	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Nil Minerals	23.44	MINING PURPOSES	Surface to depth of 15.24m	
ML1705	17-Dec-14	17-Dec-35	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal	149.2	OC/UG	Surface to depth of 900m below AHD (Australian Height Datum)	
ML1706	9-Dec-14	9-Dec-35	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Nil Minerals	27.91	MINING PURPOSES	Surface to depth of 50m	
ML1707	9-Dec-14	9-Dec-35	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal	51.38	Mining	Majority is Surface to depth of 900m below AHD (Australian Height Datum), southern portion excludes zone 5m below Surface to 5m below floor of Vaux Seam	
ML1732	6-Apr-16	6-Apr-37	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Nil Minerals	1.365	MINING PURPOSES	Surface to depth of 15.24m	Application was granted on 6th April 2016, in dataroom as MLA490.
ML1734	6-Apr-16	6-Apr-37	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal	21.55		Surface to depth of 20m	Application MLA468 in Dataroom
ML1748	5-Dec-16	5-Dec-37	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Nil Minerals	124.1		Surface to depth of 20m	Application MLA488 in Dataroom
ML1751	17-Mar-17	17-Mar-38	WARKWORTH	WARKWORTH MINING LTD	Coal	1018		Surface to depth of 20m	Application MLA352 in Dataroom
ML1752	17-Mar-17	17-Mar-38	MT THORLEY	MOUNT THORLEY OPERATIONS PTY LIMITED	Coal	34.44		Surface to depth of 20m	Application MLA353 in Dataroom

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ML1753	19-Apr-17	19-Apr-38	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal	5477M2		Surface to depth of 20m	Application MLA501 in Dataroom
EL5291	28-Apr-97	28-Apr-18	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal	3695	EXPLORING		
EL5292	28-Apr-97	27-Apr-20	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal	550	EXPLORING		
EL5417	23-Dec-97	8-May-18	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal	160	EXPLORING		
EL5418	23-Dec-97	8-May-17	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal	2039M2	EXPLORING		
EL5606	11-Aug-99	10-Aug-19	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal	1278	EXPLORING		
EL7712	23-Feb-11	23-Feb-20	MT THORLEY	MOUNT THORLEY OPERATIONS PTY LIMITED	Coal	1988	EXPLORING	Surface to depth of 100m below AHD or 30m below the roof of the Bayswater Seam	
EL8175	23-Sep-13	23-Sep-18	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal	67.2	EXPLORING		
CL219	23-Sep-81	23-Sep-23	MT THORLEY	MOUNT THORLEY OPERATIONS PTY LIMITED	Coal, Petroleum	1992	MINING	Surface to depth of 100m below AHD or 30m below the roof of the Bayswater Seam	
CL327	6-Mar-89	6-Mar-31	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal, Petroleum	6.48	MINING		

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CL359	21-May-90	21-May-32	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal, Petroleum	7.211	MINING		
CL360	29-May-90	29-May-32	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal, Petroleum	132	MINING		
CL398	4-Jun-92	4-Jun-34	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal, Petroleum	4455 M2	MINING		
CL584	1-Jan-82	31-Dec-23	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal, Petroleum - Coal Seam Methane Only	101	MINING		
CCL714	23-May-90	30-Aug-30	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal, Petroleum	629.3	MINING	Majority is surface to unlimited depth, western quarter and other small sections limited to 20m depth.	
CCL755	24-Jan-90	5-Mar-30	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal, Petroleum	1114	MINING		
CCL753	23-May-90	17-Feb-23	WARKWORTH	WARKWORTH MINING LTD	Coal, Petroleum	4192	MINING		
CCL774	31-Mar-92	20-Jul-23	RHONDDA	MOUNT THORLEY OPERATIONS PTY LIMITED	Coal, Petroleum, Petroleum - Coal Seam Methane Only	317.5	MINING		
AUTH72	8-Mar-77	24-Mar-18	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	COAL	454	EXPLORING		
AL18	25-Jun-09	25-Jun-18	OAKLANDS COAL PTY LIMITED		Coal	111.1 KM2	Exploring		
CML4	2-Mar-93	3-Jun-33	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY LIMITED	Coal, Petroleum	2162	MINING		
ML1710	22-Dec-16	10-Mar-2027	HVO	COAL & ALLIED OPERATIONS PTY LTD ANOTERO PTY	Coal	11.43 HA			

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COMPETENT PERSON'S REPORT

CCL708	17-May-1990	30-Dec-2023	HVO	LIMITED CCL708 is not held by a Yancoal entity, however Yancoal has an interest in this tenement by way of a sub-lease from Liddell Tenements Pty Limited.	Coal	2187 HA			
ML1547	5-April-2004	4-April-2025	MTW	ML1547 is not held by a Yancoal entity, however Yancoal has an interest in this tenement by way of a sub-lease from Bulga Coal Management Pty Limited.	Coal	5805 HA			

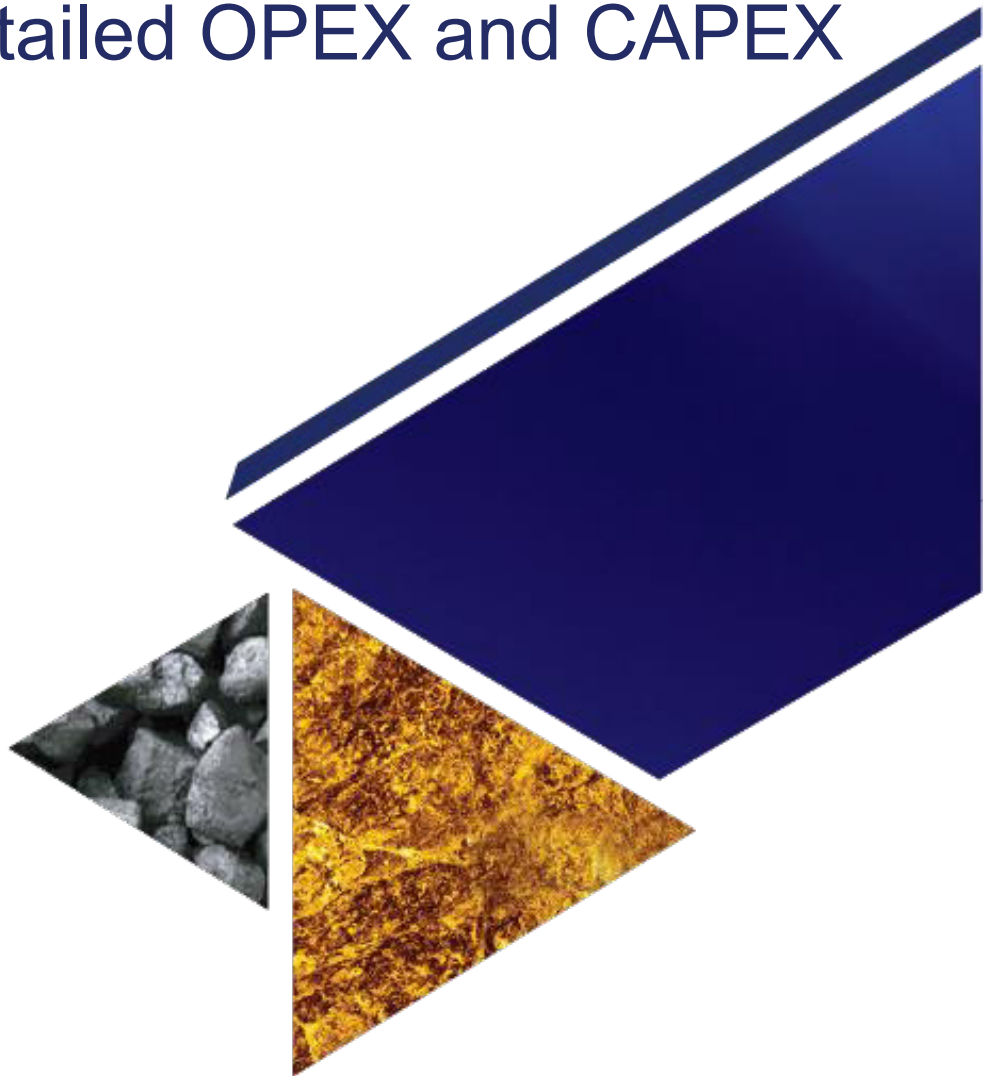
Appl_ref	Application date	Site	Applicant	Minerals	Operation
ALA52	10-Sep-12	HVO	Coal & Allied Operations Pty Ltd (main) Anotero Pty Limited (other)	Coal	ASSESSMENT
ALA58	1-Dec-16	HVO	Coal & Allied Operations Pty Ltd (main) Anotero Pty Limited (other)		ASSESSMENT
ALA59	1-Dec-16	HVO	Coal & Allied Operations Pty Ltd (main) Anotero Pty Limited (other)		ASSESSMENT
MLA489	10-Mar-15	HVO	Coal & Allied Operations Pty Ltd (main) Anotero Pty Limited (other)	Coal	MINING
MLA495	12-May-15	HVO	Coal & Allied Operations Pty Ltd (main) Anotero Pty Limited (other)	Nil Minerals	MINING
MLA496	12-May-15	HVO	Coal & Allied Operations Pty Ltd (main) Anotero Pty Limited (other)	Nil Minerals	MINING
MLA520	23-Dec-15	HVO	Coal & Allied Operations Pty Ltd (main) Anotero Pty Limited (other)	Nil Minerals	MINING

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MLA534	28-Oct-16	HVO	Coal & Allied Operations Pty Ltd (main) Anotero Pty Limited (other)		MINING
MLA535	28-Oct-16	HVO	Coal & Allied Operations Pty Ltd (main) Anotero Pty Limited (other)		MINING
MLA548	13-Nov-17	MT THORLEY	Mount Thorley Coal Loading Ltd	Coal	MINING
MLA542	28-Jul-2017	HVO	Coal & Allied Operations Pty Ltd (main) Anotero Pty Limited (other)	Nil Minerals	MINING
MLA543	28-Jul-2017	HVO	Coal & Allied Operations Pty Ltd (main) Anotero Pty Limited (other)	Nil Minerals	MINING
ELA5525	3-Jul-2017	HVO	Coal & Allied Operations Pty Ltd (main) Anotero Pty Limited (other)		
ELA5526	3-Jul-2017	HVO	Coal & Allied Operations Pty Ltd (main) Anotero Pty Limited (other)		
ELA5527	3-Jul-2017	HVO	Coal & Allied Operations Pty Ltd (main) Anotero Pty Limited (other)		
ELA5678	4-May-2018	MTW	Mount Thorley Operations Pty Limited		

Appendix G. Detailed OPEX and CAPEX



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COMPETENT PERSON'S REPORT

HVO/MTW

Operation	Cost Centre	Unit	H2 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Avg. 2031-2035	Avg. 2036-2040	Avg. 2041-2050	Avg. 2051-2060	Total LOM	
HVO	Onsite Costs																				
	Open Cut	Million AUD	288.0	471.6	387.4	426.7	446.7	412.1	468.9	484.7	449.2	429.1	424.9	437.8	388.4	383.7	366.3	425.8	321.6	16,667	
	Site Admin	Million AUD	58.2	113.9	105.8	109.0	109.9	110.4	110.2	109.1	109.4	108.6	108.6	107.3	107.3	107.1	105.2	104.8	83.3	4,310	
	CHPP	Million AUD	40.1	117.6	117.0	117.0	117.1	116.9	116.5	116.9	117.8	117.4	118.1	119.2	119.3	119.9	117.9	112.5	88.7	4,651	
	Total Free on Rail	Million AUD	366.3	703.1	610.1	652.7	672.9	638.9	692.8	711.8	676.0	656.0	651.6	663.7	614.9	610.7	579.4	643.0	493.6	25,628	
	AUD/ROM t		35.9	34.1	29.6	31.7	32.7	31.0	33.6	34.6	32.8	31.8	31.6	32.2	29.9	29.6	28.1	32.5	32.1	31.4	
	AUD/Prod t		50.4	48.8	42.1	44.9	46.2	43.4	46.8	46.2	46.4	44.8	45.0	46.9	43.1	42.9	41.7	46.5	46.2	45.2	
	Off site costs																				
	Rail	Million AUD	39.3	71.4	77.7	77.9	78.9	79.2	78.9	79.2	78.9	76.7	77.0	76.3	74.5	75.1	74.9	73.2	72.8	56.3	2,998
	Port	Million AUD	30.0	54.1	55.8	54.6	54.5	54.5	54.8	53.8	54.8	53.8	48.2	47.7	46.5	46.8	46.6	45.8	45.6	40.4	1,978
	Other	Million AUD	18.1	36.1	36.2	36.1	36.3	36.5	36.8	36.7	36.6	36.6	36.9	36.5	36.4	36.5	38.5	41.8	36.6	25.1	1,473
	Total Free on Board	Million AUD	453.8	870.7	779.8	821.3	841.5	806.7	864.6	882.2	843.1	818.1	812.1	821.2	773.2	770.6	740.1	797.9	615.4	32,077	
AUD/ROM t		529.0	497.5	423.1	467.0	486.5	457.3	505.8	513.6	486.1	471.8	464.3	472.0	427.6	424.3	388.5	447.5	343.3	38,114		
(Inc Royalty)	AUD/Prod t	72.7	70.6	63.7	66.5	67.8	65.1	68.6	70.2	68.5	68.4	66.6	68.7	65.1	65.0	64.0	68.6	68.3	67.2		
Onsite Costs																					
Open Cut	Million AUD	231.9	408.1	397.0	355.7	364.4	356.6	348.6	346.6	346.6	363.2	363.2	357.9	362.0	350.4	372.4	330.5			8,132.2	
Site Admin	Million AUD	52.5	103.1	105.4	100.0	99.9	100.1	99.8	98.6	99.2	98.4	98.5	97.4	98.1	98.6	98.6	90.7			2,198.7	
CHPP	Million AUD	36.8	84.1	84.1	84.1	84.2	84.0	84.0	84.2	84.8	84.1	83.7	83.4	83.9	85.3	80.2				1,872.7	
Total Free on Rail	Million AUD	321.3	595.3	586.5	539.8	548.4	542.7	538.3	538.3	548.9	545.7	540.0	542.9	532.4	556.4	501.4				12,203.7	
AUD/ROM t		37.6	35.1	34.5	31.8	32.3	32.0	31.4	31.8	32.6	32.6	32.3	32.8	32.0	33.4	33.9				33.2	
AUD/Prod t		54.2	51.7	49.7	45.6	46.3	45.7	45.0	45.7	46.8	47.0	46.5	47.4	46.1	47.8	48.2				47.6	
Off site costs																					
Rail	Million AUD	25.8	50.2	51.7	51.6	51.8	51.5	51.4	51.4	51.1	50.0	50.0	49.3	49.8	50.1	44.8				1,110.7	
Port	Million AUD	14.0	27.3	28.0	28.1	28.0	28.1	28.0	27.9	27.8	27.5	27.5	27.1	27.4	27.6	24.7				607.9	
Other	Million AUD	14.5	28.8	28.8	29.0	28.8	28.6	28.4	28.4	28.4	28.1	28.5	28.3	28.4	26.4	22.5				601.3	
Total Free on Board	Million AUD	375.6	701.7	695.0	648.6	656.9	651.3	640.4	646.1	646.1	651.2	651.2	646.0	647.6	660.4	593.4				14,524	
(Inc Royalty)	Million AUD	433.0	814.9	809.6	763.4	772.4	769.6	759.9	766.8	779.4	772.2	768.1	769.5	762.3	766.8	706.4				17,208	
AUD/Prod t		73.4	70.8	68.6	64.4	65.3	64.8	64.2	65.1	66.5	66.6	66.2	67.2	66.0	67.6	67.9				67.1	
Cost Centre																					
Operation	Unit	H2 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Avg. 2031-2035	Avg. 2036-2040	Avg. 2041-2050	Avg. 2051-2060	Total LOM		
HVO	Growth	Million AUD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	494.0	
	Sustaining	Million AUD	79.1	80.1	125.5	79.6	88.2	114.8	102.8	116.8	116.2	106.2	106.1	84.1	91.6	102.9	148.1	131.0	54.2	4,398.1	
	Closure	Million AUD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	Total	Million AUD	79.1	80.1	125.5	79.6	88.2	114.8	102.8	116.8	116.2	106.2	106.1	84.1	91.6	102.9	148.1	131.0	54.2	4,892.1	
MTW	Growth	Million AUD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	Sustaining	Million AUD	59.7	113.0	119.7	74.7	80.6	68.2	66.7	45.9	120.3	103.2	111.5	104.7	108.1	83.4	33.4	0.0	0.0	1,780.1	
	Closure	Million AUD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	Total	Million AUD	59.7	113.0	119.7	74.7	80.6	68.2	66.7	45.9	120.3	103.2	111.5	104.7	108.1	83.4	33.4	0.0	0.0	1,780.1	

APPENDIX III

COMPETENT PERSON'S REPORT

Moolarben

Cost Centre	Unit	H2 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Avg. 2031-2035	2036	Total LOM
Onsite Costs																	
Open Cut	Million AUD	88.0	183.5	184.2	189.0	182.2	156.3	174.9	175.9	167.0	173.6	185.9	179.8	184.8	193.9	17.8	3,212.6
UG	Million AUD	83.5	153.3	138.8	146.3	131.7	139.7	48.9	52.3	59.6	36.0						990.0
Site Admin	Million AUD	13.6	25.5	25.6	25.5	25.4	25.4	25.4	25.4	25.3	23.0	12.7	12.7	12.7	12.7	1.5	343.5
CHPP	Million AUD	41.4	91.2	92.2	81.0	75.0	68.8	70.2	70.0	67.1	66.5	58.4	58.4	59.3	59.9	7.1	1,205.9
Total Free on Rail	Million AUD	226.5	453.5	440.7	441.8	414.4	390.3	319.5	323.6	318.9	299.1	257.0	250.9	256.9	266.5	26.5	5,751.9
	AUD/ROM t	25.3	24.0	22.0	22.1	20.8	20.8	17.1	17.4	18.1	19.2	21.4	21.1	22.8	23.3	21.1	21.3
	AUD/Prod t	27.9	28.6	26.4	26.8	24.7	25.0	20.1	20.3	21.2	23.1	27.3	27.0	29.1	29.9	30.0	25.9
Off site costs																	
Rail	Million AUD	51.0	123.6	128.7	129.8	123.8	121.3	123.5	123.1	117.4	102.8	80.9	80.3	78.0	74.6	6.6	1,763.6
Port	Million AUD	37.1	78.9	82.9	83.0	77.7	75.6	77.5	77.2	72.3	61.4	57.6	57.6	57.5	57.3	6.6	1,189.3
Other	Million AUD	20.9	44.5	47.7	47.7	49.2	45.5	46.2	45.1	43.9	38.0	27.0	27.0	25.8	26.0	3.2	641.7
Total Free on Board (ex Royalty)	Million AUD	335.4	700.5	700.0	702.3	668.1	632.7	566.6	569.0	552.5	501.4	422.5	415.8	418.2	424.3	42.8	9,346.6
Total Free on Board (inc Royalty)	Million AUD	393.0	825.2	833.8	837.1	804.8	762.1	697.3	695.2	677.1	610.6	503.3	496.7	495.9	502.6	50.6	11,195.5
(inc royalties)	AUD/prod t	48.4	52.0	49.9	50.9	48.0	48.9	43.9	43.7	45.0	47.1	53.5	53.4	56.1	56.5	48.5	50.4

Cost Centre	Unit	H2 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Avg. 2031-2035	2036	Total LOM
OC																	
Growth	Million AUD	0.0	16.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			16.1
Sustaining	Million AUD	16.9	39.9	27.0	30.6	59.1	58.3	57.0	35.9	68.7	65.7	53.7	40.3	72.0	32.5	2.5	790.0
Closure	Million AUD															15.1	15.1
UG	Million AUD																0.0
Growth	Million AUD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0
Sustaining	Million AUD	17.3	41.4	19.7	16.1	42.3	18.4	13.1	14.1	12.0	3.6	0.0	0.0	0.0	0.0		198.0
Total	Million AUD																
Growth	Million AUD	0.0	16.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.1
Sustaining	Million AUD	34.2	81.3	46.7	46.8	101.4	76.7	70.2	50.0	80.6	69.3	53.7	40.3	72.0	32.5	2.5	987.9
Closure	Million AUD															15.1	15.1
Total	Million AUD	34.2	97.4	46.7	46.8	101.4	76.7	70.2	50.0	80.6	69.3	53.7	40.3	72.0	32.5	17.6	1,019.2

APPENDIX III

COMPETENT PERSON'S REPORT

Yarrabee

Cost Centre	Unit	H2 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Avg. 2031-2035	Avg. 2036-2040	Avg. 2041-2050	Avg. 2051-2053	Total LOM
Onsite Costs																			
Open Cut	Million AUD	91.6	172.9	211.8	214.7	219.2	234.5	229.5	226.0	222.0	217.3	201.5	220.0	220.4	208.3	209.5	205.1	131.7	7,216.2
Site Admin	Million AUD	8.5	14.4	15.1	14.0	14.6	14.1	15.2	15.5	15.2	15.2	15.2	15.5	15.4	15.3	15.4	15.2	14.6	536.8
CHPP	Million AUD	30.4	61.7	69.1	71.9	67.4	73.3	76.3	75.5	80.1	66.2	65.4	65.3	62.9	65.3	61.7	60.5	51.5	2,260.2
Total Free on Rail	Million AUD	130.5	249.0	295.9	300.6	301.3	322.0	321.1	316.9	317.3	298.7	282.0	300.9	298.6	288.9	286.6	280.8	197.7	10,013.2
	AUD/ROM t	63.4	62.3	68.8	62.6	65.5	61.9	63.0	64.7	61.0	71.1	67.1	71.6	74.7	68.8	72.4	71.1	56.5	67.9
	AUD/Prod t	71.8	68.0	83.9	74.7	79.0	73.4	79.5	82.2	72.3	89.0	84.0	91.6	95.8	88.3	93.8	91.8	68.9	85.2
Off site costs																			
Rail	Million AUD	27.0	50.6	46.6	53.2	50.4	58.0	53.3	50.8	57.8	44.2	44.2	43.3	41.0	43.1	40.2	40.3	37.8	1,553.5
Port	Million AUD	26.6	49.9	43.3	45.5	44.8	47.3	45.8	45.0	47.3	42.7	42.7	42.4	41.6	42.3	41.4	41.4	31.3	1,491.4
Other	Million AUD	2.0	3.5	3.4	3.8	3.6	4.1	3.8	3.7	4.1	3.3	3.3	3.2	3.1	3.2	3.0	3.0	2.8	114.3
Total Free on Board (ex Royalty)	Million AUD	186.1	353.0	389.2	403.1	400.1	431.4	424.0	416.3	426.6	388.8	372.2	389.8	384.4	377.5	371.2	365.5	269.7	13,172.4
Total Free on Board (inc Royalty)	Million AUD	203.0	393.8	431.5	449.7	446.2	483.7	473.3	463.6	481.7	431.5	415.3	432.3	424.4	420.1	410.3	405.6	307.6	14,660.6
(inc royalties)	AUD/Prod t	111.7	107.6	122.4	111.8	117.0	110.3	117.1	120.2	109.7	128.6	123.8	131.6	136.2	128.4	134.3	132.6	107.2	124.8
Cost Centre																			
	Unit	H2 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Avg. 2031-2035	2036	Avg. 2041-2050	Avg. 2051-2053	Total LOM
Growth	Million AUD	1.5	0.0	134.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	135.7
Sustaining	Million AUD	2.0	2.0	2.0	2.0	5.0	4.0	20.4	18.4	2.0	57.5	76.4	31.7	23.7	28.5	26.0	25.9	35.3	884.5
Total	Million AUD	3.5	2.0	136.2	2.0	5.0	4.0	20.4	18.4	2.0	57.5	76.4	31.7	23.7	28.5	26.0	25.9	35.3	1,020.2

APPENDIX III

COMPETENT PERSON'S REPORT

Ashton

Cost Centre	Unit	H2 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total LOM
Onsite Costs															
Open Cut	Million AUD							65.4	74.4	99.5	111.0	110.8	88.2	16.5	565.8
UG	Million AUD	40.6	80.0	79.0	82.5	79.2	76.3	79.2	74.1	74.0	72.4	61.9	65.2	0.0	864.5
Site Admin	Million AUD	4.2	7.9	8.1	8.1	7.9	8.0	11.9	12.6	15.6	16.5	16.5	18.1	1.3	136.8
CHPP	Million AUD	7.4	14.6	14.1	13.0	12.0	12.2	18.6	22.6	27.7	28.6	29.5	29.1	3.4	232.7
Total Free on Rail	Million AUD	52.1	102.4	101.3	103.6	99.2	96.6	175.1	183.7	216.9	228.5	218.6	200.5	21.2	1,799.8
	AUD/ROM t	34.8	30.4	34.8	40.6	41.8	34.0	56.1	32.0	35.2	40.2	37.3	41.4	34.9	37.8
	AUD/Prod t	70.8	57.8	63.4	75.9	79.3	56.8	95.4	58.7	60.7	68.7	62.9	69.0	74.1	66.8
Off site costs															
Rail	Million AUD	4.4	9.3	8.1	10.8	12.6	18.1	18.9	18.2	17.6	16.4	17.1	14.3	1.5	167.3
Port	Million AUD	2.2	4.7	4.1	5.4	6.3	9.1	9.5	9.2	8.9	8.2	8.6	7.2	0.8	84.1
Other	Million AUD	3.0	7.2	6.7	5.9	5.6	7.4	8.9	13.6	15.0	14.2	14.8	12.7	1.7	116.8
Free on Board (ex Royalties)	Million AUD	61.7	123.7	120.2	125.8	123.6	131.1	212.4	224.6	258.4	267.3	259.2	234.7	25.2	2,168.1
Free on Board (inc Royalties)	Million AUD	68.7	140.9	136.0	139.4	136.2	148.2	232.0	257.6	297.0	304.0	297.7	267.7	28.6	2,464.0
(inc royalties)	AUD/Prod t	93.3	79.6	85.1	102.2	108.9	87.2	126.4	82.4	83.1	91.4	85.6	92.0	99.8	91.0

Cost Centre	Unit	H2 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total LOM
OC Mining															
Growth	Million AUD	0.0	0.0	0.0	0.0	0.0	109.3	66.1	0.0	0.0	0.0	0.0	0.0	0.0	175.4
Sustaining	Million AUD	0.0	0.0	0.0	0.0	23.0	3.9	6.4	6.9	7.3	6.8	1.5	0.0	0.0	55.9
Land	Million AUD	0.0	0.0	0.0	0.0	20.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
UG Mining															
Growth	Million AUD	0.0	1.0	14.0	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.6
Sustaining	Million AUD	16.4	30.6	25.0	21.7	22.8	28.0	22.6	18.6	20.9	29.2	21.3	16.6	0.0	273.7
Total															
Growth	Million AUD	0.0	1.0	14.0	1.6	0.0	109.3	66.1	0.0	0.0	0.0	0.0	0.0	0.0	192.0
Sustaining	Million AUD	16.4	30.6	25.0	21.7	45.8	32.0	29.0	25.5	28.2	36.0	22.8	16.6	0.0	329.6
Total	Million AUD	16.4	31.6	39.0	23.3	45.8	141.3	95.0	25.5	28.2	36.0	22.8	16.6	0.0	521.6

APPENDIX III

COMPETENT PERSON'S REPORT

Stratford and Duralie

Unit	H2 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Avg. 2031-2035	Avg. 2036-2040	Avg. 2041-2050	Avg. 2051-2053	Total LOM
Million AUD	21.8	53.0	58.1	85.4	67.8	45.4	71.9	82.6	79.7	66.6	69.9	66.4	84.7	67.7	62.0	60.7	30.9	2,201.2
Million AUD	3.7	7.9	13.0	14.3	13.5	10.6	14.0	16.8	15.6	15.7	15.7	15.9	18.2	15.8	14.3	14.1	9.4	0.0
Million AUD	3.8	5.8	9.2	10.4	9.7	7.1	8.7	10.9	10.9	10.9	10.9	10.9	12.5	10.9	10.9	10.9	10.9	494.9
Million AUD	29.3	66.7	80.3	110.1	91.1	63.0	94.6	110.4	106.1	93.1	96.5	93.2	115.4	94.4	87.2	85.6	51.2	3,067.8
AUD/ROM t	63.3	62.2	47.4	57.6	50.8	48.2	59.0	55.0	53.1	46.6	48.2	46.6	50.2	47.2	43.6	42.8	25.6	45.0
AUD/Prod t	126.8	109.2	79.9	99.6	87.2	77.2	87.3	84.9	88.3	77.0	79.4	75.9	82.0	77.2	78.8	78.7	70.6	80.4
Million AUD	6.2	11.5	16.5	18.6	18.5	14.4	9.8	11.8	10.9	10.9	11.0	11.1	12.7	11.1	10.0	9.8	6.6	387.3
Million AUD	2.9	4.7	6.4	7.3	7.4	5.7	2.9	3.5	3.2	3.2	3.2	3.3	3.8	3.3	3.0	2.9	1.9	123.5
Million AUD	0.7	1.9	3.1	3.4	3.3	2.5	3.4	4.1	3.7	3.8	3.8	3.8	4.4	3.8	3.4	3.4	2.3	118.9
Million AUD	39.0	84.9	106.3	139.5	120.2	85.7	110.7	129.6	123.9	111.1	114.5	111.4	136.3	112.6	103.6	101.8	61.9	3,697.5
Million AUD	41.7	91.6	116.4	150.2	130.1	93.6	121.3	142.5	136.1	123.6	127.1	124.2	150.4	125.3	115.0	113.0	69.2	4,087.6
AUD/prod t	180.7	149.9	115.8	135.8	124.5	114.6	111.9	109.6	113.2	102.2	104.5	101.1	106.9	102.4	104.0	103.8	95.5	107.1
Unit	H2 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Avg. 2031-2035	Avg. 2036-2040	Avg. 2041-2050	Avg. 2051-2053	Total LOM
Million AUD	5.7	5.0																10.7
Million AUD	7.2	2.9	2.6	2.5	2.5	2.5	2.5	3.3	3.2	2.7	2.8	2.7	3.4	2.7	2.5	2.4	1.2	94.6
Million AUD	12.9	7.9	2.6	2.5	2.5	2.5	2.5	3.3	3.2	2.7	2.8	2.7	3.4	2.7	2.5	2.4	1.2	105.3

APPENDIX III

COMPETENT PERSON’S REPORT

Austar

Cost Centre	Unit	H2 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Avg. 2031-2034	Total LOM
Onsite Costs																
UG	Million AUD	5.0	97.4	120.6	118.2	124.2	120.7	115.0	125.2	108.0	102.7	101.8	97.5	102.2	84.2	1,675.3
Site Admin	Million AUD	5.0	7.6	11.0	12.4	11.3	11.2	11.6	11.5	11.8	11.2	11.4	11.8	11.2	11.5	185.0
CHPP	Million AUD	0.0	14.3	18.2	21.5	20.7	20.8	22.5	21.5	23.1	20.0	21.4	22.4	19.9	20.6	328.9
Total Free on Rail	Million AUD	10.0	119.3	149.9	152.1	156.3	152.7	149.1	158.2	142.8	133.9	134.6	131.7	133.4	116.3	2,189.2
	AUD/ROM t	0.0	72.0	68.4	53.1	58.2	56.4	48.0	55.2	44.3	53.4	48.0	43.0	54.0	44.5	51.4
	AUD/Prod t	0.0	81.4	79.4	63.2	69.2	66.9	57.0	66.1	52.7	63.6	57.1	51.2	64.3	52.9	61.0
Off site costs																
Rail	Million AUD	9.6	17.6	17.9	20.4	19.6	19.7	19.8	18.9	20.2	17.8	18.8	19.6	17.6	18.1	310.0
Port	Million AUD	3.4	5.7	5.5	7.3	6.6	6.7	6.7	6.2	7.0	5.4	6.1	6.6	5.3	5.8	101.9
Other	Million AUD	2.5	5.1	6.5	8.4	7.9	8.1	9.2	8.4	9.4	7.4	8.4	9.3	7.6	8.0	130.4
Total Free on Board (ex Royal)	Million AUD	25.5	147.7	179.7	188.2	190.5	187.1	184.9	191.7	179.4	164.5	167.9	167.2	163.9	148.3	2,731.6
Total Free on Board (inc Royal)	Million AUD	25.5	161.5	198.7	212.7	213.7	210.5	211.8	215.9	207.4	186.5	192.8	194.7	186.1	171.9	3,105.2
(inc royalties)	AUD/prod t	0.0	110.3	105.3	88.4	94.6	92.3	81.0	90.2	76.5	88.5	81.8	75.7	89.7	78.2	86.5
Summary																
Cost Centre	Unit	H2 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Avg. 2031-2034	Total LOM
Growth	Million AUD	0.0	1.3	10.4	0.3	0.0	0.1	0.1	0.3	0.1	0.0	0.0	0.0	0.0		12.4
Sustaining	Million AUD	0.0	51.9	47.1	23.9	21.7	26.9	17.9	7.0	33.4	29.3	15.6	25.0	19.9	16.7	352.9
Total	Million AUD	0.0	53.1	57.5	24.2	21.7	27.0	18.0	7.3	33.4	29.3	15.6	25.0	19.9	16.7	365.3

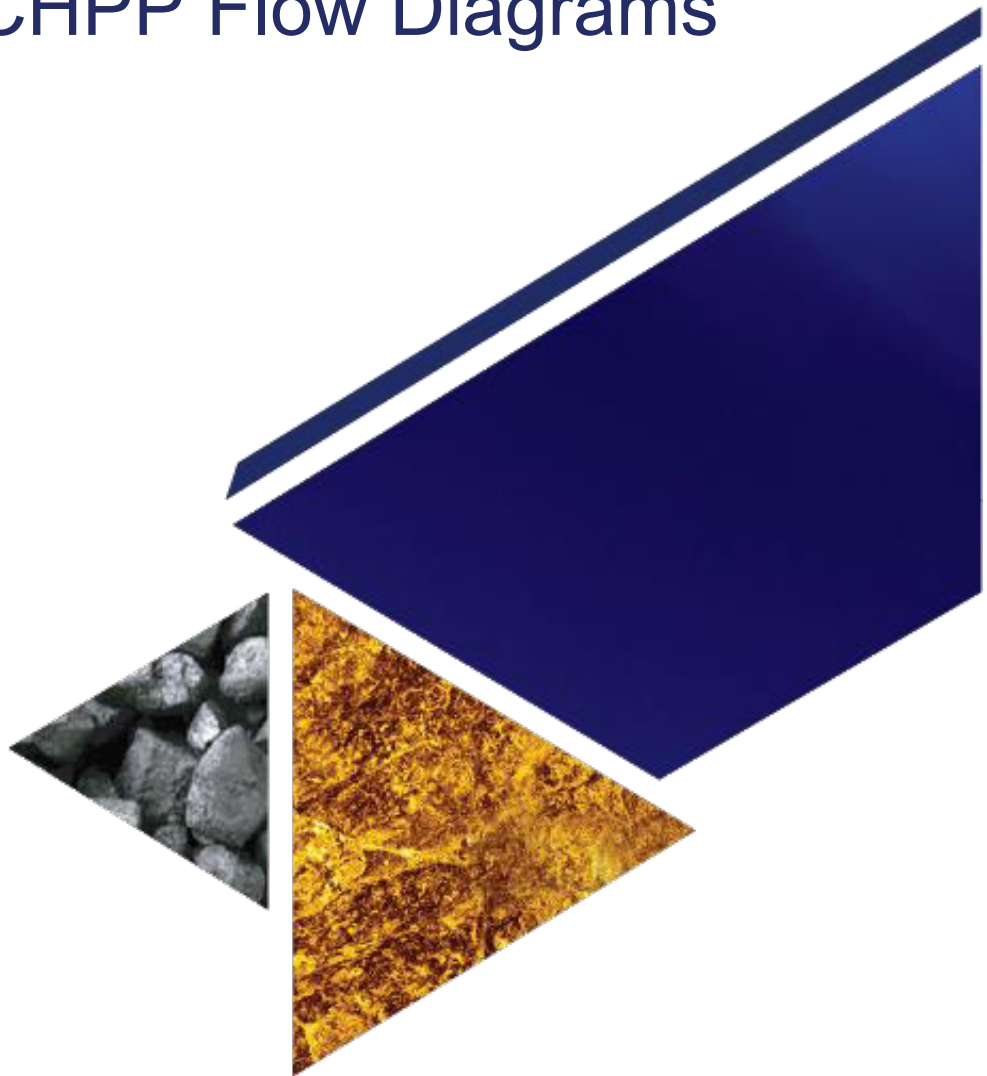
APPENDIX III

COMPETENT PERSON’S REPORT

Middlemount

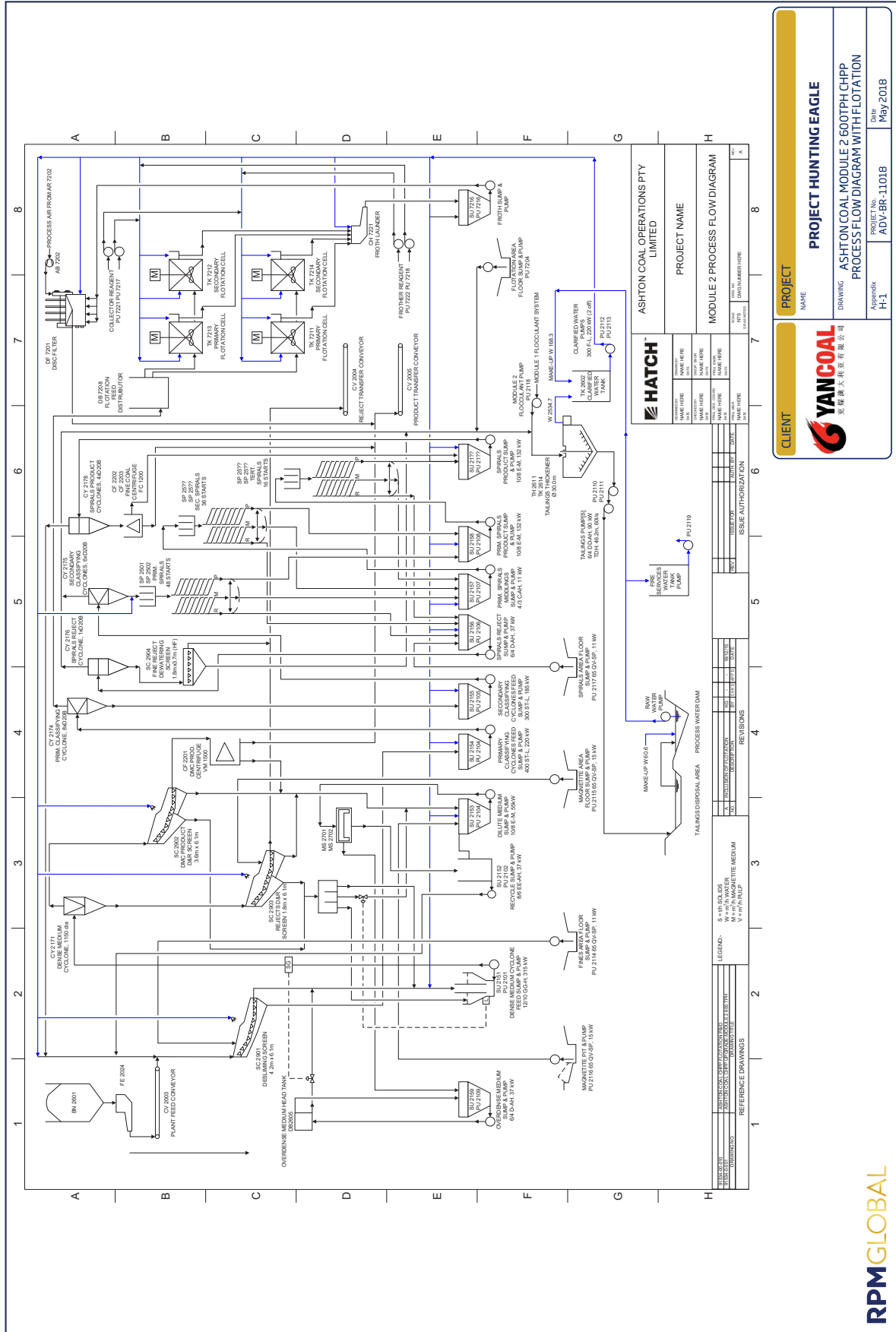
Cost Centre	Unit	H2 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Avg. 2031-2035	Avg. 2036-2037	Total LOM
Onsite Costs																	
Open Cut	Million AUD	131.5	265.0	253.5	251.0	251.5	266.3	270.4	278.5	282.5	287.8	296.9	330.1	347.1	365.2	182.4	5,702.7
Site Admin	Million AUD	11.3	22.1	22.1	22.1	18.2	21.7	21.8	21.7	21.7	21.7	21.8	21.7	21.7	21.7	13.4	405.1
CHPP	Million AUD	14.3	28.5	28.8	28.5	29.2	28.8	28.8	28.7	28.7	28.7	28.8	28.7	28.7	28.8	16.5	536.1
Total Free on Rail	Million AUD	157.1	315.6	304.4	301.6	298.9	316.8	320.9	329.0	333.0	338.3	347.5	380.6	397.5	415.6	212.3	6,648.8
	AUD/ROW t	53.9	59.1	56.1	55.9	55.3	58.7	59.3	60.9	61.7	62.6	64.2	70.5	73.6	76.9	75.0	66.2
	AUD/Prod t	73.2	76.8	71.9	72.5	71.9	76.1	78.4	81.7	83.2	84.5	90.7	94.5	97.0	101.1	97.4	87.5
Off site costs																	
Rail	Million AUD	38.4	83.2	85.0	84.2	84.4	69.6	66.1	66.6	49.7	34.6	33.1	34.8	35.4	35.5	19.8	982.2
Port	Million AUD	15.3	28.7	29.5	29.1	29.1	28.4	27.6	27.3	24.9	22.8	21.8	22.9	23.3	23.4	13.0	473.8
Other	Million AUD	19.8	31.8	32.5	32.6	33.0	33.2	32.5	31.9	31.7	31.6	30.6	31.9	32.5	32.6	18.3	605.4
Total Free on Board (excl. Royalties)	Million AUD	230.7	459.3	457.4	447.5	445.4	448.0	447.2	454.8	439.2	427.2	433.0	470.1	488.7	507.2	263.4	8,705.3
Total Free on Board (incl. Royalties)	Million AUD	280.2	532.6	524.5	521.1	518.7	522.5	522.2	528.4	513.5	500.6	504.4	544.5	565.0	563.7	305.9	10,108.2
	AUD/Prod t	130.5	129.7	124.0	125.3	124.9	125.5	127.5	131.3	128.3	125.0	131.7	135.2	137.9	141.9	140.3	133.1
Summary																	
Cost Centre	Unit	H2 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Avg. 2031-2035	2036	Total LOM
Growth	Million AUD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sustaining	Million AUD	10.5	27.7	8.1	5.3	3.1	5.9	4.7	4.4	3.3	3.0	5.3	3.7	3.6	4.3	3.9	125.7
Total	Million AUD	10.5	27.7	8.1	5.3	3.1	5.9	4.7	4.4	3.3	3.0	5.3	3.7	3.6	4.3	3.9	125.7

Appendix H. CHPP Flow Diagrams



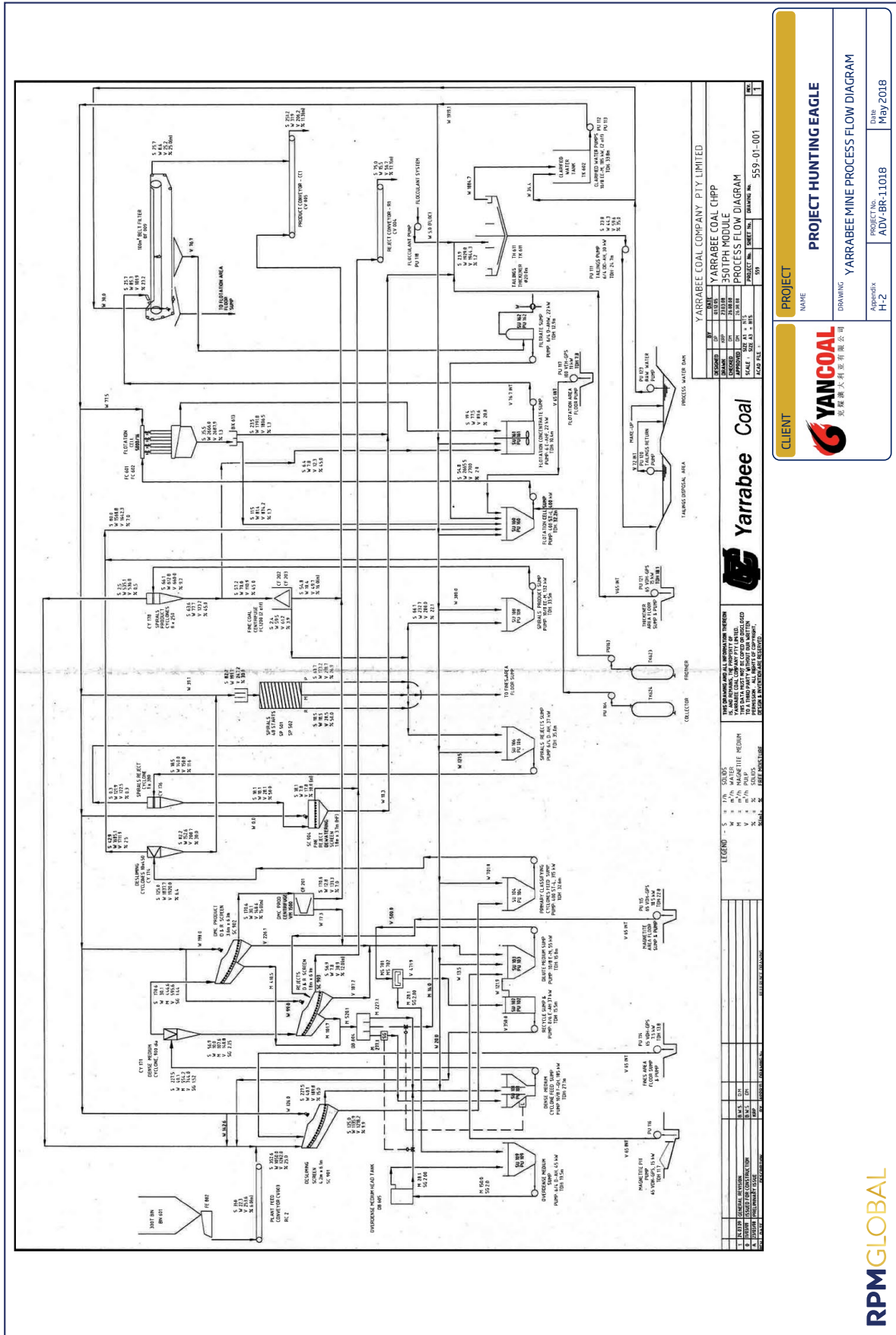
APPENDIX III

COMPETENT PERSON'S REPORT



APPENDIX III

COMPETENT PERSON'S REPORT



YARRABEE COAL COMPANY PTY LIMITED	
PROJECT	YARRABEE COAL CHPP
NAME	350TPH MODULE
PROCESS	PROCESS FLOW DIAGRAM
APPROVED BY	[Signature]
DATE	15/05/2018
PROJECT NO.	ADV-BR-1101B
DRAWING NO.	559-01-001
REV	1

Yarrabee Coal

CLIENT

YANCOAL
 高麗源大 有限公司

PROJECT NAME: PROJECT HUNTING EAGLE
 DRAWING: YARRABEE MINE PROCESS FLOW DIAGRAM
 Appendix: H-2
 Date: May 2018

IN THE PRESENCE OF THE COMPETENT PERSON'S REPORT, THE INFORMATION CONTAINED HEREIN IS THE PROPERTY OF YARRABEE COAL COMPANY PTY LIMITED AND IS NOT TO BE REPRODUCED OR DISCLOSED TO ANY OTHER PARTY WITHOUT THE WRITTEN PERMISSION OF YARRABEE COAL COMPANY PTY LIMITED. ALL RIGHTS RESERVED.

LEGEND

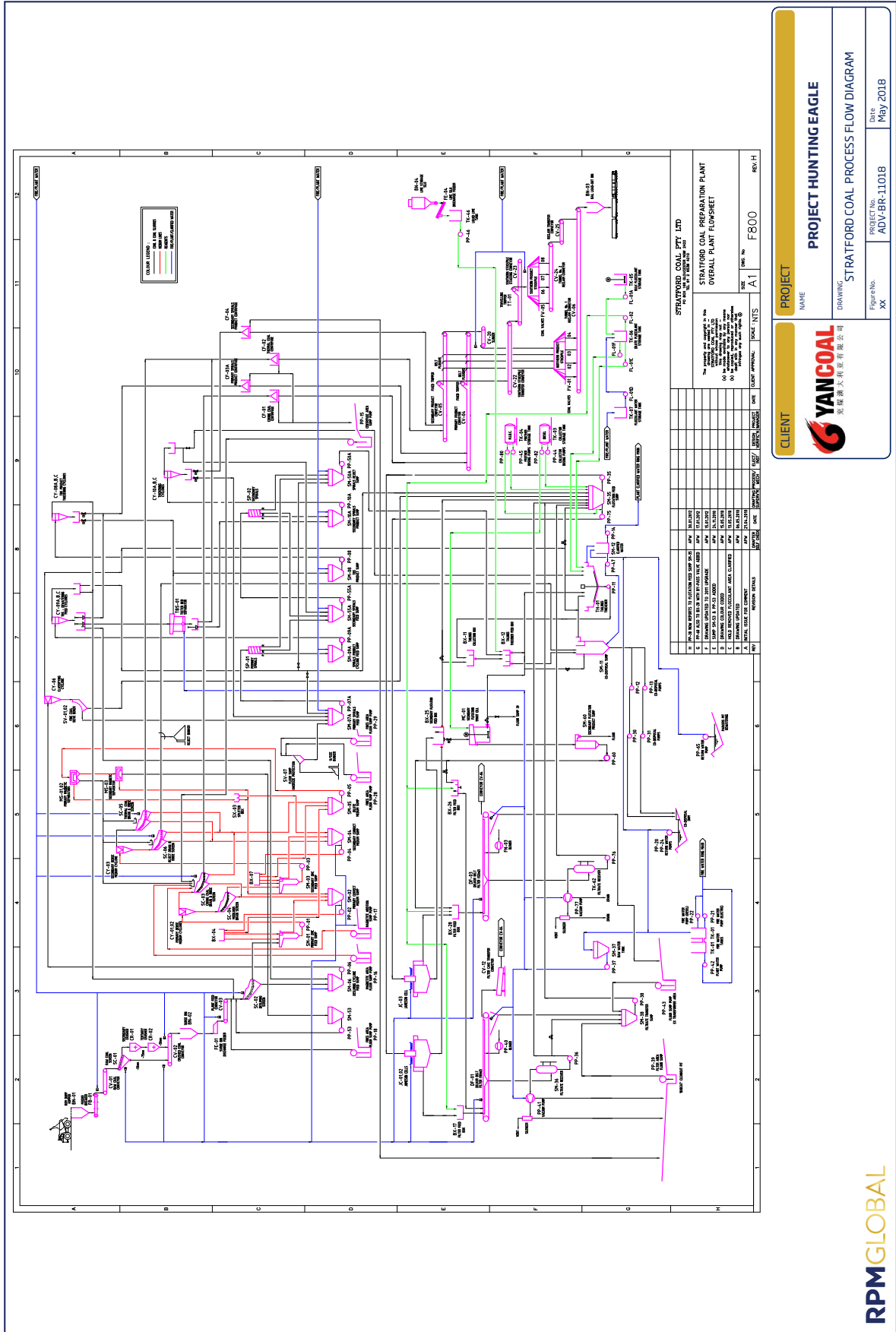
- S: SOLIDS
- W: WATER
- M: MAGNETITE RESIDUE
- F: FINE SOLIDS
- X: SOLIDS

NO.	DESCRIPTION	DATE
1	ISSUED FOR APPROVAL	15/05/2018
2	ISSUED FOR CONSTRUCTION	15/05/2018



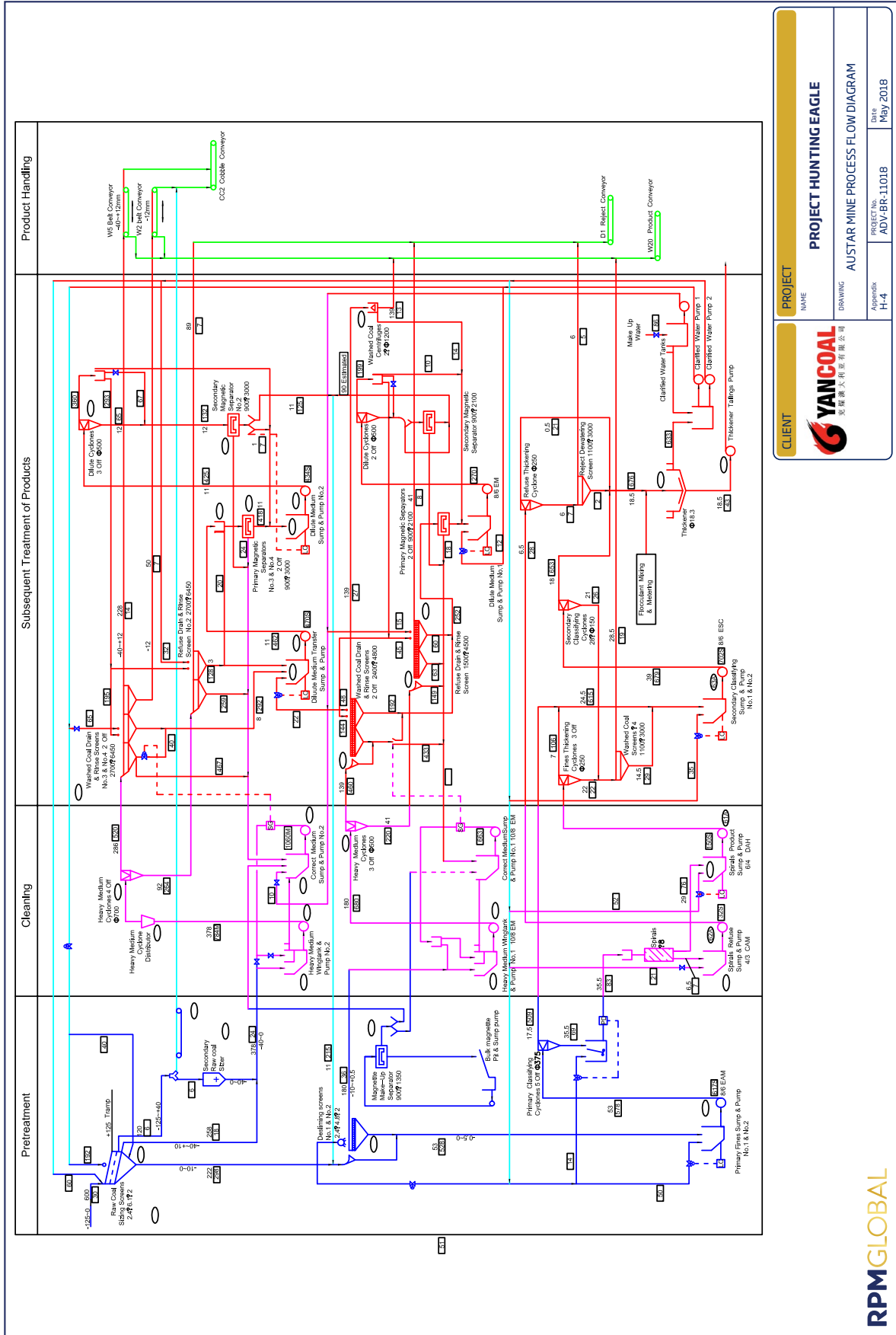
APPENDIX III

COMPETENT PERSON'S REPORT



APPENDIX III

COMPETENT PERSON'S REPORT



	PROJECT NAME	PROJECT HUNTING EAGLE
	DRAWING	AUSTAR MINE PROCESS FLOW DIAGRAM
CLIENT	Appendix	H-4
	PROJECT No.	ADV-BR-11018
	Date	May 2018



– END OF REPORT –

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MONGOLIA | RUSSIA | SOUTH AFRICA | TURKEY | USA

APPENDIX IV

TAXATION AND REGULATORY OVERVIEW

A. TAXATION

The following summary of certain Hong Kong and Australian tax consequences of the purchase, ownership and disposition of the Shares is based upon the laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares and does not purport to apply to all categories of prospective investors, some of whom may be subject to special rules, and is not intended to be and should not be taken to constitute legal or tax advice. Prospective investors should consult their own tax advisers concerning the application of Hong Kong and Australian tax laws to their particular situation as well as any consequences of the purchase, ownership and disposition of the Shares arising under the laws of any other taxing jurisdiction. Neither the Company nor any of the Relevant Persons assumes any responsibility for any tax consequences or liabilities that may arise from the subscription for, holding or disposal of the Shares.

The taxation of the Company and that of the Shareholders is described below. Where Hong Kong and Australian tax laws are discussed, these are merely an outline of the implications of such laws. Such laws and regulations may be interpreted differently. It should not be assumed that the relevant tax authorities or the Hong Kong or Australian courts will accept or agree with the explanations or conclusions that are set out below.

Investors should note that the following statements are based on advice received by the Company regarding taxation laws, regulations and practice in force as at the date of this prospectus, which may be subject to change.

1. OVERVIEW OF TAX IMPLICATIONS OF HONG KONG

(a) Hong Kong Taxation of the Company

Profits Tax

The Company will be subject to Hong Kong profits tax in respect of profits arising in or derived from Hong Kong at the current rate of 16.5%, unless such profits are chargeable under the half-rate of 8.25% that may apply for the first HK\$2 million of assessable profits for years of assessment beginning on or after 1 April 2018. Dividend income derived by the Company from its subsidiaries will be excluded from Hong Kong profits tax.

(b) Hong Kong Taxation of Shareholders

Tax on Dividends

No tax is payable in Hong Kong in respect of dividends paid by the Company.

Profits Tax

Hong Kong profits tax will not be payable by any Shareholders (other than Shareholders carrying on a trade, profession or business in Hong Kong and holding the Shares for trading purposes) on any capital gains made on the sale or other disposal of the Shares. Trading gains from the sale of Shares by persons carrying on a trade, profession or business in Hong Kong where such gains are derived from

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TAXATION AND REGULATORY OVERVIEW

or arise in Hong Kong from such trade, profession or business will be chargeable to Hong Kong income tax rates of 16.5% on corporations and 15.0% on individuals, unless such gains are chargeable under the respective half-rates of 8.25% and 7.5% that may apply for the first HK\$2 million of assessable profits for years of assessment beginning on or after 1 April 2018. Gains from sales of Shares effected on the Stock Exchange will be considered by the Hong Kong Inland Revenue Department to be derived from or arise in Hong Kong. Shareholders should take advice from their own professional advisers as to their particular tax position.

Stamp Duty

Hong Kong stamp duty will be charged on the sale and purchase of Shares at the current rate of 0.2% of the consideration for, or (if greater) the value of, the Shares being sold or purchased, whether or not the sale or purchase is on or off the Stock Exchange. The Shareholder selling the Shares and the purchaser will each be liable for one-half of the amount of Hong Kong stamp duty payable upon such transfer. In addition, a fixed duty of HK\$5 is currently payable on any instrument of transfer of Shares.

Estate Duty

Hong Kong estate duty was abolished effective from 11 February 2006. No Hong Kong estate duty is payable by Shareholders in relation to the Shares owned by them upon death.

2. OVERVIEW OF TAX IMPLICATIONS OF AUSTRALIA

The following section does not constitute financial product advice and is confined to Australian taxation issues only. Taxation is only one of the matters you need to consider when making a decision about your investments. You should consider taking advice from a licensed adviser, before making a decision about your investments.

The following taxation summary is based on the tax laws in Australia in force and the administrative practices of the Australian tax authorities as at the Latest Practicable Date. During the period of ownership of the Shares by investors' the taxation laws of Australia or their interpretation may change (possibly with retroactive effect). Australian tax laws are complex.

This taxation summary is necessarily general in nature and is based on the Australian tax legislation and administrative practice in force as at the date of this booklet. It does not take into account any financial objectives, tax positions or investment needs of investors.

The taxation implications of the Offer will vary depending upon your particular circumstances. It is strongly recommended that you seek your own independent professional tax advice applicable to your particular circumstances. Neither Yancoal nor any of its officers or employees, nor its taxation and other advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

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TAXATION AND REGULATORY OVERVIEW

Overview of the Australian Taxation System

1. Overview of the Australian tax system

Corporate income tax

Companies incorporated in Australia are generally residents of Australia for income tax purposes. Companies not incorporated in Australia may nevertheless be a tax resident for Australian tax purposes if they are carrying on business in Australia with either their central management and control in Australia, or if their voting power is controlled by Australian residents.

An Australian tax resident company is subject to income tax on its worldwide income. A foreign tax resident company is subject to Australian tax only on Australian sourced income.

Resident companies are generally taxed at the Australian company tax rate, which is currently 30%. Small business taxpayers are currently taxed at 27.5% (if aggregated annual turnover is under AUD\$25 million and the taxpayer is carrying on a business).

Income of non-resident companies from Australian sources is similarly taxable at the current company tax rate if it is not subject to any withholding tax or treaty protection. However, a foreign tax resident company not operating in Australia through a permanent establishment is generally subject to tax only on Australian sourced passive income, such as rent, interest, royalties and dividends. Rent is subject to an assessment, while interest, royalties and dividends are subject to withholding tax. Please see the section below headed ‘withholding taxes on dividends’.

There are changes enacted to progressively reduce the corporate tax rate to 27.5% for corporate entities that are carrying on a business with aggregated turnover of less than A\$25 million for the 2017-2018 income year and for those entities with aggregated turnover of less than A\$50 million for the 2018-2019 income year. In line with the reduction to the corporate tax rate for smaller businesses, the current proposal is to initially reduce the tax rate for businesses with an aggregated turnover under A\$1 billion to 27.5% by 2022-2023. These changes would see the corporate tax rate for all entities be progressively lowered to 25% by 2026-27. The proposed changes, however, have not yet been enacted and the current Australian company tax rate for large businesses remains at 30%.

Determination of taxable income

Broadly, a company is taxed based on its taxable income. Taxable income is defined as assessable income less deductions. Assessable income includes ordinary income (e.g. income derived from the operations of the business) and statutory income (defined in the tax law as assessable income including capital gains). Non-cash business benefits may be included as income in certain circumstances.

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TAXATION AND REGULATORY OVERVIEW

Expenses are allowable deductions to the extent they are incurred in gaining or producing assessable income or are necessarily incurred in carrying on a business for the purpose of gaining or producing assessable income. Expenditure of a capital nature are not immediately deductible, however, most business capital expenditure that is not immediately deductible may be deducted over no more than five years. Expenditure incurred in production of exempt income is not deductible. To the extent that expenditure has both a taxable and non-taxable purpose, it will be apportioned.

Capital gains tax

Australian tax law distinguishes income (revenue) gains and losses from capital gains and losses, in accordance with the legislative provisions, as supported by principles from case law. Broadly, items which are solely capital gains and capital losses are not assessable or deductible under the ordinary income tax rules. However, the capital gains tax ("CGT" provisions) in the tax law may apply.

For companies, capital gains are taxed at the relevant company income tax rate. The CGT provisions apply to gains and losses from designated CGT events. The list of designated CGT events includes disposal of assets, grants of options and leases, and events arising from the tax consolidation rules.

Capital gains are calculated separately from income tax, by identifying the capital proceeds (money received or receivable, or the market value of property received or receivable) with respect to the CGT event and deducting the relevant cost base. Capital gains are reduced by amounts that are otherwise assessable under the ordinary income tax rules.

Capital losses are deductible only from taxable capital gains. Capital losses are not deductible from ordinary income. However, ordinary or trading losses are deductible from net taxable capital gains.

Depreciation

Australia's capital allowance rules allow a deduction for the decline in value of a "depreciating asset" held during the year.

A "depreciating asset" is defined as an asset with a limited effective life that may be expected to decline in value over the time it is used. Land and trading stock are excluded from the rules and are not considered to be depreciating assets. Certain intangible assets may be included under the rules.

The depreciation rate for a depreciating asset depends on the effective life of the asset. Taxpayers may choose to use either the default effective life determined by the tax authorities or their own reasonable estimate of the effective life. A taxpayer may choose to recalculate the effective life of a depreciating asset if the effective life that was originally selected is no longer accurate as a result of market, technological or other factors.

Taxpayers may choose the prime cost method (straight-line method) or the diminishing value method (200% of the straight-line rate) for calculating the tax-deductible depreciation for all depreciating assets, except intangible assets. For certain intangible assets, the prime cost method must be used. Once a method is chosen, it may not be changed.

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TAXATION AND REGULATORY OVERVIEW

For certain intangible assets, taxpayers are not able to re-estimate the effective life of the asset. However, for intangible assets which a taxpayer starts to hold on or after 1 July 2016, companies can choose to either use the effective lives prescribed by legislation or to self-assess the effective life of such assets.

Dividends

Dividends paid by Australian tax resident companies may be franked with an imputation credit to the extent that Australian corporate income tax has been paid by the Company on the income being distributed. Unfranked dividends are dividends paid out of profits which have not been subject to Australian corporate income tax. Anti-avoidance tax rules exist to discourage companies from streaming imputation credits to those shareholders that can make the most use of the credits at the expense of other shareholders.

A company may select its preferred level of franking with reference to its existing and expected franking account surplus and the rate at which it franked earlier distributions. However, under the “benchmark rule”, all distributions made by a company within a franking period must generally be franked to the same extent and the maximum franking level cannot exceed 100% of the dividend.

The consequences of receiving a franked dividend vary depending on the nature of the recipient Shareholder. Please see the section below headed “A. Australian tax implications” for further details.

Withholding taxes on dividends

For dividends paid, the withholding tax rate of 30% applies only to the unfranked portion of the dividend. A reduced rate applies if dividends are paid to residents of treaty countries. An exemption from dividend withholding tax applies to the part of the unfranked dividends that is declared in the distribution statement to be conduit foreign income.

Dividends paid to non-residents are subject to Australian withholding tax.

Relief for losses

For companies, tax losses may be carried forward indefinitely, for use against assessable income derived during succeeding years, provided certain loss recoupment tests are satisfied.

To claim a deduction for past losses companies must satisfy either the Continuity of Ownership Test (“COT”) or failing that, the Same Business Test (“SBT”).

Broadly, the COT is satisfied if the majority of the underlying ownership (i.e. greater than 50% ownership) in the shares, measured by voting, dividend and capital rights of the company is maintained from the start of the income year in which the tax loss was incurred until the end of the income year in which the tax loss is sought to be recouped. For publicly listed companies and other widely held companies, concessional rules exist to ensure simpler compliance in satisfaction of the COT. If the COT is failed, the SBT can be used. To satisfy the SBT, the taxpayer must show that, at all times during the year in which the loss is to be recouped, it

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carried on the same business and did not derive any income from a business of a kind, and did not derive income from a transaction, that it had not carried on or entered into before the change in ownership.

The 'similar business test' may apply to losses made in the financial year ended 30 June 2016 and future income years (although the legislation introducing this measure is not yet enacted). If both the COT and SBT are failed, the tax loss may not be used in the future.

Thin capitalisation

Thin capitalisation measures apply to the total debt of Australian operations of multinational groups (including foreign and domestic related-party and third-party debt), and may result in a denial of certain debt related deductions after application of transfer pricing measures applicable to related party debt. The prescribed safe harbour debt to assets ratio is 60%.

The thin capitalisation measures apply to the following:

- i. Foreign-controlled Australian entities and foreign entities that either invest directly into Australia or operate a business through an Australian branch (inward investing entities); and
- ii. Australian entities that control foreign entities or operate a business through an overseas branch (outward investing entities).

Administration

The Australian tax year ends on 30 June although the Commissioner of Taxation has a discretion to allow companies to adopt a substituted accounting period to file tax returns on the basis of a year end other than 30 June where appropriate business circumstances exist.

The Commissioner of Taxation grants a concession to allow tax returns to be filed on the 15th day after the 7th month after which the income year ended. Similarly, this concession is extended to companies which adopt a substituted accounting period.

Under the Pay-As-You-go ("PAYG") instalment system, companies with turnover of AUD\$20 million or less continue to make quarterly payments of income tax within 21 days after the end of each quarter of the tax year. The amount of each instalment is based on the income earned in the quarter.

The instalment obligations for larger companies with turnover in excess of AUD\$20 million are changed to monthly payments.

GST

Goods and services, tax ("GST") is a broad-based tax of 10% on most goods, services and other items sold or consumed in Australia. Certain goods and services are not subject to GST, being either GST free or input taxed.

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Generally, businesses and other organisations registered for GST will:

- Include GST in the price they charge for their goods and services; and
- Generally, claim credits for the GST included in the price of goods and services they acquire for their business, except to the extent that the acquisitions relate to the making of input taxed supplies.

Stamp duty

The main transactions that may be subject to Australian stamp duty are the transfer of property (such as real estate, mining and business assets) and acquisition of interests in entities (such as companies) that directly or indirectly hold interests in real estate (which can include freehold, leasehold, fixtures and mining assets) located in Australia.

The rate of stamp duty varies according to the type and value of the transaction involved.

Depending on the nature of the transaction certain concessions and exemptions may be available.

Key Tax Implications for the Shareholders

A. *Australian tax implications*

Set out below is a general summary of the Australian income tax implications for Australian tax resident individuals, companies (other than life insurance companies), complying superannuation entities and foreign resident investors that will hold the Shares on capital account.

These comments do not apply to investors that are not residents for Australian income tax purposes, hold the Shares on revenue account or as trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading), investors who are exempt from Australian income tax, or investors subject to the taxation of financial arrangements regime (the "Regime") in Division 230 of the Income Tax Assessment Act 1997 (Cth) and does not cover foreign tax implications of owning the Shares.

The below summary assumes that the Company continues to be an Australian tax resident.

1. Dividends paid on the Shares

Australian individuals and complying superannuation entities

Dividends paid by the Company on a Share should constitute assessable income of an Australian tax resident investor. Australia has an imputation system where the concept of franking broadly represents the net Australian corporate tax paid by the company. When a corporate tax entity makes a distribution to its members, it can impute tax credits to the distribution to alleviate double taxation at the corporate entity level and again when the member receives the distribution. This is called "franking" a distribution.

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Dividends can be "franked" to a maximum percentage reflecting the Australian corporate tax rate of 30% for Australian tax purposes. The franking credits attached to a distribution represent the amount of tax already paid by the corporate entity and can be used by the recipients as tax offsets. Where the franking credits attached to the distributions received by individuals or complying superannuation funds exceed their tax liability, they are entitled to a refund of the franking credits.

Australian tax resident investors who are individuals or complying superannuation entities should include the dividend in their assessable income in the year the dividend is paid, together with any franking credit attached to that dividend. Subject to the 45 day rule as discussed further below, such investors should be entitled to a tax offset equal to the franking credit attached to the dividend. The tax offset can be applied to reduce the tax payable on the investor's taxable income. Where the tax offset exceeds the tax payable on the investor's taxable income, investors who are individuals or complying superannuation entities should be entitled to a tax refund equal to the excess.

To the extent that the dividend is unfranked, investors who are individuals will generally be taxed at the prevailing (marginal) rate on the dividend received (with no tax offset) and the complying superannuation entities will be taxed at a concessional rate of 15%.

Australian trusts and partnerships

Australian tax resident investors who are trustees (other than trustees of complying superannuation entities) or partnerships should include the dividend as well as the associated franking credits in the net income of the trust or partnership. The relevant beneficiary or partner may be entitled to a tax offset equal to the beneficiary's or partner's share of the net income of the trust or partnership.

Australian companies

Companies are also required to include both the dividend and the associated franking credits in their assessable income.

Companies are then entitled to a tax offset up to the amount of the franking credit attached to the dividend.

An Australian tax resident company should be entitled to a credit in its own franking account to the extent of the franking credits attached to the dividend received. This will allow the company to pass on the franking credits to its shareholders on the subsequent payment of franked dividends.

Excess franking credits received by Australian tax resident companies will not give rise to a refund entitlement but can be converted into carry forward tax losses instead.

Foreign resident investors

Fully franked dividends received by a foreign resident investor should not be subject to any Australian dividend withholding tax. However, refunds of imputation credits are not available for foreign investors.

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Unfranked or partially franked dividends paid to a foreign resident investor should generally be subject to Australian dividend withholding tax to the extent of the unfranked component of the dividend. The rate of the dividend withholding tax (up to 30%) will depend on the country in which the relevant investor is resident. Such investors may be able to claim foreign tax credits for the Australian withholding tax in the jurisdiction in which they are a tax resident, depending on the tax law in the relevant jurisdiction. Investors should seek their own professional tax advice to confirm this.

2. *Shares held at risk – availability of franking credits*

The benefit of franking credits can be denied where, an investor is not a "qualified person" in which case the amount of the franking credits will not be included in their assessable income and they will not be entitled to a tax offset.

Broadly, to be a "qualified person" two tests must be satisfied, namely the holding period rule and the related payment rule.

Under the holding period rule, an investor is required to hold the Shares at risk for a continuous period of not less than 45 days during the primary qualification period in order to qualify for franking benefits, including franking credits. The primary qualification period is the period commencing the day after the Shares were acquired and ending on the 45th day after the Shares became ex-dividend. This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed AUD\$5,000.

Under the related payment rule, a different testing period applies where the investor has made, or is under an obligation to make, a related payment in relation to the dividend. The related payment rule is applied within the period commencing on the 45th day before, and ending on the 45th day after the day the Shares become ex-dividend.

Investors should seek professional advice to determine if these requirements, as they apply to them, have been satisfied.

There are specific integrity rules that prevent taxpayers from obtaining a tax benefit from additional franking credits where dividends are received as a result of "dividend washing" arrangements. Shareholders should consider the impact of these rules to their own personal circumstances.

3. *Disposal of the Shares*

Australian tax resident investors

Australian tax resident investors, who hold their Shares on capital amount will be subject to Australian CGT on the disposal of Shares.

An investor, who holds their Shares on capital account, will derive a capital gain on the disposal of the Shares where the capital proceeds received on disposal exceed the CGT cost base of the Shares. The CGT cost base of the Shares in an arm's length transaction is generally the value of the consideration paid to acquire the Shares plus any transaction or incidental costs (e.g. brokerage costs and legal costs).

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A CGT discount may be available on the capital gain for Australian tax resident individual investors, trustee investors and investors that are complying superannuation entities, provided the particular Shares are held for at least 12 months prior to sale. Any current year or carried forward capital losses must be used to offset the capital gain first before the CGT discount can be applied. The CGT discount is not available for Australian tax resident companies.

The CGT discount for Australian tax resident individuals and trusts is 50% of the capital gain and for complying superannuation entities is 33 $\frac{1}{3}$ % of the capital gain. In relation to trusts, the CGT discount rules are complex, but the discount may flow through to Australian tax resident individuals and complying superannuation fund beneficiaries of the trust.

An Australian tax resident investor will incur a capital loss on the disposal of their Shares to the extent that the capital proceeds on disposal are less than the reduced cost base of the Shares for CGT purposes.

If an Australian tax resident investor derives a net capital gain in a year, this amount is, subject to the comments below, included in the investor's assessable income. If an Australian tax resident investor incurs a net capital loss in a year, this amount is carried forward and is available to offset against capital gains derived in subsequent years, subject, in some cases, to the investor satisfying certain rules relating to the recoupment of carried forward losses.

Foreign resident investors

A tax liability should only arise in Australia for non-resident Shareholders on capital gains arising on disposal of their Shares if the Shares constitute taxable Australian real property. Broadly, this could be the case if a company is entitled, directly or indirectly (through a non-portfolio shareholding of 10% or more) to any real property situated in Australia (freehold, leasehold, fixtures or other items fixed to land) or mining, quarrying, or prospecting rights, and such landholdings or mining, quarrying or prospecting rights represent 50% or more of the market value of the assets of the company.

The tax rate will depend on the characteristics of the taxpayer.

4. *Tax File Number (TFN) and Australian Business Number (ABN)*

Australian tax resident investors may, if they choose, notify the Company of their TFN, ABN or a relevant exemption from withholding tax with respect to dividends.

The Company is required to deduct withholding tax from payments of dividends to the extent they are unfranked at the highest marginal rate (currently 47% for the 2017-2018 income year) including the Medicare levy (the progressive income tax levy which partly finances Medicare, Australia's national healthcare scheme), unless a TFN or an ABN has been quoted by the Shareholder, or a relevant exemption applies and has been notified to the Company. Australian tax resident investors may be able to claim a tax credit/rebate (as applicable) in respect of any tax withheld on dividends in their tax returns.

An investor who holds the Shares as part of an enterprise (i.e. carrying on a business of buying and selling shares) may quote its ABN instead of its TFN.

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5. Goods and services tax (GST)

The acquisition, buy-back or disposal of the Shares by an Australian tax resident investor (registered for GST) will be an input taxed financial supply, and therefore is not subject to GST. No GST should be payable in respect of dividends paid to investors.

An Australian tax resident investor (registered for GST) may not be entitled to claim full input tax credits in respect of GST on expenses (e.g. lawyers' and accountants' fees) incurred relating to the acquisition, buy-back or disposal of the Shares which are otherwise input taxed supplies.

6. Stamp duty

Where the Company is listed on the ASX or the Stock Exchange and is a landholder in any State or Territory in Australia, no landholder duty should be payable by a Shareholder on the acquisition of the Shares under the Global Offering (i.e. the issuance of Shares by the Company under the Global Offering) if the investors:

- Acquire the Shares after all of the Shares are quoted on ASX or the Stock Exchange; and
- Each investor and any associated persons (or persons acquiring under one arrangement or in concert) do not acquire 90% or more of the interests in the Company or, as a result of the acquisition, hold 90% or more of the interests in the Company.

Further, under current stamp duty legislation, stamp duty should not ordinarily be payable on any subsequent acquisition of Shares by a Shareholder provided the above requirements are met.

Investors should seek their own tax advice as to the impact of stamp duty in their own particular circumstances.

B. REGULATORY OVERVIEW

The following is a brief summary of the laws and regulations in Australia that currently may materially affect the Group and its operations. The principal objective of this summary is to provide potential investors with an overview of the key laws and regulations applicable to the Group. This summary does not purport to be a comprehensive description of all the laws and regulations applicable to the business and operations of the Group and/or which may be important to potential investors. Investors should note that the following summary is based on the laws and regulations in force as at the date of this prospectus, which may be subject to change.

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B. REGULATIONS IN RELATION TO THE GROUP'S COAL MINING OPERATIONS

Commonwealth

The following is a brief summary of the Commonwealth laws and regulations which apply to the Group's operations in New South Wales, Queensland and Western Australia (to the extent the Group manages the Premier Coal mine operations on behalf of Yanzhou).

Native Title

Native Title refers to the statutory recognition of the rights and interests of Aboriginal People who have held continuous interests in land under their traditional laws and customs since the colonial settlement of Australia in the 18th and 19th Centuries. Under the *Native Title Act 1993 (Cth)* (**NTA**), relevantly:

- any potential invalidity of titles granted prior to 1 January 1994 (and in some cases before 23 December 1996) is remediated, although compensation may be payable in some cases; and
- holders of Native Title rights and Registered Claimants for such rights have procedural rights under the 'future acts' regime. If there is non-compliance with those procedural rights, the titles in question may be invalid to the inconsistency with Native Title rights and interests.

In addition to Commonwealth laws and regulations, each state in Australia also has its own regulatory framework which governs mining in that state. As the Group currently holds interests in New South Wales and Queensland, we have provided a brief summary of the laws and regulations which apply to the Group's operations in New South Wales and Queensland respectively.

Environment protection

Mining operations in Australia are highly regulated by environment protection laws. Environmental protection laws in respect of mining projects are primarily regulated at State and Territory levels, with limited environment protection legislation and involvement of regulators at a Federal level.

Federal environment protection laws

At a Federal level, the key piece of environment protection legislation is the *Environmental Protection and Biodiversity Conservation Act 1999 (Cth)* (**EPBC Act**).

The primary objective of the EPBC Act is to regulate proposals that have the potential to impact matters of 'national environmental significance'. These include world heritage properties, national heritage places, wetlands of international importance, listed threatened species and ecological communities, migratory species, Commonwealth marine areas, nuclear actions (including mining of uranium), and water resources in respect of impacts from coal seams gas and large coal mining development. This is a separate and independent process to the range of approvals required under NSW, Queensland and Western Australian legislation.

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The Commonwealth Department of the Environment and Energy (**DoEE**) is the key Federal department supervising environment protection in Australia under the EPBC Act. The DoEE also designs and implements Australian Government policy and programs to protect and conserve the environment, water and heritage.

State environment protection laws: NSW, Queensland and Western Australia

(i) Obtaining material planning and environmental approvals

Both NSW and Queensland Governments have introduced a suite of environment protection laws. Development such as mining activity that has the potential to significantly impact the environment will typically require planning approval and an environment protection license or authorisation.

The approval pathway for mining projects typically require the preparation of detailed environmental assessment, together with public exhibition and opportunities for any person to make submissions objecting or supporting the project.

The relevant consent authority has broad discretionary powers whether to approve or refuse to grant environmental approvals. If approved, the regulator will typically impose a suite of conditions to mitigate and manage the potential environmental impacts of the proposal. Stringent conditions can be imposed in relation to limits on emissions and discharges, and the requirement to provide financial assurances.

Obtaining material and environmental approvals in NSW

In NSW, mining projects (including the assessment, operations and post-closure stages of the mine life cycle) are regulated under the *Environmental Planning and Assessment Act 1979* (NSW) (**EP&A Act**) and the *Mining Act 1992* (NSW). Once a development consent is granted under the EP&A Act, an EPL must be granted in a manner that is consistent with that consent. The NSW Environmental Protection Authority issues EPLs to the occupiers of premises under the *Protection of the Environment Operations Act 1997* (**POEO Act**).

Obtaining material and environmental approvals in Queensland

In Queensland, proponent of a mining project may require a Regional Interest Development Approval under the *Regional Planning Interests Act 2014* (Qld). A development permit for project infrastructure under the *Sustainable Planning Act 2009* or associated planning scheme.

In addition, the mining project may need to be declared a 'prescribed project' or a 'coordinated project' under the *State Development and Public Works Organisation Act 1971* (Qld) (**State Development Act**). A prescribed project is usually applied to projects of economic or social significance to Queensland or a regional area. A coordinated project is usually applied for major projects that require complex approval requirements, imposed by a local government, the state or the Commonwealth; or projects that have significant environmental effects; strategic significance to a locality, region or the state, or significant infrastructure requirements.

In Queensland, the *Environmental Protection Act 1994* (Qld) is the central piece of environmental legislation. It regulates activities that are likely to have impacts on the environment, categorised as 'environmentally relevant activities' (ERAs) including mining activities.

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Obtaining material and environmental approvals in Western Australia

The *Mining Act 1978* (WA) and *Environmental Protection Act 1986* (WA) are the principle pieces of legislation which regulate the environmental impacts of mining in Western Australia.

The *Mining Act 1978* (WA) requires the proponent of a large scale mining operations to obtain a mining lease before it commences commercial mining production in Western Australia. The application for a mining lease must be accompanied by a Mining Proposal and Mine Closure Plan. The primary objective of the Mining Proposal is to enable the regulator to assess the environmental impact of the proposal. The objective of a Mine Closure Plan is to set out a process so that the mine can be closed, decommissioned and rehabilitated to meet the legal obligations for rehabilitation and closure.

If a Mining Proposal has the potential to have a significant effect on the environment it will be referred to the WA Environmental Protection Authority (WA EPA) and the Minister to decide whether formal environmental assessment is required under Part IV of the *Environmental Protection Act 1986* (WA) (also referred to as a Part IV Approval). Mining Proposals must also be referred to WA EPA if, among other matters, mining is proposed within 2 km of a town site. A large scale mining operation will typically trigger an assessment pathway known as 'Public Environmental Review' (on the basis that the proposal is of State wide significance, substantial assessment is required to determine environmental impacts, where there are a number of significant and complex environmental issues, or where the level of public interest warrants a public review).

The proponent of the mining project will also be required to obtain a Works Approval and an Operating Licence under the *Environmental Protection Act 1986* (WA) to construct and operate prescribed polluting activities on premises.

Obtaining ancillary environmental and planning approvals in NSW, Queensland and Western Australia

Mining operations in NSW, Queensland and Western Australia will also generally require approvals for the supply or storage of water resources. In NSW mining operations usually require water access licences under the *Water Act 1912* (NSW) or the *Water Management Act 2000* (NSW) to authorize the extraction of water. In Queensland, *Water Act 2000* (Qld) provides a framework for the planning, allocation and use of surface water and groundwater for mining activities. In Western Australia, a groundwater licence is required under the *Rights in Water and Irrigation Act 1914* (WA) to take groundwater.

Other specific environmental approvals may also be needed to authorise actions that may impact on Indigenous and non-Indigenous heritage or protected species, clearing or native vegetation or require the supply or storage of waste, hazardous chemicals and dangerous goods.

Environmental licences and permits are subject to regular review and renewal, and additional conditions and/or operational requirements can be imposed.

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(ii) Compliance with environment protection laws

Environment protection laws at a State and Federal level create various environmental offences. There is typically a general environmental duty not to cause environmental harm and a suite of specific pollution type offences.

NSW, Queensland and Western Australia Governments have introduced laws which make directors and persons involved in the management of a corporation deemed liable for offences by their corporations. Whether a regulator will prosecute a director or manager typically turns on the level of control and influence that they had in respect of the incident. There are also specific defenses available to defendants in respect of personal liability for the offence of a body corporate.

(iii) Liability for rehabilitation and financial assurance

Generally, the owner/operator of the mine in NSW, Queensland and Western Australia is legally obliged to rehabilitate the mine on an ongoing basis, and at the end of life of the mine.

This obligation is typically imposed as a condition of planning and environmental approvals and under the mining tenement. Financial security will be required by the State Government to ensure that there are funds available to the Government to carry out rehabilitation if required. State Government regulators have the power to determine the amount of financial security and to enforce that security.

This is an area of law and policy that is currently subject to review in both NSW and Queensland. In Queensland, the Government has introduced new provisions to enable environmental protection orders to be issued to 'related persons'. These provisions provide the Queensland Government with additional tools to ensure that companies and associated parties meet their environmental responsibilities.

In Western Australia, the Mining Act 1978 (WA) requires all tenement holders to contribute an annual levy to the Mining Rehabilitation Fund.

(iv) Key regulators in NSW, Queensland and Western Australia

NSW, Queensland and Western Australia Governments have their own suite of departments supervising environment protection in these jurisdictions.

In NSW, the primary environmental regulator is the Environment Protection Authority which is responsible for issuing, and enforcing compliance with, environment protection licences, investigation and management of pollution incidents (air, water, land and noise) and the clean-up of contamination. The NSW Department of Planning and the Environment is responsible for land use planning and strategic planning policies.

Other Departments which play a key environment protection in NSW include:

- NSW Office of Environment and Heritage – responsible for national parks and protected areas, Aboriginal and non-Aboriginal heritage; and
- NSW Office of Water – responsible for protecting surface water and groundwater resources.

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In Queensland, the Department of Environment and Science is the Government's lead agency for the administration and enforcement of the *Environmental Protection Act 1994* (Qld) and the *Water Act 2000* (Qld). The assessment process for coordinated projects under the State Development Act is managed by the Coordinator-General, who sits in the Department of State Development, Manufacturing, Infrastructure and Planning, by way of an environmental impact statement for larger projects or an impact assessment report.

In Western Australia, the Department of Mines and Petroleum regulates the activities under the Mining Act 1978 (WA) including the approval of the Mining Proposal, Mine Closure Plan, and Mining Lease. The Department of Water and Environmental Regulation is the key regulator of prescribed environmental activities and compliance under the Environmental Protection Act 1986 (WA).

In NSW, Queensland and Western Australia, Local Government Councils also have broad powers to impose conditions in planning approvals to protect the environment, and to investigate and enforce compliance with planning approvals and environmental laws.

Mining activities in NSW, Queensland and Western Australia

New South Wales

The following is a brief summary of the laws and regulations in New South Wales which apply to the Group's operations in New South Wales only.

Mining

The *Mining Act 1992* (NSW) (**NSW Mining Act**) is the primary piece of legislation that regulates exploration and development of mineral resources in New South Wales.

Mining Lease/Coal Lease

Part 5 of the NSW Mining Act regulates the extraction of minerals within NSW. A granted mining lease (**NSW ML**) provides the holder with rights to mine particular public or privately owned minerals from land covered by the NSW ML for a specified period. A NSW ML also allows the holder to carry out primary treatment operations for the purpose of separating the mineral from surrounding material and ancillary mining activities. The Minister may grant a NSW ML subject to conditions, including the preparation and acceptance of a mining operations plan and the provision of a rehabilitation bond. The NSW ML process is initiated by the making of a mining lease application (**MLA**) that is assessed by the decision-maker (i.e. the Minister).

A coal lease (**CL**) refers to a mining lease granted under the *Coal Mining Act 1973* (NSW) preceding the NSW Mining Act. A CL operates in the same manner as a NSW ML and is subject to the same conditions and requirements prescribed under the NSW Mining Act.

A NSW ML is granted for a term not exceeding 21 years (except with the Premier's consent). A NSW ML may be renewed by lodging an application for renewal however there is no guarantee that a NSW ML will be renewed or that the area of the land which the NSW ML covers remains the same.

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Consolidated Mining Lease

If two or more NSW MLs are held by the same person and relate to adjoining parcels of land, an application can be made to consolidate these interests into a consolidated mining lease (**CML**). The rights conferred by a CML are the same as those contained in the leases the subject of the consolidation. A CML expires at the end of the period determined by the Minister (such period not to extend beyond the first day by which all the existing leases that have been consolidated would, but for the consolidation, have expired). A consolidated coal lease (**CCL**) refers to an interest granted under legislation preceding the NSW Mining Act. CCLs granted under this earlier legislation are now governed by the NSW Mining Act in the same manner as a CML.

Exploration Licences/Authorisations

An exploration licence (**EL**) may be granted over specific land for particular minerals (whether publically or privately owned). The grant of an EL provides its holder with the right to explore for the specified mineral group(s) during the licence term. More extensive exploration and prospecting activities require additional approval prior to commencement. An EL is subject to specified conditions and any conditions the decision-maker may impose. This may include the requirement for security to be lodged in the form of cash, a bank guarantee or bond.

An EL is granted for a term not exceeding 6 years. The owner of privately owned minerals may apply for an exploration (mineral owner) licence. These ELs are granted for a shorter term of 2 years. The holder of an EL may apply for a renewal 2 months before the licence ceases to have effect, however there is no guarantee that an EL will be renewed or that the area of the land which the EL covers remains the same.

The EL process is initiated by the making of an exploration licence application (**ELA**). The decision-maker must then decide whether to grant the EL over all or part of the land over which the licence is sought or refuse the EL. An 'Authorisation' (**AUTH**) refers to an interest granted under the legislation preceding the NSW Mining Act. An AUTH operates in the same way as an EL.

Assessment Lease

Part 4 of the NSW Mining Act sets out the requirements for obtaining an assessment lease (**AL**). An AL is designed to allow retention of rights over an area in which a significant mineral deposit has been identified, if mining the deposit is not commercially viable in the short term but there is a reasonable prospect that it will be in the longer term. The holder is allowed to continue prospecting operations and to recover minerals in the course of assessing the viability of commercial mining. The holder of an assessment lease may apply for a renewal within 2 months before the lease ceases to have effect however there is no guarantee that a AL will be renewed or that the area of the land which the AL covers remains the same.

Land Access Arrangements

Under the NSW Mining Act, a landholder (which includes any party with a registered interest in the land, including mortgagees and lessees) is entitled to compensation for any compensable loss suffered, or likely to be suffered, by that landholder due to the exercise of the rights conferred by a NSW ML, EL or AL on that landholder's land. The holder of an EL or AL may not carry out any prospecting operations on any area of land except in accordance with an access arrangement agreed with the landholders of the land or determined by an arbitrator.

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A NSW ML may not be granted over the surface of any land:

- (a) within 200 metres of a dwelling house that is the principal place of residence of the person occupying it;
- (b) within 50 metres of a garden; or
- (c) on which significant improvements are situated,

except with the written consent of the owner of the house, garden or significant improvement.

The holder of an EL or AL may not exercise the rights conferred by that title over the surface of any land:

- (a) within 200 metres of a dwelling house that is the principal place of residence of the person occupying it;
- (b) within 50 metres of a garden; or
- (c) on which significant improvements are situated,

except with the written consent of the owner of the house, garden or significant improvement.

Aboriginal Cultural Heritage

The *National Parks and Wildlife Act 1974* (NSW) provides for (amongst other things) the protection and management of Aboriginal objects and places. It is an offence to harm or desecrate an Aboriginal object or place without an Aboriginal heritage impact permit under the NPW Act.

Mining Royalties

Royalties payable to the State of New South Wales are prescribed under the *Mining Act 1992* (NSW) and the *Mining Regulations 2016* (NSW). The royalties payable in respect of coal are as follows:

- (a) 8.2% of the value of coal recovered by open cut mining;
- (b) 7.2% of the value of coal recovered by underground mining (underground mining refers to mining (other than deep underground mining) carried out at a mine in which coal is extracted other than by open cut methods); and
- (c) 6.2% of the value of coal recovered by deep underground mining (deep underground mining refers to mining carried out at a mine in which coal situated at a depth of 400 metres or more is extracted other than by open cut methods).

Royalties may also be payable with respect to coal reject if the holder of a NSW ML uses the coal reject in producing energy or disposes of it for use in producing energy. The rate of royalty payable in respect of the coal in coal reject may be a zero rate or may be any other rate up to, but not exceeding, half the base rate of the royalties prescribed for coal.

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Industrial Relations Legislation

The following industrial relations laws and regulations are applicable to the Group's operations in NSW:

- (a) *Fair Work Act 2009* (Cth);
- (b) *Fair Work Regulations 2009* (Cth); and
- (c) *Coal Mining Industry (Long Service Leave Funding) Act 1992* (Cth).

Work Health and Safety Legislation

The following work health and safety laws and regulations are applicable to the Group's operations in New South Wales:

- (a) *Work Health and Safety Act 2011* (NSW);
- (b) *Work Health and Safety Regulation 2017* (NSW);
- (c) *Work Health and Safety (Mines and Petroleum Sites) Act 2013* (NSW);
- (d) *Work Health and Safety (Mines and Petroleum Sites) Regulation 2014* (NSW);
- (e) *Explosives Act 2003* (NSW); and
- (f) *Explosives Regulation 2013* (NSW).

In summary, duty-holders must ensure, so far as is practicable, that they are not exposing people to health and safety risks arising from the work at the mine or place of business. Employers must, so far as is practicable, provide and maintain a working environment in which the employees are not exposed to hazards.

Workers Compensation Legislation

The following workers compensation laws and regulations are applicable to the Group's operations in NSW:

- (a) *Workers Compensation Act 1987* (NSW);
- (b) *Workers Compensation Regulation 2003* (NSW);
- (c) *Workplace Injury Management And Workers Compensation Act 1998* (NSW);
and
- (d) *Coal Industry Act 2001* (NSW).

Queensland

The following is a brief summary of the laws and regulations in Queensland which apply to the Group's operations in Queensland only.

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Mining

The *Mineral Resources Act 1989* (QLD) (**MRA**) is the primary piece of legislation that regulates exploration and development of mineral resources in Queensland.

Exploration Permit for Coal/Exploration Permit for Minerals

An Exploration Permit for Coal (**EPC**) is an exploration permit specific to coal, authorising its holder to enter land within the permit area to undertake exploration activities. An Exploration Permit for Minerals (**EPM**) is an exploration permit for all minerals other than coal. An EPC can be granted for up to five years and is renewable (however there is no guarantee that an EPC will be renewed).

An EPC holder will be subject to various obligations throughout the term of the permit, including relinquishment and reporting requirements, and compliance with the MRA and the land access code made under the *Mineral and Energy Resources (Common Provisions) Act* (QLD) 2014 and *Mineral and Energy Resources (Common Provisions) Regulation 2016* (QLD) (**Land Access Code**). During the term of the permit, the holder or any person acting on their behalf will be entitled to carry out any of the activities authorised in the permit. The permit does not entitle its holder to conduct mining activities. A QLD ML will be required to extract and produce any minerals found on site.

Mineral Development Licence

In order to obtain an Mineral Development Licence (**MDL**), a proponent must hold a current EPC over the area. MDLs entitle the holder to carry out the same exploration activities permitted under the EPC from which the MDL is sought, however, the MDL entitles its holder to undertake more detailed exploratory efforts. Similar to an EPC, an MDL holder will be subject to various obligations under the MRA throughout the term of the licence. An MDL can be granted for up to five years and is renewable (however there is no guarantee that a MDL will be renewed).

While the licence does not authorise mining of the MDL area, it does entitle its holder to seek a QLD ML within the MDL area, at the exclusion of all others.

QLD Mining Lease

To extract and produce commercial volumes of coal, a proponent must obtain a Mining Lease (**QLD ML**), granted and administered under Chapters 6 and 7 of the MRA. A QLD ML entitles the holder to enter and remain on the land the subject of the lease for the purpose of mining for and extracting coal. A QLD ML will grant its holder authorisation to access the lease area, which may be land owned by another party. Accordingly, accessing the lease area is subject to further requirements. In particular, compensation must be addressed with the landowner, whether by agreement, or, if an agreement cannot be reached, by a determination of the Queensland Land Court. A QLD ML can be granted for any period, and can be subsequently renewed at the end of the term (however there is no guarantee that a QLD ML will be renewed).

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Mining royalties

The holder of a QLD ML must pay to the State of Queensland in respect of all minerals mined under the authority of the QLD ML, the royalty prescribed under the MRA. The MRA and the *Mining Resources Regulation 2013* (Qld) provide that the royalty rate to be paid to the State of Queensland in respect of coal will be:

- (a) if the average price per tonne of the coal sold, disposed of or used in the relevant period is A\$100 or less, the rate is 7% of the value of coal;
- (b) if the average price per tonne of the coal sold, disposed of or used in the relevant period is more than A\$100 but not more than A\$150, the rate for each tonne of coal worked out using the following formula:

$$RR = 7 + ((AP - 100)/AP \times 5.5),$$

where RR is the royalty rate and AP is the average price per tonne of the coal sold, disposed or used in the quarterly period; or

- (c) if the average price per tonne of the coal sold, disposed of or used in the relevant period is A\$150 or more, the rate for each tonne of coal worked out using the following formula:

$$RR = 7 + ((AP - 100)/AP \times 5.5) + ((AP - 150)/AP \times 2.5),$$

where RR is the royalty rate and AP is the average price per tonne of the coal sold, disposed or used in the quarterly period.

The royalty rate must be worked out and applied separately for coal sold, disposed of or used inside the State of Queensland and coal sold, disposed of or used outside the State of Queensland.

Section 8(2)(b) of the MRA provides that property in coal on or below the surface of land vests in the landowner (instead of the Crown) if the land was alienated in fee simple before 1 March 1910 and the grant of that land did not contain a specific reservation to the Crown of the property in the coal.

Section 320(3) of the MRA provides that royalties are payable to the owner of the minerals (being either the Crown or the landowner).

Where royalties are payable to an entity other than the Crown, they must be paid at the above prescribed rate, unless another rate has been agreed under an agreement pre-dating the *Mining Act Amendment Act 1976*.

Aboriginal Cultural Heritage

The *Aboriginal Cultural Heritage Act 2003* (QLD) recognises, protects, and conserves Aboriginal cultural heritage. The act provides that any person who undertakes an activity has a 'Duty of Care' to take all reasonable and practicable measures to ensure that the activity does not harm Aboriginal cultural heritage.

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Land Access

Under the *Mineral and Energy Resources (Common Provisions) Act 2014* (QLD) (**MERCP Act**), in order to access private land (i.e. freehold land or an interest in land less than fee simple held from the State of Queensland under another act) underlying an MDL or an EPC, the holder is required to provide a notice of intention to enter the land (**Entry Notice**) and, depending on the level of impact of the exploration activity, enter into a conduct and compensation agreement (**CCA**) with each owner and occupier of the land.

The requirement to enter into a CCA relates to any activities which are likely to have more than a minimal impact on the land or the owner or occupier's business operations.

If the activities will involve no or minimal impact to the land or the owner or occupier's business, the tenement holder is still required to provide an Entry Notice to the owner and occupier, unless the owner and occupier have otherwise agreed to waive that requirement.

If the holder is not able to access the land, there may be implications in terms of compliance with the work program condition. However, if a CCA cannot be reached with the owner and occupier, there is a statutory negotiation process set out in the MERCP Act, with ultimate recourse to the Land Court in the event that agreement cannot be reached.

With respect to public land underlying an MDL or EPC, the MERCP Act provides that a tenement holder cannot access that land to carry out authorised activities unless the activity is an activity that may be carried out by a member of the public without approval, the tenement holder has provided a periodic Entry Notice in accordance with the MERCP Act or the tenement holder has obtained a waiver with respect to providing a periodic Entry Notice.

Under the MRA, landowners are entitled to compensation for the grant or renewal of a QLD ML over their land. A QLD ML cannot be granted or renewed until compensation is determined between the holder of the QLD ML and any relevant landowners, either by agreement or by determination of the Land Court (if compensation can't be agreed between the parties). It is a condition of all QLD MLs that the holders comply with the terms of any agreement or determination.

Restricted land

Queensland's land access laws apply a consistent restricted land framework across all resource authorities. The restricted land framework provides protections to landholders where a tenement holder proposes to undertake authorised activities on or below the surface of restricted land.

Restricted land (with respect to EPCs, MDLs and QLD MLs) is defined in the MERCP Act in two categories, being:

Category A – land within 200 metres of:

- (a) a permanent building used mainly as a residence, a childcare centre, hospital or library, for business purposes, for community, sporting or recreational purposes, or as a place of worship; or
- (b) an area used for a school, aquaculture, intensive animal feedlotting, pig keeping or poultry farm; and

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Category B – land within 50 metres of:

- (a) a principal stockyard;
- (b) a bore or artesian well;
- (c) a dam;
- (d) another water storage facility; or
- (e) a cemetery or burial place.

In carrying out authorised activities under a tenement, the holder must not enter restricted land without the written consent of each owner and occupier of that land.

In order for a QLD ML to be granted over the surface of restricted land, the applicant for that lease must obtain the written consent of each owner and occupier of that land. There is no obligation for the owner or occupier to agree to the inclusion of restricted land in the QLD ML, giving landholders an effective right of veto to applications for surface rights.

Industrial Relations Legislation

The following industrial relations laws and regulations are applicable to the Group's operations in Queensland:

- (a) *Fair Work Act 2009* (Cth);
- (b) *Fair Work Regulations 2009* (Cth);
- (c) *Industrial Relations Act 2016* (QLD);
- (d) *Industrial Relations Regulation 2018* (QLD); and
- (e) *Coal Mining Industry (Long Service Leave Funding) Act 1992* (Cth).

Work Health and Safety Legislation

The following work health and safety laws and regulations are applicable to the Group's operations in Queensland:

- (a) *Mining and Quarrying Safety and Health Act 1999* (QLD);
- (b) *Mining and Quarrying Safety and Health Regulation 2017* (QLD);
- (c) *Coal Mining Safety and Health Act 1999* (QLD);
- (d) *Coal Mining Safety and Health Regulation 2017* (QLD);
- (e) *Work Health and Safety Act 2011* (QLD);

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- (f) *Work Health and Safety Regulation 2011* (QLD);
- (g) *Explosives Act 1999* (QLD); and
- (h) *Explosives Regulation 2017* (QLD).

Workers Compensation Legislation

The following workers compensation laws and regulations are applicable to the Group's operations in Queensland:

- (a) *Workers' Compensation and Rehabilitation Act 2003* (QLD); and
- (b) *Workers' Compensation and Rehabilitation Regulation 2014* (QLD).

Western Australia

The following is a brief summary of the laws and regulations in Western Australia which apply to Yanzhou's Premier Coal mine operation in Western Australia, which the Company manages on Yanzhou's behalf.

Mining

The *Mining Act 1978* (WA) (**WA Mining Act**) is the primary piece of legislation that regulates exploration and development of mineral resources in Western Australia. We also understand that the *Collie Coal (Western Collieries) Agreement Act 1979* (WA) applies to the Premier coal mine.

Prospecting Licence

The holder of a prospecting licence (**P**) may excavate, extract, or remove (subject to any conditions imposed under the Mining Act) earth, soil, rock, stone fluid or mineral bearing substances not exceeding 500 tonnes (or larger tonnage approved by the Minister) during the term of the licence. The holder of a P also has a priority entitlement to the grant of a mining lease or a general purpose lease over the land covered by the licence (subject to the WA Mining Act, any conditions to which the P is subject and to the term of the P being in force at the time of the application).

The term of a P is a period of 4 years. In respect of a P which was applied for on or after 10 February 2006, the Minister has discretion to extend the term of the licence for an additional 4 year period if satisfied that a prescribed ground for extension exists, and, in certain circumstances, by a further 4 year period or periods. Once an application for renewal is made and the term of the licence would otherwise expire, the licence shall continue in force until the application is determined. A P which was in force or applied for before 10 February 2006 cannot be extended.

Exploration Licence

An exploration licence (**E**) grants the holder of the licence a right to explore for minerals specified in the grant within the area of the licence. The holder may excavate, extract or remove earth, soil, rock, stone, fluid or mineral bearing substances up to a maximum volume of 1,000 tonnes (or another amount approved by the Minister) during the term of the licence.

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Once granted, an E will remain in force for a period of 5 years and may, in prescribed circumstances, at the discretion of the Minister, be extended over whole or part of the E for a further period of 5 years, followed by 2 year periods. An E which was in force or applied for before 10 February 2006 remains in force for a period of 5 years and may, in prescribed circumstances, at the discretion of the Minister, be extended over the whole or part of the E by a further period or periods of one or two years.

At the end of the third and fourth years of the term of an E which was granted or applied for before 10 February 2006, the holder must relinquish an area which constitutes not less than half of the area of the licence as at each relinquishment date. A holder may apply for an exemption from the requirement to relinquish an area of the E. In respect of an E applied for on or after 10 February 2006, the holder must relinquish an area which constitutes not less than 40% of the area of the licence at the end of 5 years and the earlier relinquishments are not required. A holder may apply to the Minister for a deferral of the requirement to relinquish an area of the E for a period of 12 months.

The WA Mining Act confers on the holder of an E which is in force, the right to apply for and, subject to the Mining Act, have granted one or more mining leases over any part of the land the subject of that licence. Once an application for renewal is made and the term of the licence would otherwise expire, the licence shall continue in force until the application is determined.

Mining Lease

A Mining Lease (**M**) authorises the holder of the lease to mine for and dispose of any minerals from the land in respect of which the lease was granted. The holder has exclusive rights to use, occupy and enjoy the land for mining purposes and owns all minerals that are lawfully mined from the land which is the subject of the lease.

An M remains in force for a period of 21 years and may be renewed for successive periods of 21 years with the tenement holder entitled to the first renewal as of right.

An M may only be applied for in instances where the Director of Geological Survey is satisfied that significant mineralisation exists or where a mining proposal has been prepared. "Significant mineralisation" is defined in the WA Mining Act as a deposit of minerals where there is a reasonable prospect of those minerals being obtained by mining operations. A mining proposal is a document which sets out in detail the mining operations proposed to be carried out on the area of the application.

Miscellaneous Licence

A Miscellaneous Licence (**L**) may be granted for various purposes (including, but not limited to, the construction of roads, pipelines and water extraction) provided that they are directly connected with mining operations. Ls may be granted over land which is the subject of an existing mining tenement.

Ls applied for or granted before 10 February 2006 remain in force for 5 years and may be renewed for 2 successive periods not exceeding 5 years, at the discretion of the Minister. Ls applied for or granted on or after 10 February 2006 remain in force for 21 years and can be renewed for one further period of 21 years as of right. Thereafter, on application and at the discretion of the Minister, the licence may be further renewed for successive periods not exceeding 21 years.

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General Purpose Lease

A General Purpose Lease (**G**) entitles the holder of the lease to exclusive occupation of the land for one or more of the purposes for which the lease is granted. These purposes include the erecting, placing and operating of machinery in connection with mining operations, the depositing or treating of minerals or tailings obtained from any land in accordance with the WA Mining Act and use of the land for any other specified purpose directly connected with mining operations, all in relation to which the G was granted.

A G can be granted over an area of land not exceeding 10 hectares, unless the Minister is satisfied that more land is needed, and will be limited to the depth stipulated by the lease, or if no depth is stipulated, then a depth of 15 metres below the lowest part of the natural surface of the land.

Gs are granted for a term that coincides with the associated M upon which mining operations are occurring, or, a date that is 21 years from the date upon which the G commenced, whichever is the later. It may be renewed for successive periods of 21 years, with the tenement holder entitled to the first renewal as of right.

Retention Licence

The holder of a P or E granted, or applied for before 10 February 2006, and the holder of an M (whenever granted or applied for) may apply for a Retention Licence (**R**). An R, while it remains in force, authorises the holder to enter the subject land for further exploration for minerals, and to carry on such operations and carry out such works necessary for that purpose including digging pits, trenches and holes, excavating, extracting and removing earth, soil, rock, stone, fluid or mineral bearing substances not exceeding 1,000 tonnes and to take and divert water. The land in respect of which an R is granted must be, in the opinion of the Minister, sufficient to include the land in, on or under which an identified mineral resource is located and also additional land as may be required for future mining operations.

An R remains in force for a term of 5 years and may, at the discretion of the Minister, be renewed for successive periods of up to 5 years. An application for a retention licence must be accompanied by a statutory declaration to the effect that there is an identified mineral resource within the proposed licence area and mining of that resource is for the time being impracticable for either economic or political reasons or because it is required to sustain the future operations of an existing or proposed mining operation.

The holder of a P or E granted or applied for after 10 February 2006 can no longer apply for a retention licence but may apply for "retention status". The "retention status" provisions are similar to the current retention licence provisions but a separate title will not be required. The Minister may approve retention status in respect of parts of the licence if a mineral resource is identified but it is impractical to mine because the resource is not economic at the time but may become so in the future, or the resource is required to sustain an existing or proposed mining operation, or there are existing political, environmental or other difficulties in obtaining requisite approvals. Once retention status has been granted, the holder of a P or E is not required to comply with the prescribed expenditure conditions.

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Royalty

Royalties payable to the State of Western Australia are prescribed under the WA Mining Act and the *Mining Regulations 1981* (WA). The royalties payable in respect of coal are as follows:

- (a) for coal (including lignite) that is not exported, A\$1 per tonne, to be adjusted each year at 30 June in accordance with the percentage increase in the average ex-mine value of Collie coal for the year ending on that date when compared with the corresponding value of Collie coal for the year ending on 30 June 1981; and
- (b) for coal that is exported, 7.5% of the royalty value, where royalty value means the gross invoice value of the mineral less any allowable deductions for the mineral.

Subject to the Regulations, royalties for a mineral shall be paid within 30 days after the end of the quarter during which the relevant amount of the mineral was produced or obtained.

Land Access

Under the WA Mining Act, a granted tenement will not give access to the area of that tenement that is 30 metres from the natural surface of private or pastoral lease land and is within a specified distance of certain infrastructure or improvements on that land without the consent of the private land owner and occupier or occupier of the pastoral lease (as applicable). A tenement application can still be granted without that consent but access will be limited to the area that is below a depth of 30 metres from the natural surface of the land in the relevant areas and the tenement register will be endorsed accordingly. The consent is commonly given under the terms of an access agreement whereby the tenement holder also agrees to pay compensation to the owner and/or occupier for losses including damage or disturbance caused to the surface of the land, damage to improvements or loss of earnings.

Industrial Relations

The following industrial relations laws and regulations are applicable to Yanzhou's Premier Coal mine operation in Western Australia, which the Company manages on Yanzhou's behalf:

- (a) *Fair Work Act 2009* (Cth);
- (b) *Fair Work Regulations 2009* (Cth); and
- (c) *Coal Mining Industry (Long Service Leave Funding) Act 1992* (Cth).

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Work Health and Safety Legislation

The following work health and safety laws and regulations are applicable to Yanzhou’s Premier Coal mine operation in Western Australia, which the Company manages on Yanzhou’s behalf:

- (a) *Mines Safety and Inspection Act 1994 (WA)*;
- (b) *Mines Safety and Inspection Regulations 1995 (WA)*;
- (c) *Occupational Safety and Health Act 1984 (WA)*; and
- (d) *Occupational Safety and Health Regulations 1996 (WA)*.

Workers compensation

The following workers compensation laws and regulations are applicable to Yanzhou’s Premier Coal mine operation in Western Australia, which the Company manages on Yanzhou’s behalf:

- (a) *Workers’ Compensation and Injury Management Act 1981 (WA)*;
- (b) *Workers’ Compensation and Injury Management Regulations 1982 (WA)*; and
- (c) *Workers’ Compensation Code of Practice (Injury Management) 2005 (WA)*.

Aboriginal Cultural Heritage

The *Aboriginal Heritage Act 1972 (WA)* provides for (amongst other things) the preservation of objects and places customarily used by, or traditional to, Aboriginal people. It is an offence to (amongst other things) alter or damage an Aboriginal object or place without the authorisation of the Registrar (in the case of a proposed excavation) or the consent of the Minister (in the case of a proposed use of land by “the owner of any land” as defined in s. 18(1).) The authorisations in question are generally administrative. That is, they are operationally important but are unlikely to have material impact on the value of the asset.

C. REGULATIONS IN RELATION TO FOREIGN INVESTMENT IN AUSTRALIA

Restrictions on the acquisition of Shares under the FATA

The main laws and regulations that regulate foreign investment in Australia are the *Foreign Acquisitions and Takeovers Act 1975 (Cth) (FATA)*, the *Foreign Acquisitions and Takeovers Fees Imposition Act 2015* and the *Foreign Acquisitions and Takeovers Regulation 2015 (FATR)*. Together these rules give the Australian Treasurer (**Treasurer**) the power to review foreign investment proposals that meet certain criteria and to block such proposals that are contrary to the national interest, or apply conditions to the way such proposals are implemented to ensure they are not contrary to the national interest (these proposals are called ‘significant actions’). Some significant actions must be notified – failure to do so is an offence under the law (these are called ‘notifiable actions’). Other significant actions do not have to be notified, but doing so and obtaining a statement of no objection cuts off the Treasurer’s power.

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The Foreign Investment Review Board (**FIRB**) is a non-statutory body which provides advice to the Treasurer in connection with foreign investment proposals. The process of notifying a transaction and obtaining a statement of no objection in relation to it is known as obtaining ‘FIRB approval’.

Whether an investment is a significant action (including a notifiable action) requiring FIRB approval depends on the background of the investor (particularly whether the investor is a “foreign government investor” (as defined in the FATR) (**Foreign Government Investor**)), the type and value of the asset(s) to be acquired, and the sector in which the investment is to be made.

Whether FIRB approval is required for a foreign investor to acquire an interest in the Company is determined on a case by case basis. It is the responsibility of the investor to determine if it requires FIRB approval before acquiring Offer Shares under the Global Offering, and it is the responsibility of the investor to otherwise ensure that it complies with the FATA in relation to investments in Australian companies or businesses, including the obtaining of any governmental or other consents which may be required, and that it complies with other necessary approval and registration requirements and other formalities.

A “foreign person” (as defined in the FATA) (**Foreign Person**) is required to obtain FIRB approval from the Treasurer to acquire Offer Shares as part of the Global Offering if they are a Foreign Government Investor from the PRC. Due to the operation of association rules under the FATA and the current level of ownership of the Company by Foreign Government Investors from the PRC, any acquisition of Offer Shares by Foreign Government Investors from the PRC will require prior approval by the Treasurer. In addition, a Foreign Person is required to obtain prior approval from the Treasurer to acquire Offer Shares as part of the Global Offering if they are a Foreign Government Investor from a country other than the PRC and they are acquiring 10% or more of the Shares of the Company as part of the Global Offering. These approvals are ‘notifiable actions’ – that is, failure to notify is an offence under the law.

This is not necessarily an exhaustive description of the circumstances in which an acquisition of Offer Shares as part of the Global Offering will require FIRB approval. Investors should seek independent legal advice prior to making an acquisition of Offer Shares as part of the Global Offering.

If FIRB approval for an acquisition of Offer Shares under the Global Offering was required, but was not obtained, the Treasurer may, among other things, direct the disposal of the acquired Shares, restrain the exercise of rights attached to the acquired Shares, or prohibit or defer the payment of any sums due in respect of the acquired Shares.

FIRB Approval for certain Foreign Government Investors from PRC

In order to facilitate the participation by certain Foreign Government Investors from the PRC in the Global Offering, the Company has made an application for FIRB Approval on their behalf. This application only covers Foreign Government Investors from the PRC who have been advised of that by the Company and who have also provided a written consent to the Company to have the application for FIRB Approval made on their behalf.

Any allocation of Shares under the Global Offering to the Foreign Government Investors from the PRC referred to above will be conditional upon receipt of FIRB Approval.

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The Company expects that the Treasurer may impose “standard tax conditions” as a requirement of his approval of that investment into Offer Shares under the Global Offering. The standard tax conditions can be found at Attachment B of FIRB’s guidance note 47 (<https://cdn.tspace.gov.au/uploads/sites/79/2016/11/GN47-tax-conditions.pdf>).

The standard tax conditions do not change the amount of tax that would otherwise apply. Instead, they require applicants and their controlled groups to abide by Australian tax laws (including co-operating with tax authorities and paying tax debts (if any) on time) and to report to FIRB within 60 days of a change in their Shareholdings in the Company.

Under the standard tax conditions, applicants must also provide a simple annual report to FIRB confirming their compliance with the conditions. Each report must be provided by the due date for lodgement of the applicant’s tax return for that year.

Investors should seek independent taxation advice prior to making an acquisition of Offer Shares as part of the Global Offering in order to ascertain whether they may have any Australian taxation obligations arising from their acquisition, ownership or disposal of Offer Shares. As noted above, the standard tax conditions do not change the amount of tax that would otherwise apply.

Investment restrictions on the Company under the FATA

Due to the identity of the Company’s major shareholders, the Company is currently considered to be a Foreign Person and Foreign Government Investor for the purposes of the FATA. The Company will remain a Foreign Person and Foreign Government Investor following the Global Offering, regardless of what percentage of the Offer Shares are issued to other Foreign Persons or Foreign Government Investors.

As a Foreign Person and Foreign Government Investor, certain further investments in Australia by the Company may be subject to review and prior approval by the Treasurer, which may or may not be given or may be given only subject to conditions that the Company may need to comply with. If such approval is required and not obtained in relation to an investment, the Company will not be able to proceed with that investment.

APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE AUSTRALIA CORPORATIONS ACT

This Appendix contains a summary of the Constitution of the Company. As the information set out below is in summary form, it does not contain all of the information that may be important to potential investors.

Set out below is a summary of certain provisions of the Constitution of the Company and of certain aspects of the Australia Corporations Act.

GENERAL

The Company was incorporated in Victoria, Australia with limited liability on 18 November 2004 under the Australia Corporations Act. The Company was listed on the ASX on 28 June 2012.

The rights attaching to shares in the Company are detailed in the Constitution, the Australia Corporations Act, the ASX Listing Rules and general law. Set out below is a summary of some material provisions of the Constitution concerning the Company's share capital. A copy of the Constitution is available on the Company's website.

SHARE CAPITAL

The issued share capital of the Company as at the Latest Practicable Date is [1,256,070,360] Shares. The Shares have no nominal or par value (such concept does not exist under Australian law) and are recorded in the accounts of the Company at their issue price.

The Company does not have an authorised share capital, as such term is understood in Hong Kong, that sets the limit to the number of shares a company can issue. There is generally no limit in the Australia Corporations Act on the power of the Directors to issue shares. However, subject to certain exceptions (including those in respect of pro rata issues and issues under employee schemes):

- Rule 7.1 of the ASX Listing Rules prohibits a company which is listed on the ASX from issuing shares or options representing more than 15% of its issued capital in any rolling twelve month period without shareholder approval. Such shareholder approval requires an ordinary resolution passed by a simple majority; and
- Chapter 6 of the Australia Corporations Act forbids the acquisition of a "relevant interest" in voting shares in the Company (whether by transfer or issue) if, as a result, the "voting power" of the acquirer (or any other person) would increase from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%.

There is no similar statutory requirement under Australian law, as is found under Hong Kong law, providing that Shareholders have a right to be offered any Shares in the Company which are being newly issued for cash before the same can be offered to new Shareholders. Consequently, there is no requirement for Shareholders in general meetings to provide a waiver to this obligation.

APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE AUSTRALIA CORPORATIONS ACT

Subject to the ASX Listing Rules, the Company, in accordance with the Australia Corporations Act, may by ordinary resolution:

- consolidate and divide all or any of its Shares into shares of larger amount than its existing Shares; and
- sub-divide all or any of its shares into Shares of smaller amount.

Subject to the Australia Corporations Act, the Company may reduce its share capital in any way.

Subject to the Australia Corporations Act and the ASX Listing Rules, the Company may buy back its own shares on such terms and at such times as may be determined by the Directors from time to time. Subject to the Australia Corporations Act, the Company may give financial assistance to any person for the purchase of its own shares on such terms and at such times as may be determined by the Directors from time to time.

The Directors are not required to hold any Shares in the Company.

Save as disclosed in this prospectus:

- no Share of the Company has been issued or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;
- no Share of the Company is subject to an option granted or created by the Company or is agreed conditionally or unconditionally to be put under an option granted or created by the Company;
- no commission, discount, brokerage or other special term has been granted by the Company or is now proposed in connection with the issue or sale of any part of the share capital of the Company;
- no founder, management or deferred shares have been issued by the Company; and
- no amount or benefit has been paid or is to be paid or given to any promoter of the Company.

SUMMARY OF KEY AUSTRALIAN CORPORATE LAWS

The Constitution of the Company, was adopted by a special resolution dated 30 May 2014. The following is a summary of some key issues arising from the Australia Corporations Act, the ASX Listing Rules and the Constitution.

Objects

The Company does not have an objects clause in its constitution because an Australian company, unlike companies incorporated under the laws of Hong Kong, is not required to have an objects clause. Pursuant to section 124 of the Australia Corporations Act, the Company has the legal capacity and powers of an individual and all powers of a body corporate.

APPENDIX V

SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE AUSTRALIA CORPORATIONS ACT

Voting rights

Each Shareholder entitled to vote may vote in person or by proxy, attorney or representative of a body corporate. On a show of hands every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote and on a poll every person present who is a Shareholder or proxy, attorney or representative of a Shareholder shall in respect of each fully paid share held by him have one vote per share but in respect of partly paid shares shall have such number of votes being equivalent to the proportion paid up on those shares.

Dividends

Section 254T of the Australia Corporations Act restricts the Company from paying a dividend unless (1) the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend; (2) the payment of the dividend is fair and reasonable to the Company's shareholders as a whole; and (3) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

Subject to the Australia Corporations Act, the ongoing cash needs of the business, the statutory and common law duties of the Directors and the Shareholders' rights under Article 7.10 of the Constitution, the Directors may pay interim and/or final dividends not less than 40% of net profit after tax (pre-Abnormal Items) in each financial year. However, if the directors determine that it is necessary in order to prudently manage the company's financial position, they must pay as interim and/or final dividends not less than 25% of net profit after tax (pre-Abnormal Items) in any given financial year. According to Article 7.10(b)(5) of the Constitution, the majority of Shareholders must approve the payment of a dividend (including the amount and date of payment).

The Directors may rescind a decision to pay a dividend if they decide, before the payment date, that the Company's financial position no longer justifies the payment.

The Directors, when paying or declaring a dividend, may direct payment of the dividend from any available source permitted by law, including wholly or partly by distribution of specific assets, including fully-paid shares in the Company and any other corporation.

The Directors may determine the method of payment of any dividend or other amount in respect of a share. Different methods of payment may apply to different Shareholders.

All dividends declared but unclaimed for at least 11 calendar months may be invested by the Directors as they think fit for the benefit of the Company until claimed. The Company has applied for[, and the Stock Exchange has granted,] a waiver from strict compliance with the requirement of paragraph 3(2) of Appendix 3 of the Listing Rules which requires that where there is a power to forfeit unclaimed dividends, that power shall not be exercised until six years or more after the date of declaration of the dividend, subject to the Directors agreeing that it would not exercise any of the rights under the provision of Rule 4.(o) of the Constitution until at least six years after the date of the declaration.

APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE AUSTRALIA CORPORATIONS ACT

Under Australian law, a company is able to pay dividends out of current year profits even though it has accumulated losses, and there is no restriction in the Constitution that would prevent current year profits from being paid out as dividends in this way. Accordingly, the Company's accumulated losses do not prevent it from being able to pay dividends, provided that current year profits are not used to offset prior period losses and the Company is otherwise able to satisfy the other legal requirements of paying a dividend under Australian law.

Distribution of assets on a winding-up

On winding up, the liquidators of the Company may divide by sanction of special resolution among the Shareholders in kind the whole or any part of the property of the Company and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders according to their rights and interests in the Company.

Transfer of shares

The transfer document of any shares must be in writing in any usual form or in any other form which the Directors may approve or in such form as is required under the ASX Settlement Operating Rules. As set out in the Constitution, the Directors may refuse to register a transfer of Shares in accordance with the Australia Corporations Act and the ASX Listing Rules.

Variation of rights

If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class may, whether or not the Company is being wound up, be varied or abrogated in any way with the consent in writing of the holders of three quarters of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

The rights conferred on the holders of the shares of any class are deemed not to be varied by the creation or issue of further shares ranking equally with the first-mentioned shares.

Borrowing powers

The Directors may exercise all the powers of the Company to borrow money, to charge any property or business of the Company or all or any of its uncalled capital and to issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person.

Article 7.10(b)(14) of the Constitution requires that a majority of shareholders approve any borrowing by the Company which is (1) more than the value of 20% of the net assets of the consolidated group; or (2) causes the company to have a gearing (net debt/total assets) above 60%.

APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE AUSTRALIA CORPORATIONS ACT

Issue of shares

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject to the Australia Corporations Act and the ASX Listing Rules, shares are under the control of the Directors who may issue all or any of the same to such persons at such times and on such terms and conditions and having attached to them such preferred, deferred or other special rights or such restrictions, as the Directors think fit.

Pre-emptive rights on new issues of shares

Under the Australia Corporations Act, Shareholders do not have the right to be offered any Shares which are newly issued for cash before those Shares can be offered to non-Shareholders.

Non marketable Parcels

In certain circumstances the Company may sell unmarketable parcels of shares held by Shareholders (i.e. those that have a value of less than A\$500) ("**Non marketable Parcels**"). This is consistent with, and subject to, the ASX Listing Rules and the Australia Corporations Act.

The Constitution provides that the power of the Company to sell Non marketable Parcels may be invoked only once in any 12 month period.

The Company cannot require a Shareholder to sell a Non marketable Parcel. All Shareholders holding a Non marketable Parcel will be given an opportunity to request that it retain its Non marketable Parcel. The ASX Listing Rules also contain a number of safeguards that protect the holders of Non marketable Parcels including:

- the Company may only seek to sell any Non marketable Parcels once in any 12 month period;
- the Company must notify the relevant Shareholder of its intention to sell the Non marketable Parcel;
- the Shareholder must be given at least a six week notice period from the date that the notice is sent in which to tell the Company that it wishes to retain its Non marketable Parcel, and if the Shareholder does so inform the Company, the Non marketable Parcel will not be sold;
- the sale of the Non marketable Parcel must stop following the announcement of any takeover bid for the Company but may be started again after the close of offers made under the takeover bid;
- only the Unmarketable Parcels held by Shareholders who do not respond in writing to the Company during the notice period or who expressly state that they want their Unmarketable Parcel sold, may be sold by the Company; and
- the Company must pay the costs of the sale.

Remuneration of Directors

Each Director is entitled to such remuneration from the Company for their service as approved by Shareholders. The total amount provided to all Directors for their services as directors must not exceed the aggregate in any financial year the amount fixed by the Company.

APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE AUSTRALIA CORPORATIONS ACT

As at the Latest Practicable Date, the aggregate remuneration cap for all non-executive Directors is A\$[3,500,000] per annum. Consistent with the Constitution, the remuneration payable to each non-executive Director has been approved by the company's majority Shareholder Yanzhou.

If a Director, with the concurrence of the Directors, performs extra services or makes any special exertions for the benefit of the Company, that Director may be paid out of the funds of the company such special and additional remuneration as the Directors decide is appropriate having regard to the value to the Company of the extra services or special exertions. However, the remuneration of a Director (who is not an executive Director) must not include a commission on, or a percentage of, profits or operating revenue.

Indemnity

To the extent permitted by the Australia Corporations Act, the Company must indemnify every person who is or has been an Director, alternate director or senior executive officer of the Company and to such any other officer or former officer of the Company or of its related bodies corporate that the Directors in each case determine (each, an "Officer"). The Company must indemnify each Officer on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges and expenses incurred by the Officer as a director or an officer of the Company.

Pensions and benefits for former Directors

The Directors may at any time after a Director dies or ceases to hold office as a Director for any other reason, pay or provide to the Director or a legal personal representative, spouse, relative or dependant of the Director, a pension or benefit for past services rendered by that director.

Directors' interests in contracts

Article 8.5(h) of the Constitution provides that a director who has an interest in a matter that is being considered at a meeting of directors may, despite that interest, vote, be present and be counted in a quorum at the meeting, unless that is prohibited by the Australia Corporations Act. No act, transaction, agreement, instrument, resolution or other thing is invalid or voidable only because a director fails to comply with that prohibition. The Australia Corporations Act prescribes the circumstances where a director who has a material personal interest may be present at a board meeting and may vote on the relevant resolution. These exceptions are generally similar to the exceptions permitted by the Stock Exchange in Note 1 to Appendix 3 of the Listing Rules.

A Director is not disqualified from contracting or entering into an arrangement with the Company as vendor, purchaser or in another capacity, merely because the Director holds office as a director or because of the fiduciary obligations arising from that office.

The Company has applied for[, and the Stock Exchange has granted,] a waiver from strict compliance with the requirement of paragraph 4(1) of Appendix 3 to the Listing Rules which provides that subject to the exceptions specified in the articles of association as the Stock Exchange may approve, a director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his close associates has a material interest nor shall he be counted in the quorum present at the meeting, on the basis that the exceptions set out in the Australia Corporations Act are generally similar to those set out in Note 1 to Appendix 3 of the Listing Rules.

APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE AUSTRALIA CORPORATIONS ACT

Restrictions on Directors' voting

A Director who has a material personal interest in a matter that is being considered at a meeting of Directors will only be excluded or prohibited from voting on the matter, being counted in a quorum for the purposes of the meeting or being present while the matter is being considered, if the Director is so prohibited or excluded under the Australia Corporations Act. The ASX Listing Rules also contain restrictions on Directors voting in certain circumstances.

Number of Directors

The number of directors must be such number not less than four and not more than eleven unless the Company resolves otherwise in a general meeting. All Directors shall be natural persons. At least two Directors must be persons who ordinarily reside within Australia.

A director is not required to hold any shares in the Company.

Directors' appointment and retirement by rotation

No Director may hold office without re-election beyond the third annual general meeting following the meeting at which the director was last elected or re-elected. The Directors to retire at any annual general meeting must be those who have been longest in office since their last election, but, as between persons who became directors on the same day, those to retire must (unless they otherwise agree among themselves) be determined by lot. A retiring Director is eligible for re-election.

General meetings

In accordance with the Australia Corporations Act, the Company must hold an annual general meeting at least once every calendar year, and within the period of 5 months after the end of the financial year, at such time and place as determined by the Directors.

A general meeting of the Company may also be convened by:

- the Directors, at any time they think fit; and
- Shareholder(s) holding at least 5% of the total votes (the Shareholder(s) must pay the expenses of calling and holding the meeting, except where the Shareholder(s) request the Directors to convene the meeting in accordance with the next paragraph).
- The Directors must also convene a general meeting on the request of Shareholder(s) entitled to at least 5% of the total voting rights of all Shareholders.

If the Directors do not convene a general meeting within 21 days of being requisitioned to do so, the Shareholder(s) representing more than 50% of the votes of all the Shareholders who requested the meeting may convene a meeting. The meeting must then be held within three months of the request being given to the Company. The Company must repay the requisitioning Shareholders any reasonable expenses incurred by them by reason of the failure of the Directors to convene a meeting. The Company may recover the amount of expenses from the Directors.

APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE AUSTRALIA CORPORATIONS ACT

At least 28 days' notice must be given to the Shareholders of a general meeting.

In accordance with the Australia Corporations Act, while the Company has a financial year ending December 31, the annual general meeting of the Company will be held by the end of May of each year.

Election of directors

Article 8.1(i) of the Constitution provides that notices of intention to propose a person for election as a director (and the candidate's consent to be elected) may be lodged with the Company at least 35 business days (as defined in ASX Listing Rules) but no earlier than 90 business days before a general meeting at which the candidate seeks election.

Written notice of each annual general meeting will be given to all of the Company's shareholders (including those who are Hong Kong residents) at least 28 days prior to the annual general meeting. The notice of meeting will contain particulars of the proposed election of directors, including details of each candidate that has been nominated for election.

The Company has applied for[, and the Stock Exchange has granted,] a waiver from strict compliance with the requirements of paragraphs 4(4) and 4(5) of Appendix 3 of the Listing Rules which set out the minimum length of the period during which notice to the issuer of the intention to propose a person for election as a director and during which notice to the issuer by such person of his willingness to be elected may be given, on the basis that the Company has complied with the requirement of ASX Listing Rule 14.3 and the effect of the existing provision provides adequate protection to Shareholders.

Appointment of certain positions

The Constitution provides that a shareholder or shareholders holding a majority of the issued voting shares of the Company (the "**Majority Shareholders**") may by writing to the Company (1) nominate a Director to the office of Chairperson of the Directors and (2) elect one or more Directors to the office of Vice Chairperson of Directors.

The Vice Chairperson will be appointed by the Board to be the Chair of the Executive Committee.

Disclosure of shareholding

The Australia Corporations Act requires that a Shareholder with a voting power of 5% or more of the Shares must give a prescribed notice to the Company and ASX of the fact, and that Shareholder must continue to give a prescribed notice if there is a movement of at least 1% in their holding (up or down).

APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE AUSTRALIA CORPORATIONS ACT

Classes of shares

A company may have only one class of ordinary shares unless the ASX approves the terms of an additional class. The Company has only one class of ordinary shares.

The Company has applied for[, and the Stock Exchange has granted,] a waiver from strict compliance with the requirement of paragraphs 10(1) and (2) of Appendix 3 of the Listing Rules to provide in the Constitution that where the share capital includes shares which do not carry voting rights or carry different voting rights, the words "non-voting" or "restricted voting" or "limited voting" must appear in the designation of such shares, on the basis that if the Company were to issue any such shares, it would include such words on the relevant share certificates.

Reductions of capital

An ordinary resolution of Shareholders is required for an equal reduction of capital. A reduction of capital is an equal reduction of capital if:

- it relates only to ordinary shares;
- it applies to each holder of ordinary shares in proportion to the number of ordinary shares he/she holds; and
- the terms of the reduction are the same for each holder of ordinary shares.

Any other reduction of capital is a selective reduction. A selective reduction must be approved by either:

- A special resolution of Shareholders (excluding the votes of any person who is to receive consideration as part of the reduction or whose liability to pay amounts unpaid on shares is to be reduced); or
- A resolution passed by all ordinary Shareholders.

Redeemable shares

The Company may issue preference shares in accordance with the Australia Corporations Act and the Constitution. A company may only redeem redeemable preference shares on the terms on which they were issued. A company may only redeem redeemable preference shares if the shares are fully paid-up and out of profits or the proceeds of a new issue of shares made for the purpose of redemption.

The Company does not currently have any preference shares on issue.

Share repurchases

Share repurchases must be authorised by the Company in a general meeting or by a special resolution, subject to limited exceptions. An exception applies where the proposed repurchase would not exceed 10% of the smallest number, at any time during the previous 12 months, of voting shares in the Company.

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Financial assistance

Financial assistance for the acquisition of a company's own shares is generally prohibited, except with shareholder approval by special resolution (excluding the votes of any person acquiring the shares) or approval by all ordinary shareholders, or where an exception applies. The principal exception is where the assistance does not materially prejudice:

- the interests of the company or its shareholders; or
- the company's ability to pay its creditors.

Statutory derivative actions

A Shareholder or an officer (or a former Shareholder or officer) of the Company may bring proceedings on behalf of the Company where leave is granted by the Court. The Court must grant leave if it is satisfied that:

- it is probable that the Company will not itself bring the proceedings;
- the applicant is acting in good faith;
- it is in the best interests of the Company that the applicant be granted leave;
- there is a serious question to be tried; and
- at least 14 days written notice has been given to the Company of the intention to apply for leave (or it is appropriate to grant leave despite the notice requirement not being satisfied).

Protection of minorities

A Shareholder may apply for a court order where the conduct of the Company's affairs is, among other things, oppressive to, unfairly prejudicial to, or unfairly discriminatory against, a Shareholder or Shareholders. The orders that may be sought include winding up, amendment to the Constitution, orders regulating the conduct of the Company's affairs, orders for the purchase of shares, orders that the Company institute, defend or discontinue specified proceedings, and other similar orders.

Disposal of assets

The Australia Corporations Act contains no specific restrictions on the powers of directors to dispose of the assets of a company. However, in the exercise of those powers, the Directors must discharge their duties of care to act in good faith, for a proper purpose and in the best interests of the company as required under the director duties in Chapter 2D of the Australia Corporations Act and fiduciary obligations under general law in Australia.

The Company cannot give a financial benefit to a related party of the Company without Shareholder approval, unless one of the exceptions specified in Part 2E of the Australia Corporations Act applies. A related party includes a director or a person or entity related to a director.

APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE AUSTRALIA CORPORATIONS ACT

Under ASX Listing Rule 11.1, if the Company proposes to make a significant change to the nature or scale of its activities, the Company must comply with the requirements of the ASX, which are likely to include Shareholder approval, and may require the Company to re-comply with the requirements for admission to the official list of the ASX.

Under ASX Listing Rule 10.1, the Company cannot acquire a "substantial asset" from, or dispose of a "substantial asset" including to, a director or an entity holding 10% or more of the Company's issued voting securities (or their respective associates) without shareholder approval. For this purpose, a "substantial asset" is an asset valued at 5% or more of the equity interests of the Company.

Accounting and auditing requirements

An Australian public company that is listed on the ASX, such as the Company, must prepare half yearly and annual financial statements which must be audited. The annual financial statements and the auditors' report must also be laid before the annual general meeting of Shareholders.

Financial and other reports

Under the Australia Corporations Act, the Company must send to its shareholders the financial report for the year, the directors' report and the auditors' report or (if the shareholder elects) a concise report for the year by the earlier of 21 days before the next annual general meeting after the end of the financial year or 4 months after the end of the financial year.

The Company has applied for[, and the Stock Exchange has granted,] a waiver from strict compliance with the requirement of paragraph 5 of Appendix 3 of the Listing Rules which provides that the articles of association should contain provisions relating to the sending of financial and other reports to shareholders, on the basis that the provision of such reports is governed by the Australia Corporations Act.

Register of members

The Company must keep a register of its members in an up-to-date index form which sets out the member's name, address and date on which their name was entered into the register.

Inspection of books and records

A Shareholder who is not a Director or company secretary does not have the right to inspect any of the Company's papers, books, records or documents, except as provided by law, the Constitution, or as authorised by the Directors or the Majority Shareholders.

On application by a Shareholder, an Australian court may make an order:

- authorising the applicant to inspect books of the Company; or
- authorising another person to inspect books of the Company on the applicant's behalf.

**APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY
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Special resolutions

The Australia Corporations Act provides that a resolution is a special resolution when it has been passed by a majority of not less than 75% of the votes cast by members entitled to vote on the resolution.

Subsidiary owning shares in parent

The Australia Corporations Act does not permit a company to hold shares in its parent company.

Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by:

- a majority in number of the members present and voting; and
- 75% of the votes cast on the resolution.

The transaction must also be approved by order of an Australia court.

APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE AUSTRALIA CORPORATIONS ACT

Winding Up

A company may be wound up either by an order of the court or by a special resolution of its members.

TAKEOVER REGULATION

The takeover provisions in Chapter 6 of the Australia Corporations Act apply to dealings in the Shares. These provisions apply to listed companies and unlisted companies with more than 50 members. This is a summary of a complex area of law and the Company recommends that all Shareholders take their own advice on their compliance with this law.

The Australia Corporations Act forbids the acquisition of a “relevant interest” (described below) in the voting shares in a company incorporated in Australia if, as a result, the “voting power” of the acquirer (or any other person) would increase from 20% or below to more than 20%. Similarly, such an acquisition is forbidden if any person who already has more than 20%, but less than 90%, of the voting power increases their voting power in the target company. However, it is not mandatory for a person who already exceeds these thresholds to make a takeover bid for all Shares. This restriction is referred to as the “**Takeovers Threshold**”.

In this context, a person’s “voting power” means the aggregate percentage of the Company’s shares that the person and their “associates” hold a “relevant interest” in.

What is a “relevant interest”?

The concept of a “relevant interest” under the Australia Corporations Act is concerned with a person’s capacity to exercise a degree of influence over securities and the concept extends more broadly than direct ownership. A person will have a “relevant interest” in voting shares of a company where they are the registered holder of shares, have the power to exercise (or control the exercise of) the voting rights of shares, or have the power to dispose of (or control over disposal of) shares. Any person who acquires Shares in the Global Offering will get a relevant interest in those Shares.

Importantly, a person can also be deemed to have a “relevant interest” in voting shares through control of other entities. A person will be deemed to have a relevant interest in any securities held by a body corporate in which the person’s voting power is above 20%. In the Company’s case, this means that Yanzhou is deemed to hold a relevant interest in any securities in which Yancoal holds a relevant interest.

What is an “associate”?

A person (“**Person A**”) will be an associate of a second person (“**Person B**”) in one of three situations:

- (**Control Test**) Person A is a body corporate and Person B is:
 - a body corporate that is “controlled” by Person A; or
 - a body corporate that “controls” Person A; or
 - a body corporate that is “controlled” by an entity that “controls” Person A;

APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE AUSTRALIA CORPORATIONS ACT

OTHER APPLICABLE OWNERSHIP RESTRICTIONS IN THE SHARES

Under the Australian *Foreign Acquisition and Takeovers Act 1975* (Cth), subject to certain exemptions, a non-Australian foreign person or entity cannot acquire a substantial interest in 20% or more, or two or more foreign entities or persons cannot acquire an aggregate substantial interest in 40% or more, of the Company's issued shares, without first obtaining approval from the Foreign Investment Review Board.

SUBSTANTIAL HOLDING DISCLOSURE OBLIGATIONS

Under the Australia Corporations Act, where any person has acquired a voting power of 5% or more (a "**substantial shareholding**"), it is required to disclose this interest to the target company and to the ASX. Notice must also be given of any increase or decrease in voting power of 1% or more above or below 5% or if the holder ceases to have a substantial shareholding.

Substantial holding notices must be given within 2 business days after the substantial shareholding is acquired, ceases or changes. A substantial holding notice must attach to it a copy of all relevant agreements giving rise to the substantial holding and will be publicly available on the ASX's website.

Australia has a minimum disclosure threshold of a 1% movement and requires disclosure within 2 business days of the change in shareholding. Shareholders will be required to disclose the relevant interests they hold, as well as the interests they are deemed to hold through their associates and interests in bodies corporate.

The relevant substantial shareholding disclosure forms can be found on ASIC's website at <https://asic.gov.au/regulatory-resources/forms.aspx>, but are not lodged with ASIC. Rather, a copy must be provided to the Company, with another copy sent to the ASX for release on the public ASX market announcements platform. The ASX market announcements office is open from 7.00am to 7.30pm (and 8.30pm during daylight savings time) Sydney time. During this time, a substantial shareholding disclosure form can be lodged via ASX Online [<https://www.asxonline.com/login/>] (if the substantial shareholder or its professional adviser has access to this portal) or via fax.

The fax numbers for this facility are:

For announcements sent within Australia	1300 135 638
For announcements sent from New Zealand	0800 449 707
For announcements not sent from Australia or New Zealand	+61 2 9347 0005
	+61 2 9778 0999

If a substantial shareholder fails to lodge the relevant notice within the prescribed time, they will have civil liability to any person who suffers loss or damage because of the contravention. Criminal fines and penalties may also apply.

**APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY
AND THE AUSTRALIA CORPORATIONS ACT**

SHAREHOLDER PROTECTIONS

The Company was incorporated in Australia and is subject to the Australia Corporations Act and other applicable laws and regulations in Australia. Set out below is a discussion on the key shareholder protection standards offered under the Constitution and the Australian laws and regulations that we consider material to the Company's Shareholders and potential investors and as required under the Joint Policy Statement.

Matters requiring a super-majority vote

Paragraph 36 of Joint Policy Statement requires the following matters to be approved by a super-majority vote of the shareholders:

- changes to the rights attached to any class of shares of an overseas company (vote by members of that class);
- material changes to an overseas company's constitutive documents, however framed; and
- voluntary winding up of an overseas company.

Under the Australia Corporations Act and the Constitution, a "special resolution" of members is required to approve:

- variation to the rights attached to any class of shares;
- any amendment to, or replacement of, the Constitution; and
- where the Company is being wound up by the court or voluntarily.

Paragraphs 37 and 38 of the Joint Policy Statement requires a super-majority vote to mean at least a two-third majority where an overseas company has a low quorum requirement. When an overseas company's threshold for deciding the matters in the paragraph headed "Matter requiring a super-majority vote" above is a simple majority only, these matters must be decided by a significantly higher quorum.

Under section 9 of the Australia Corporations Act, a "special resolution" means a resolution of which notice has been given in accordance with certain prescribed rules and that has been passed by at least 75% of the votes cast by members entitled to vote on that resolution.

APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE AUSTRALIA CORPORATIONS ACT

Variation of rights

Article 2.5(a) of the Constitution provides that a special resolution or the written consent of 75% of those in a class is required to approve a variation of rights of that class of shares. Article 2.5(b) of the Constitution provides that the provisions of the Constitution relating to general meetings apply, with necessary changes, to separate class meetings as if they were general meetings. Article 7.4(b) of the Constitution provides that a quorum is 5 or more members present at the meeting and entitled to vote on a resolution at the meeting.

The Company has applied for[, and the Stock Exchange has granted,] a waiver from strict compliance with the requirement of paragraph 6(2) of Appendix 3 of the Listing Rules which provides that the quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of that class, on the basis that there is no requirement under the Australia Corporations Act or the ASX Listing Rules for a quorum for separate class meetings and the effect of Article 2.5(b) already provides adequate protection to holders of any separate class of shares.

Changes to the Constitution

Section 136(2) of the Australia Corporations Act and Article 7.10 of the Constitution provides that a special resolution of Shareholders is required for any variation to, or replacement of, the Constitution.

Winding-up

A special resolution of Shareholders is required to approve (i) winding-up by the court under section 461(1)(a) of the Australia Corporations Act or (ii) voluntary winding-up under section 491(1) of the Australia Corporations Act.

In addition, if the Company is wound up, Article 12.2 of the Constitution provides that the liquidator may (with the sanction of a special resolution of Shareholders):

- divide among the members the whole or any part of the Company's property; and
- decide how the division is to be carried out as between the members or different class of members.

Individual members to approve increase in members' liability

Paragraph 39 of the Joint Policy Statement requires that there should not be any alteration in an overseas company's constitutional document to increase an existing member's liability to the company unless such increase is agreed by such member in writing.

Under section 140(2)(b) of the Australia Corporations Act, unless a member of the Company agrees in writing to be bound, that member will not be bound by any alteration of the Constitution made after the date on which they became a member, if and to the extent that alteration increases the member's liability to contribute to the share capital of, or otherwise to pay money to, the Company.

APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE AUSTRALIA CORPORATIONS ACT

Appointment of auditors

Paragraph 40 of the Joint Policy Statement requires that the appointment, removal and remuneration of auditors must be approved by a majority of an overseas company's members or other body that is independent of the board of directors, for example the supervisory board in systems that have a two tier board structure.

Appointment

In Australia, the directors of a public company must appoint an auditor within 1 month after the company's registration, and section 327B(1) of the Australia Corporations Act provides that a public company must approve the appointment of an auditor at its first annual general meeting and must appoint an auditor to fill any vacancy in the office of auditor at each subsequent annual general meeting. Appointments are made by way of a resolution passed by a simple majority of members.

Article 7.10(b)(11) of the Constitution requires that members holding a majority of the issued shares of the Company approve the appointment or removal of the auditor.

Removal

Section 329(1) of the Australia Corporations Act provides that an auditor of the company may be removed by simple majority resolution of the members of a company at a general meeting, provided notice of intention to move the resolution is given to the company at least two months before the meeting.

Article 7.10(b)(11) of the Constitution requires that members holding a majority of the issued shares of the Company approve the appointment or removal of the auditor.

Remuneration

Section 250R(1) of the Australia Corporations Act provides that the business of an annual general meeting may include the consideration of the annual financial report, directors' report and auditor's report, the election of directors, the appointment of the auditor, and the fixing of the auditor's remuneration.

Article 7.10(b)(11) of the Constitution requires that members holding a majority of the issued shares of the Company approve the annual remuneration paid to the auditor for services provided in relation to the annual audit of the company (not including any amounts paid to the auditor for special or additional services provided by the auditor to the company as determined by the directors of the company). Under Article 8.7(p) of the Constitution, the directors have the power to determine the remuneration of the Company's auditor for temporary work outside the scope of the annual audit.

Proceedings at general meetings

Annual general meetings

Paragraph 41 of the Joint Policy Statement requires that an overseas company is required to hold a general meeting each year as its annual general meeting. Generally, not more than 15 months should elapse between the date of one annual general meeting of the overseas company and the next.

APPENDIX V SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE AUSTRALIA CORPORATIONS ACT

Section 250N of the Australia Corporations Act provides that the Company must hold an annual general meeting at least once in each calendar year and within five months after the end of its financial year.

Notice of general meetings

Paragraph 42 of the Joint Policy Statement requires that an overseas company must give its members reasonable written notice of its general meetings.

Section 249H(1) of the Australia Corporations Act provides that the Company must give at least 28 days' notice of a meeting of members.

Rights to speak and vote at the general meetings

Paragraph 43 of the Joint Policy Statement requires that all members must have the right to speak and vote at a general meeting, except in cases where a member is required by the Listing Rules to abstain from voting to approve the transaction or arrangement (e.g. the member has a material interest in the transaction or arrangement).

Article 7.8 of the Constitution sets out the rights of Shareholders to vote at a general meeting of the Company.

Section 250S of the Australia Corporations Act also provides that the chair at an annual general meeting must allow reasonable opportunity for the Shareholders as a whole at the meeting to ask questions about or make comments on the management of the Company.

Rights to convene extraordinary general meeting and add resolutions

Paragraph 44 of the Joint Policy Statement requires that members holding a minority stake in an overseas company must be allowed to convene an extraordinary general meeting and add resolutions to a meeting agenda. The minimum level of members' support required to convene a meeting must be no higher than 10%.

Under section 249D of the Australia Corporations Act, Shareholders with at least 5% of the votes that may be cast at a general meeting have the right to require the Directors to call a general meeting or may convene a general meeting themselves at their own expense under section 249F of the Australia Corporations Act.

Under section 249N of the Australia Corporations Act, Shareholders representing at least 5% of the total votes that may be cast on the resolution or at least 100 Shareholders who are entitled to vote at a general meeting may require resolutions to be put before a general meeting.

Proxies or corporate representatives

Paragraph 45 of the Joint Policy Statement requires that a recognised Hong Kong clearing house must be entitled to appoint proxies or corporate representatives to attend general meetings and creditors meetings. These proxies/corporate representatives should enjoy statutory rights comparable to those of other shareholders, including the right to speak and vote.

APPENDIX V

SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE AUSTRALIA CORPORATIONS ACT

Paragraph 46 further provides that where the laws of an overseas jurisdiction prohibit a recognised clearing house from appointing proxies/corporate representatives, the overseas company must make the necessary arrangements with HKSCC Nominees to ensure that Hong Kong investors holding shares through HKSCC Nominees enjoy the rights to vote, attend (personally or by proxy) and speak at general meetings.

The Australia Corporations Act does not contain any provision to the effect that a recognised clearing house would be prohibited from appointing proxies or corporate representatives. Article 7.9(g) of the Constitution provides that a proxy, attorney or representative appointed by a Shareholder has the same rights to speak, demand a poll, join in demanding a poll or acting generally as the Shareholder would have had if the Shareholder was present.

Article 2.6(d) of the Constitution provides that, except where persons are jointly entitled to a share because of a transmission event (as defined in the Constitution), such as death or dissolution of the shareholder, or where required by the ASX Listing Rules or the ASX Settlement Operating Rules, the Company may, but is not required to, register more than 3 persons as joint holders of the share. The Company has applied for[, and the Stock Exchange has granted,] a waiver from strict compliance with the requirement of paragraph 1(3) of Appendix 3 of the Listing Rules which requires that if there is any limit to the number of shareholders in a joint account, such limit must not prevent the registration of a maximum of four persons, on the basis that it is common for the constitution of companies listed on the ASX to permit a maximum of three joint holders.

The Company has also applied for[, and the Stock Exchange has granted,] a waiver from strict compliance with the requirement of paragraph 11(2) of Appendix 3 of the Listing Rules, which provides that a corporation may execute a form of proxy under the hand of a duly authorised officer, for Australian-incorporated companies on the basis that the relevant requirements regarding the execution of proxy forms by Australian-incorporated companies are governed by the Australia Corporations Act.

GENERAL

Gilbert + Tobin, the Company's legal counsel on Australian law, has sent to the Company a letter of advice summarising certain aspects of Australian company law. This letter is available for inspection as referred to in "*Appendix VIII – Documents Delivered to the Registrar of Companies and Available for Inspection*". Any person wishing to have a detailed summary of Australian company law or advice on the differences between it and the laws of any other jurisdiction is recommended to seek independent legal advice.

APPENDIX VI FURTHER INFORMATION ABOUT THE DUAL LISTING

The Shares are currently listed on the ASX and the Company intends to list the Shares on the Stock Exchange. A summary of the major differences between the Listing Rules and the ASX Listing Rules, certain applicable laws and regulations of Australia and Hong Kong and certain relevant legislations concerning companies with listed securities is set out below.

This summary is for general guidance only and is not and shall not be relied on as legal advice or any other advice to Shareholders. The summary is not meant to be a comprehensive or exhaustive description of all the relevant Australian and Hong Kong laws, rules and regulations. In addition, Shareholders should also note that the laws, rules and regulations applicable to our Company and Shareholders may change, whether as a result of proposed legislative reforms to the Australian or Hong Kong laws, rules or regulations or otherwise.

In the event of any conflict between the Hong Kong laws, rules and regulations, including but not limited to the Listing Rules, the Takeovers Code and Part XV of the SFO, on the one hand, and the Australia laws, rules and regulations, including but not limited to the ASX Listing Rules and the Australia Corporations Act, on the other hand, the Company will comply with the more restrictive and stringent rule unless an applicable waiver has been obtained.

Summary of the major differences between the Hong Kong Listing Rules, the ASX Listing Rules and certain applicable Hong Kong and Australian laws

Hong Kong Listing Rules and Hong Kong laws¹

ASX Listing Rules and Australian laws²

Changes in capital and new issues

HK LR 13.36 – Pre-emptive rights

ASX LR 7.1 – Issues exceeding 15% of capital

HK LR 13.36(1)

- (a) Except in the circumstances mentioned in rule 13.36(2), the directors of the issuer (other than a PRC issuer, to which the provisions of rule 19A.38 apply) shall obtain the consent of shareholders in general meeting prior to allotting, issuing or granting:
- (i) shares;
 - (ii) securities convertible into shares; or
 - (iii) options, warrants or similar rights to subscribe for any shares or such convertible securities.

Subject to ASX LR 7.1A and ASX LR 7.1B, without the approval of holders of ordinary securities, an entity must not issue or agree to issue more equity securities than the number calculated according to the following formula. $(A \times B) - C$

A = The number of fully paid ordinary securities on issue 12 months before the issue date or date of agreement to issue,

plus the number of fully paid ordinary securities issued in the 12 months under an exception in ASX LR 7.2,

plus the number of partly paid ordinary securities that became fully paid in the 12 months,

¹ Terms used in this column have the meanings given to them in the Listing Rules.

² Terms used in this column have the meaning given to them in the ASX Listing Rules.

APPENDIX VI FURTHER INFORMATION ABOUT THE DUAL LISTING

Hong Kong Listing Rules and Hong Kong laws¹

Note: Importance is attached to the principle that a shareholder should be able to protect his proportion of the total equity by having the opportunity to subscribe for any new issue of equity securities. Accordingly, unless shareholders otherwise permit, all issues of equity securities by the issuer must be offered to the existing shareholders (and, where appropriate, to holders of other equity securities of the issuer entitled to be offered them) pro rata to their existing holdings, and only to the extent that the securities offered are not taken up by such persons may they be allotted or issued to other persons or otherwise than pro rata to their existing holdings. This principle may be waived by the shareholders themselves on a general basis, but only within the limits of rules 13.36(2) and (3).

- (b) Notwithstanding rule 13.36(2)(b), the directors of the issuer (other than a PRC issuer, to which the provisions of rule 19A.38 apply) shall obtain the consent of the shareholders in general meeting prior to allotting any voting shares if such allotment would effectively alter the control of the issuer.

HK LR 13.36(5)

In the case of a placing of securities for cash consideration, the issuer may not issue any securities pursuant to a general mandate given under rule 13.36 (2)(b) if the relevant price represents a discount of 20% or more to the benchmarked price of the securities, such benchmarked price being the higher of:

- (a) the closing price on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the general mandate; and

ASX Listing Rules and Australian laws²

plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under ASX LR 7.1 or ASX LR 7.4,

less the number of fully paid ordinary securities cancelled in the 12 months.

B = 15%

C = The number of equity securities issued or agreed to be issued in the 12 months before the issue date or date of agreement to issue that are not issued:

under an exception in ASX LR 7.2;

under ASX LR 7.1A.2; or

with the approval of the holders of ordinary securities under ASX LR 7.1 or ASX LR 7.4.

APPENDIX VI FURTHER INFORMATION ABOUT THE DUAL LISTING

Hong Kong Listing Rules and Hong Kong laws¹

ASX Listing Rules and Australian laws²

- (b) the average closing price in the 5 trading days immediately prior to the earlier of:
- (i) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities under the general mandate;
 - (ii) the date of the placing agreement or other agreement involving the proposed issue of securities under the general mandate; and
 - (iii) the date on which the placing or subscription price is fixed,

unless the issuer can satisfy the Exchange that it is in a serious financial position and that the only way it can be saved is by an urgent rescue operation which involves the issue of new securities at a price representing a discount of 20% or more to the benchmarked price of the securities or that there are other exceptional circumstances. The issuer shall provide the Exchange with detailed information on the allottees to be issued with securities under the general mandate.

APPENDIX VI FURTHER INFORMATION ABOUT THE DUAL LISTING

Hong Kong Listing Rules and Hong Kong laws¹

Exceptions to HK LR 13.36(1)

HK LR 13.36(2)

No such consent as is referred to in rule 13.36(1)(a) shall be required:

- (a) for the allotment, issue or grant of such securities pursuant to an offer made to the shareholders of the issuer which excludes for that purpose any shareholder that is resident in a place outside Hong Kong provided the directors of the issuer consider such exclusion to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place and, where appropriate, to holders of other equity securities of the issuer entitled to be offered them, pro rata (apart from fractional entitlements) to their existing holdings; or
- (b) if, but only to the extent that, the existing shareholders of the issuer have by ordinary resolution in general meeting given a general mandate to the directors of the issuer, either unconditionally or subject to such terms and conditions as may be specified in the resolution, to allot or issue such securities or to grant any offers, agreements or options which would or might require securities to be issued, allotted or disposed of, whether during the continuance of such mandate or thereafter, subject to a restriction that the aggregate number of securities allotted or agreed to be allotted must not exceed the aggregate of:
 - (i) 20% of the number of issued shares of the issuer as at the date of the resolution granting the general mandate (or in the case of a scheme of arrangement involving an introduction in the circumstances set out in rule 7.14(3), 20% of the number of issued shares of an overseas issuer following the implementation of such scheme); and

ASX Listing Rules and Australian laws²

Exceptions to ASX LR 7.1

ASX LR 7.1... does not apply in any of the following cases:

Exception 1 An issue to holders of ordinary securities made under a pro rata issue and to holders of other equity securities to the extent that the terms of issue of the equity securities permit participation in the pro rata issue.

Exception 2 An issue under an underwriting agreement to an underwriter of a pro rata issue to holders of ordinary securities if the underwriter receives the securities not later than 15 business days after the close of the offer.

Exception 3 An issue to make up the shortfall on a pro rata issue to holders of ordinary securities. The entity must make the issue not later than 3 months after the close of the offer, and the directors of the entity (in the case of a trust, the responsible entity) must have stated as part of the offer that they reserve the right to issue the shortfall at their discretion. The issue price must not be less than the price at which the securities were offered under the pro rata issue.

Exception 4 An issue on the conversion of convertible securities. The entity must have issued the convertible securities before it was listed or complied with the ASX LR when it issued the convertible securities.

Exception 5 An issue under a takeover bid or under a merger by way of scheme of arrangement under Part 5.1 of the Australia Corporations Act. Exception 5 is not available if the issue is being made under a reverse takeover.

Exception 6 An issue to fund the cash consideration payable under a takeover bid or under a merger by way of scheme of arrangement under Part 5.1 of the Australia Corporations Act where the terms of the issue are disclosed in the takeover or scheme documents. **Exception 6** is not available if the issue is being made to fund a reverse takeover.

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- (ii) the number of such securities repurchased by the issuer itself since the granting of the general mandate (up to a maximum number equivalent to 10% of the number of issued shares of the issuer as at the date of the resolution granting the repurchase mandate), provided that the existing shareholders of the issuer have by a separate ordinary resolution in general meeting given a general mandate to the directors of the issuer to add such repurchased securities to the 20% general mandate.

HK LR 13.36(3)

A general mandate given under rule 13.36(2) shall only continue in force until:

- (a) the conclusion of the first annual general meeting of the issuer following the passing of the resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; or
- (b) revoked or varied by ordinary resolution of the shareholders in general meeting, whichever occurs first.

HK LR 13.36(4)

Where the issuer has obtained a general mandate from its shareholders pursuant to rule 13.36(2)(b), any refreshments of the general mandate before the next annual general meeting shall be subject to the following provisions:

- (a) any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour;

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Exception 7 An issue under a dividend or distribution plan excluding an issue to the plan's underwriters. Exception 7 is only available where the dividend or distribution plan does not impose a limit on participation.

[No exception 8]

Exception 9 An issue under an employee incentive scheme if within 3 years before the issue date one of the following occurred.

- (a) In the case of a scheme established before the entity was listed – a summary of the terms of the scheme were set out in the prospectus, PDS or information memorandum.
- (b) Holders of ordinary securities have approved the issue of securities under the scheme as an exception to this rule. The notice of meeting must have included each of the following.
 - (i) A summary of the terms of the scheme.
 - (ii) The number of securities issued under the scheme since the date of the last approval.
 - (iii) A voting exclusion statement.

Exception 10 An issue of preference shares which do not have any rights of conversion into another class of equity security. The preference shares must comply with chapter 6 of the Australia Corporations Act.

Exception 11 The reissue or sale of forfeited shares within 6 weeks after the day on which the call was due and payable.

Exception 12 is only available if each of the following applies:

- (a) The entity complied with the ASX LR when it issued the options.
- (b) The underwriter receives the underlying securities within 10 business days after expiry of the options.

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- (b) the Exchange reserves the right to require the following parties to abstain from voting in favour of the relevant resolution at the general meeting:
- (i) any parties who were controlling shareholders of the issuer at the time the decision to seek a refreshment of the mandate was made or approved by the board, and their associates; or
 - (ii) where there were no such controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer at the time the decision to seek a refreshment of the mandate was made or approved by the board, and their respective associates;
 - (iii) the issuer must comply with the requirements set out in rules 13.39(6) and (7), 13.40, 13.41 and 13.42;
- (c) the relevant circular to shareholders must contain information relating to the issuer's history of refreshments of mandate since the last annual general meeting, the amount of proceeds raised from the utilisation of such mandate, the use of such proceeds, the intended use of any amount not yet utilised and how the issuer has dealt with such amount. The circular must also contain information required under rule 2.17; and

where the issuer offers or issues securities to its shareholders pro rata to their existing holdings (including where overseas shareholders are excluded for legal or regulatory reasons), it will not be necessary for the issuer to comply with rules 13.36(4)(a), (b) or (c) in order for it to refresh its general mandate immediately thereafter such that the amount in percentage terms of the unused part of the general mandate upon refreshment is the same as the unused part of the general mandate immediately before the issue of securities. In such cases, it need only obtain approval from its shareholders and comply with rule 13.36(4)(d).

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- (c) The underwriting agreement was disclosed under ASX LR 3.11.3.

Exception 13 An issue under an agreement to issue securities. The entity must have complied with the ASX LR when it entered into the agreement to issue the securities.

Exception 14 An issue made with the approval of holders of ordinary securities under ASX LR 10.11 or ASX LR 10.14. The notice of meeting must state that if approval is given under listing ASX LR 10.11 or ASX LR 10.14 (as the case may be), approval is not required under ASX LR 7.1.

Exception 15 An issue of securities under a security purchase plan, excluding an issue to the plan's underwriters. Exception 15 is only available once in any 12 month period and if both of the following apply:

- The number of securities to be issued is not greater than 30% of the number of fully paid ordinary securities already on issue.
- The issue price of the securities is at least 80% of the volume weighted average market price for securities in that class,

calculated over the last 5 days on which sales in the securities were recorded, either before the day on which the issue was announced or before the day on which the issue was made.

Exception 16 An issue of securities approved for the purposes of Item 7 of section 611 of the Australia Corporations Act.

ADDITIONAL INFORMATION: *Item 7 of section 611 of the Australia Corporations Act:*

"Approval by resolution of target: An acquisition approved previously by a resolution passed at a general meeting of the company in which the acquisition is made, if:

- (a) *no votes are cast in favour of the resolution by:*
 - (i) *the person proposing to make the acquisition and their associates; or*

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- (ii) *the persons (if any) from whom the acquisition is to be made and their associates; and*
- (b) *the members of the company were given all information known to the person proposing to make the acquisition or their associates, or known to the company, that was material to the decision on how to vote on the resolution, including:*
 - (i) *the identity of the person proposing to make the acquisition and their associates; and*
 - (ii) *the maximum extent of the increase in that person’s voting power in the company that would result from the acquisition; and*
 - (iii) *the voting power that person would have as a result of the acquisition; and*
 - (iv) *the maximum extent of the increase in the voting power of each of that person’s associates that would result from the acquisition; and*
 - (v) *the voting power that each of that person’s associates would have as a result of the acquisition.”*

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HK LR 14.78 – Takeovers Code

HK LR 14.78 Listed issuers and their directors must comply with the Takeovers Code. Any breach of the Takeovers Code will be deemed to be a breach of the Exchange Listing Rules. The Exchange may penalise the listed issuer and/or its directors for breaches in accordance with the disciplinary powers contained in Chapter 2A of the Exchange Listing Rules.

Takeovers Code Rule 4 – No Frustrating Action

Takeovers Code Rule 4

Once a bona fide offer has been communicated to the board of an offeree company or the board of an offeree company has reason to believe that a bona fide offer may be imminent, no action which could effectively result in an offer being frustrated, or in the shareholders of the offeree company being denied an opportunity to decide on the merits of an offer, shall be taken by the board of the offeree company in relation to the affairs of the company without the approval of the shareholders of the offeree company in general meeting. In particular the offeree company's board must not, without such approval, do or agree to do the following:

- (a) issue any shares;
- (b) create, issue or grant, or permit the creation, issue or grant of, any convertible securities, options or warrants in respect of shares of the offeree company;
- (c) sell, dispose of or acquire assets of a material amount;
- (d) enter into contracts, including service contracts, otherwise than in the ordinary course of business; or

ASX Listing Rules and Australian laws²

ASX LR 7.9 – Issues during a takeover offer or takeover announcement

An entity must not issue or agree to issue equity securities, without the approval of holders of ordinary securities, for 3 months after it is told in writing that a person is making, or proposes to make, a takeover for securities in it. This rule does not apply to an issue or agreement to issue in any of the following cases:

Exception 1 An issue notified to ASX before the entity was told, or made under an agreement to issue notified to ASX before the entity was told.

Exception 2 A pro rata issue to holders of ordinary securities.

Exception 3 An issue made on the exercise of rights of conversion.

Exception 4 An issue made under an off-market bid that is required to comply with the Corporations Act or under a merger by way of scheme of arrangement under Part 5.1 of the Australia Corporations Act.

Exception 5 An issue made under a dividend or distribution plan that is in operation at the time the notice is received.

Exception 6 An agreement to issue equity securities that is conditional on holders of ordinary securities approving the issue before the issue is made. If an entity relies on this exception it must not issue the equity securities without approval.

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- (e) cause the offeree company or any subsidiary or associated company to buy back, purchase or redeem any shares in the offeree company or provide financial assistance for any such buy-back, purchase or redemption.

Where the offeree company is under a prior contractual obligation to take any such action, or where there are other special circumstances, the Executive must be consulted at the earliest opportunity. In appropriate circumstances the Executive may grant a waiver from the general requirement to obtain shareholders' approval.

Notes to Rule 4:

1. *Consent by the offeror*

The requirement of a shareholders' meeting may be waived by the Executive if the offeror (or, in the case of more than one offeror, all offerors) agrees.

2. *Service contracts – The Executive will regard amending or entering into a service contract with, or creating or varying the terms of employment of, a director as entering into a contract "otherwise than in the ordinary course of business" for the purpose of this Rule 4 if the new or amended contract or terms constitute an abnormal increase in his emoluments or a significant improvement in his terms of service. This will not prevent any such increase or improvement which results from a genuine promotion or new appointment but the Executive must be consulted in advance in such cases.*

3. *Votes of controlling shareholders and directors – The Executive should be consulted on whether shareholdings of controlling shareholders, directors and their respective associates should be voted at the shareholders' meeting, where an actual or potential conflict of interest exists.*

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4. *Executive waiver – The Executive, when deciding whether to grant a waiver of the requirement to obtain shareholders' approval, will take particular account of what details, if any, the offeree company's board of directors has disclosed to its shareholders of any contractual obligation, duty or right, the fulfilment or enforcement of which may result in the offer being frustrated or the shareholders of the offeree company being denied the opportunity to decide on the merits of the offer.*
5. *Notice of general meeting – The notice convening a meeting of shareholders pursuant to this Rule 4 must include information about the offer or possible offer.*
6. *"Material amount" – For the purpose of determining whether a disposal or acquisition is of a "material amount" the Executive will, in general, apply the same tests as those set out in the Listing Rules to determine whether a transaction is a "disclosable transaction". If several transactions relevant to this Rule 4, but not individually material, occur or are intended, the Executive will aggregate such transactions to determine whether the requirements of this Rule 4 are applicable to any of them. The Executive should be consulted in advance where there may be any doubt as to the application of the above.*
7. *When there is no need to proceed with an offer – The Executive may allow an offeror not to proceed with its offer if, prior to the posting of the offer document, the offeree company: – (a) passes a resolution in general meeting as envisaged by this Rule 4; or (b) announces a transaction which would require such a resolution but for the fact that it is pursuant to a contract entered into earlier or that the Executive has ruled that an obligation or other special circumstance exists.*

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8. *Established share option schemes – Where the offeree company proposes to grant options over shares, the timing and level of which are in accordance with its normal practice under an established share option scheme, the Executive will normally give its consent.*
9. *Interim dividends – The declaration and payment of an interim dividend by the offeree company, outside the normal course, during an offer period may be contrary to General Principle 9 and this Rule 4 in that it could effectively frustrate an offer. The offeree companies and its advisers must, therefore, consult the Executive in advance.*

HK LR 7.19 (6)

If the proposed rights issue would increase either the number of issued shares or the market capitalisation of the issuer by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the issuer (i) within the 12 month period immediately preceding the announcement of the proposed rights issue or (ii) prior to such 12 month period where dealing in respect of the shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to shareholders as part of such rights issues or open offers):

- (a) the rights issue must be made conditional on approval by shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour. The issuer must disclose the information required under rule 2.17 in the circular to shareholders;

ASX Listing Rules and Australian laws²

ASX LR 7.11.3 – Rules that apply to all pro rata issues

The ratio of securities offered must not be greater than one security for each security held. This rule does not apply to a bonus issue. This rule also does not apply if the following conditions are met.

The offer is renounceable.

The issue price is not more than the volume weighted average market price for securities in that class, calculated over the last 5 days on which sales in the securities were recorded before the day on which the issue was announced.

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- (b) the issuer shall set out in the circular to shareholders the purpose of the proposed rights issue, together with the total funds expected to be raised and a detailed breakdown and description of the proposed use of the proceeds. The issuer shall also include the total funds raised and a detailed breakdown and description of the funds raised on any issue of equity securities in the 12 months immediately preceding the announcement of the proposed rights issue, the use of such proceeds, the intended use of any amount not yet utilised and how the issuer has dealt with such amount; and
- (c) the Exchange reserves the right to require the rights issue to be fully underwritten.

HK LR 7.19(7)

Subject to rule 10.08, in the period of 12 months from the date on which dealings in the securities of a new applicant commence on the Exchange, the issuer shall not effect any rights issue, unless it is made conditional on the approval of shareholders in general meeting by a resolution on which any controlling shareholder and its associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour. The issuer must disclose the information required under rule 2.17 in the circular to shareholders.

HK LR 7.19(8)

Where shareholders' approval is required under rules 7.19(6) or 7.19(7), the Exchange reserves the right to require the following parties to abstain from voting in favour of the relevant resolution at the general meeting:

- (a) any parties who were controlling shareholders of the issuer at the time the decision for the transaction or arrangement involving the rights issue was made or approved by the board and their associates; or

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- (b) where there were no such controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer at the time the decision for the transaction or arrangement involving the rights issue was made or approved by the board, and their respective associates.

No comparable rule in Hong Kong.

No comparable rule in Hong Kong.

ASX Listing Rules and Australian laws²

ASX LR 7.4 – Subsequent approval of an issue of securities

An issue of securities made without approval under ASX LR 7.1 is treated as having been made with approval for the purpose of ASX LR 7.1 if each of the following apply.

7.4.1 The issue did not breach ASX LR 7.1.

7.4.2 Holders of ordinary securities subsequently approve it.

ASX LR 7.6 – No issue without approval before a meeting to appoint directors

An entity must not issue or agree to issue any equity securities without the approval of the holders of its ordinary securities to the issue or the agreement to issue if the holder or beneficial owner of more than 50% of the ordinary securities tells the entity in writing that the person intends to call a general meeting to appoint or remove directors. An agreement to issue equity securities that is conditional on holders of ordinary securities approving the issue before the issue is made is not treated as an agreement but the entity must not issue the equity securities without approval.

7.6.1 The restriction applies for 2 months after the date of the advice, but does not prevent an issue under a written contract entered into before the entity received the advice.

7.6.2 If the person giving the advice is not a member, the advice must be accompanied by a statutory declaration verifying the person's beneficial ownership.

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HK LR 10.06 – Restrictions and Notification Requirements on Issuers Purchasing their own Shares on a Stock Exchange

HK LR 10.06(1)(a)

An issuer whose primary listing is on the Exchange may only purchase shares on the Exchange, either directly or indirectly, if:–

- (a) the shares proposed to be purchased by the issuer are fully-paid up;
- (b) the issuer has previously sent to its shareholders an Explanatory Statement complying with the provisions of rule 10.06(1)(b); and
- (c) its shareholders have given a specific approval or a general mandate to its directors to make the purchase(s), by way of an ordinary resolution which complies with rule 10.06(1)(c) and which has been passed at a General Meeting of the issuer duly convened and held;

HK LR 10.06(2)

- (a) An issuer shall not purchase its shares on the Exchange if the purchase price is higher by 5% or more than the average closing market price for the 5 preceding trading days on which its shares were traded on the Exchange;
- (b) an issuer shall not purchase its shares on the Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Exchange from time to time;
- (c) an issuer shall not knowingly purchase its shares from a core connected person and a core connected person shall not knowingly sell shares to the issuer, on the Exchange;
- (d) an issuer shall procure that any broker appointed by the issuer to effect the purchase of its shares shall disclose to the Exchange such information with respect to purchases made on behalf of the issuer as the Exchange may request;

ASX Listing Rules and Australian laws²

ASX LR 7.29 – pre-condition for an on-market buy-back

A company may only buy shares under an on-market buy-back if transactions in the company's shares were recorded on ASX on at least 5 days in the 3 months before it buys back the shares.

ASX LR 7.33 – Purchase price under on-market buy-back

A company may only buy back shares at a price which is not more than 5% above the volume weighted average market price for securities in that class, calculated over the last 5 days on which sales in the shares were recorded before the day on which the purchase under the buy-back was made.

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- (e) an issuer shall not purchase its shares on the Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of:
- (i) the date of the board meeting (as such date is first notified to the Exchange in accordance with the Listing Rules) for the approval of the issuer's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the issuer to announce its results for any year or half year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),
- and ending on the date of the results announcement, the issuer may not purchase its shares on the Exchange, unless the circumstances are exceptional;
- (f) an issuer whose primary listing is on the Exchange may not purchase its shares on the Exchange if that purchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage for that issuer (as determined by the Exchange at the time of listing under rule 8.08); and
- (g) the Exchange may waive all or part of the above restrictions if, in the opinion of the Exchange, there are exceptional circumstances (such as, but without limitation, political or economic events having a material adverse effect on the price of shares of the issuer or issuers listed on the Exchange generally) justifying the waiver of such restrictions. A waiver may be granted either with respect to a fixed amount of securities of an issuer or generally or on such conditions as the Exchange shall specify and may be expressed to continue for a stated period of time or until further notice.

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HK LR 10.06(3) – Subsequent Issues

An issuer whose primary listing is on the Exchange may not make a new issue of shares or announce a proposed new issue of shares for a period of 30 days after any purchase by it of shares, whether on the Exchange or otherwise (other than an issue of securities pursuant to the exercise of warrants, share options or similar instruments requiring the issuer to issue securities, which were outstanding prior to that purchase of its own securities), without the prior approval of the Exchange.

HK LR 13.66 – Closure of books and record date

HK LR 13.66(1)

- (a) An issuer must announce any closure of its transfer books or register of members in respect of securities listed in Hong Kong at least six business days before the closure for a rights issue, or 10 business days before the closure in other cases. In cases where there is an alteration of book closing dates, the issuer must, at least five business days before the announced closure or the new closure, whichever is earlier, notify the Exchange in writing and make a further announcement. If, however, there are exceptional circumstances (e.g. a typhoon) that render the giving of the notification to the Exchange and publication of the announcement impossible, the issuer must comply with the requirements as soon as practicable. Where the issuer decides on a record date without book closure, these requirements apply to the record date.

ASX LR 7.40 – Compliance with timetables

An entity must comply with ASX LR Appendix 7A.

ADDITIONAL INFORMATION: *Appendix 7A of the ASX LR contains timetables that must be followed for the conduct of share issuances on the ASX. For example, Appendix 7A contains rules around the timing for record dates and for applying for quotation of new shares.*

Once listed on the Exchange, Yancoal will not be able to conduct an "accelerated" entitlement offer, as permitted by Appendix 7A because the book closure requirements under Rule 13.66 of the Hong Kong Listing Rules must be complied with and no exception for "accelerated" offer to institutional investors exists under the Hong Kong Listing Rules.

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- (b) An issuer must ensure that the last day for trading in the securities with entitlements falls at least one business day after the general meeting, if the entitlements require the approval of shareholders in the general meeting or are contingent on a transaction that is subject to the approval of shareholders in the general meeting. This rule shall not apply where the issuer announces the timetable of an entitlement on or before 19 June 2011.

Notes:

- (a) See Practice Note 8 for emergency share registration arrangements during a typhoon and/or a black rainstorm warning.
- (b) In addition, for a rights issue, the issuer must provide at least two trading days for trading in the securities with entitlements (i.e. before the ex-date) after publication of the book closure. If trading on the Exchange is interrupted due to a typhoon and/or a black rainstorm warning, the book-close date will be automatically postponed, where necessary, to provide at least two trading days (during neither of which trading is interrupted) for trading of the securities with entitlements during the notice period. In these circumstances the issuer must publish an announcement on the revised timetable.
- (c) For the purposes of rule 13.66(2),
- the record date (when there is no book closure) or the last registration date (when there is a book closure) must be at least three business days after the general meeting; and
 - if the issuer fails to publish the result of the poll conducted in the general meeting in the manner prescribed under rule 13.39(5), it must ensure there is at least one trading day for trading in the securities with entitlements after publication of the results of the poll. The issuer must publish an announcement on any revised timetable.

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Transactions with persons of influence

HK LR 14A.32 – Requirements for connected transactions

14A.33 Exemptions or waivers from all or some of the requirements are available for specified categories of connected transactions. See rules 14A.73 to 14A.105 (below).

14A.34 – Written agreement – The listed issuer's group must enter into a written agreement for a connected transaction.

14A.35 – Announcement – The listed issuer must announce the connected transaction as soon as practicable after its terms have been agreed. See rule 14A.68 for the content requirements.

Note: If the connected transaction is subsequently terminated or there is any material variation of its terms or material delay in the completion, the listed issuer must announce this fact as soon as practicable. The listed issuer must also comply with all other applicable provisions under the Rules.

14A.36 – Shareholders' approval – The connected transaction must be conditional on shareholders' approval at a general meeting held by the listed issuer. Any shareholder who has a material interest in the transaction must abstain from voting on the resolution.

14A.37 The Exchange may waive the general meeting requirement and accept a written shareholders' approval, subject to the conditions that: (1) no shareholder of the listed issuer is required to abstain from voting if a general meeting is held to approve the transaction; and (2) the approval is given by a shareholder or a closely allied group of shareholders who (together) hold more than 50% of the voting rights in the general meeting.

14A.38 If the listed issuer discloses inside information to any shareholder in confidence to solicit the written approval, it must ensure that the shareholder is aware that he must not deal in the securities before the information has been made available to the public.

ASX LR 10.1 – Approval required for certain acquisitions or disposals

An entity (in the case of a trust, the responsible entity) must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, any of the following persons without the approval of holders of the entity's ordinary securities.

10.1.1 A related party of the entity.

10.1.2 A child entity of the entity.

10.1.3 A substantial holder in the entity, if the person and the person's associates have a relevant interest, or had a relevant interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to the voting securities in the entity.

10.1.4 An associate of a person referred to in ASX LR 10.1.1 to ASX LR 10.1.3.

10.1.5 A person whose relationship to the entity or a person referred to in ASX LR 10.1.1 to ASX LR 10.1.4 is such that, in ASX's opinion, the transaction should be approved by security holders. If an entity breaks this rule, ASX may require it to take the corrective action set out in ASX LR 10.9.

ADDITIONAL INFORMATION:

A '*related party*' means:

- (a) *in relation to a body corporate, the meaning in section 228 of the Australia Corporations Act.*
- (b) *in relation to a person: his or her spouse, de facto spouse, parent, child, or a spouse or de facto spouse of that person; an entity controlled by one or more of those persons; an entity that he or she controls; a person who acts in concert with anyone referred to above; a person who was a related party in the previous 6 months, or would be a related party in the future.*

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14A.39 If the connected transaction requires shareholders' approval, the listed issuer must (1) set up an independent board committee; and (2) appoint an independent financial adviser.

14A.40 – Independent board committee – The independent board committee must, taking into account the recommendation of an independent financial adviser, advise the listed issuer's shareholders: (1) whether the terms of the connected transaction are fair and reasonable; (2) whether the connected transaction is on normal commercial terms or better and in the ordinary and usual course of business of the listed issuer's group; (3) whether the connected transaction is in the interests of the listed issuer and its shareholders as a whole; and (4) how to vote on the connected transaction.

14A.41 The independent board committee must consist only of independent non-executive directors who do not have a material interest in the transaction.

14A.42 If all the independent non-executive directors have a material interest in the transaction, an independent board committee will not be formed.

14A.43 If an independent board committee is formed, the circular must include a letter from the independent board committee containing its opinion on the matters in rule 14A.40 and its recommendation.

HK LR 14A.07 – Definition of a connected person

A 'connected person' is:

a director, chief executive or substantial shareholder of the listed issuer or any of its subsidiaries;

a person who was a director of the listed issuer or any of its subsidiaries in the last 12 months;

a supervisor of a PRC issuer or any of its subsidiaries;

ASX Listing Rules and Australian laws²

Section 228 Australia Corporations Act

"Controlling entities"

- (1) *An entity that controls a public company is a related party of the public company.*

Directors and their spouses

- (2) *The following persons are related parties of a public company:*

- (a) *directors of the public company;*
- (b) *directors (if any) of an entity that controls the public company;*
- (c) *if the public company is controlled by an entity that is not a body corporate – each of the persons making up the controlling entity;*
- (d) *spouses of the persons referred to in paragraphs (a), (b) and (c).*

Relatives of directors and spouses

- (3) *The following relatives of persons referred to in subsection (2) are related parties of the public company:*

- (a) *parents;*
- (b) *children.*

Entities controlled by other related parties

- (4) *An entity controlled by a related party referred to in subsection (1), (2) or (3) is a related party of the public company unless the entity is also controlled by the public company.*

Related party in previous 6 months

- (5) *An entity is a related party of a public company at a particular time if the entity was a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time within the previous 6 months.*

APPENDIX VI FURTHER INFORMATION ABOUT THE DUAL LISTING

Hong Kong Listing Rules and Hong Kong laws¹

an associate of any of the above persons;
a connected subsidiary;
or a person deemed to be connected by the Exchange.

ADDITIONAL INFORMATION:

A '**substantial shareholder**' is a person who is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting.

A '**connected subsidiary**' is:

- (a) a non-wholly-owned subsidiary of the listed issuer where any connected person(s) at the issuer level, individually or together, can exercise or control the exercise of 10% or more of the voting power at the subsidiary's general meeting. This 10% excludes any indirect interest in the subsidiary which is held by the connected person(s) through the listed issuer; or
- (b) any subsidiary of a non-wholly-owned subsidiary referred to in (a) above

An '**associate**' of a connected person described in rule 14A.07(1), (2) or (3) who is an individual includes:

- (1) (a) his spouse; his (or his spouse's) child or step-child, natural or adopted, under the age of 18 years (each an "immediate family member");
- (b) the trustees, acting in their capacity as trustees of any trust of which the individual or his immediate family member is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object (other than a trust which is an employees' share scheme or occupational pension scheme established for a wide scope of participants and the connected persons' aggregate interests in the scheme are less than 30%) (the "trustees"); or

ASX Listing Rules and Australian laws²

Entity has reasonable grounds to believe it will become related party in future

- (6) An entity is a related party of a public company at a particular time if the entity believes or has reasonable grounds to believe that it is likely to become a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time in the future.

Acting in concert with related party

- (7) An entity is a related party of a public company if the entity acts in concert with a related party of the public company on the understanding that the related party will receive a financial benefit if the public company gives the entity a financial benefit."

A '**child entity**' means in relation to a body corporate, each of the following:

- (a) an entity which is controlled by the body corporate within the meaning of section 50AA of the Australia Corporations Act; or
- (b) an entity which is a subsidiary of the body corporate.

Section 50AA Australia Corporations Act

"(1) For the purposes of this Act, an entity controls a second entity if the first entity has the capacity to determine the outcome of decisions about the second entity's financial and operating policies.

(2) In determining whether the first entity has this capacity:

- (a) the practical influence the first entity can exert (rather than the rights it can enforce) is the issue to be considered; and
- (b) any practice or pattern of behaviour affecting the second entity's financial or operating policies is to be taken into account (even if it involves a breach of an agreement or a breach of trust).

APPENDIX VI FURTHER INFORMATION ABOUT THE DUAL LISTING

Hong Kong Listing Rules and Hong Kong laws¹

- (c) a 30%-controlled company held, directly or indirectly, by the individual, his immediate family members and/or the trustees (individually or together), or any of its subsidiaries; or
- (2) (a) a person cohabiting with him as a spouse, or his child, step-child, parent, stepparent, brother, step-brother, sister or step-sister (each a "family member"); or
- (b) a majority-controlled company held, directly or indirectly, by the family members (individually or together), or held by the family members together with the individual, his immediate family members and/or the trustees, or any of its subsidiaries.

14A.13 An "associate" of a connected person described in rule 14A.07(1), (2) or (3) which is a company includes:

- (1) its subsidiary or holding company, or a fellow subsidiary of the holding company;
- (2) the trustees, acting in their capacity as trustees of any trust of which the company is a beneficiary or, in the case of a discretionary trust, is (to its knowledge) a discretionary object (the "trustees"); or
- (3) a 30%-controlled company held, directly or indirectly, by the company, the companies referred to in (1) above, and/or the trustees (individually or together), or any of its subsidiaries

14A.08 Where a listed issuer is an investment company listed under Chapter 21, its connected persons also include an investment manager, investment adviser or custodian (or any connected person of any of them).

[Note: Other important definition include "Deemed connected person" (HKEX 14A.19-19-22)]

ASX Listing Rules and Australian laws²

- (3) The first entity does not control the second entity merely because the first entity and a third entity jointly have the capacity to determine the outcome of decisions about the second entity's financial and operating policies.
- (4) If the first entity:
- (a) has the capacity to influence decisions about the second entity's financial and operating policies; and
- (b) is under a legal obligation to exercise that capacity for the benefit of someone other than the first entity's members;
- the first entity is taken not to control the second entity."

APPENDIX VI FURTHER INFORMATION ABOUT THE DUAL LISTING

Hong Kong Listing Rules and Hong Kong laws¹

HK LR Chapter 14 and Chapter 14A

The Exchange looks at various thresholds to determine when a transaction is required to be announced and is subject to shareholders' approval. For transactions which are not with a connected person, the Exchange looks at the size of the assets, revenue, profits and consideration of the subject asset relative to the assets, revenue, profits and market capitalisation of the listed company. Equity capital ratio will also be applicable if an acquisition of assets is to be conducted by the listed issuer and the consideration to be paid by the listed issuer includes securities for which listing will be sought. If any of the applicable ratios are 5% or more and less than 25%, only an announcement is required and if any of the applicable ratios are 25% or more, shareholders' approval will also be required. For transactions with connected persons, the Exchange looks at the size of the assets, revenue and consideration of the subject asset relative to the assets, revenue and market capitalisation of the listed company (note that the profits is not relevant for this analysis). Subject to an exemption rule that may apply, if any of the ratios exceed 0.1% and are less than 5%, only an announcement is required and if any of the ratios are 5% or more, independent shareholders' approval will also be required. However, if the connected transaction only involves connected person(s) at the subsidiary level, no announcement is required to be made if any of the ratios is less than 1% and only an announcement is required if any of the ratios exceeds 1%.

ASX Listing Rules and Australian laws²

ASX LR 10.2 – What is a substantial asset?

An asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to ASX under the ASX LR.

10.2.1 In calculating the value, each of the following rules applies.

Intangibles will be included.

Provisions for depreciation and amortisation will be deducted.

Liabilities acquired as part of an acquisition will not be deducted. Separate transactions will be aggregated if, in ASX's opinion, they form part of the same commercial transaction.

APPENDIX VI FURTHER INFORMATION ABOUT THE DUAL LISTING

Hong Kong Listing Rules and Hong Kong laws¹

HK LR 14A.73 – Exemptions

Exemptions from the connected transaction requirements are available for the following types of transactions:

- *de minimis* transactions (rule 14A.76);
- financial assistance (rules 14A.87 to 14A.91);
- issues of new securities by the listed issuer or its subsidiary (rule 14A.92);
- dealings in securities on stock exchanges (rule 14A.93);
- repurchases of securities by the listed issuer or its subsidiary (rule 14A.94);
- directors' service contracts and insurance (rules 14A.95 and 14A.96);
- buying or selling of consumer goods or services (rule 14A.97);
- sharing of administrative services (rule 14A.98);
- transactions with associates of passive investors (rules 14A.99 and 14A.100); and
- transactions with connected persons at the subsidiary level (rule 14A.101).

HK LR 14A.17

If a listed issuer's subsidiaries are connected persons only because they are the subsidiaries of a connected subsidiary, transactions between these subsidiaries will not be treated as connected transactions.

HK LR 14A.18

A subsidiary of the listed issuer is not a connected person if:

it is directly or indirectly wholly-owned by the listed issuer; or

it falls under the definition of a connected person because it is:

- a substantial shareholder of another subsidiary of the listed issuer; or
- an associate of a director (or a person who was in the past 12 months a director), a chief executive, a substantial shareholder or a supervisor of any subsidiary of the listed issuer.

ASX Listing Rules and Australian laws²

ASX LR 10.3 – Exceptions to ASX LR 10.1

ASX LR 10.1 does not apply to any of the following:

A transaction between the entity and a wholly owned subsidiary.

A transaction between wholly owned subsidiaries of the entity.

An issue of securities by the entity for cash.

In the case of a trust, a transaction involving a substantial asset that was not beneficially held for the trust before the transaction and is not beneficially held for the trust after the transaction.

A transaction between the entity and a person who is a related party by reason only of the transaction and the application to it of section 228(6) of the Australia Corporations Act.

ADDITIONAL INFORMATION:

Section 228(6) of the Australia Corporations Act:

"An entity is a related party of a public company at a particular time if the entity believes or has reasonable grounds to believe that it is likely to become a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time in the future."

Section 208 of the Australia Corporations Act:

"(1) For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company:

(a) the public company or entity must:

(i) obtain the approval of the public company's members in the way set out in sections 217 to 227; and

(ii) give the benefit within 15 months after the approval; or

(b) the giving of the benefit must fall within an exception set out in sections 210 to 216."

APPENDIX VI FURTHER INFORMATION ABOUT THE DUAL LISTING

Hong Kong Listing Rules and Hong Kong laws¹

HK LR 14A.74

The exemptions are broadly divided into two categories:

- (1) fully exempt from shareholders' approval, annual review and all disclosure requirements; and
- (2) exempt from shareholders' approval requirement.

HK LR 14A.75

The Exchange has the power to specify that an exemption will not apply to a particular transaction.

HK LR 14A.102 – Waivers

The Exchange may waive any requirements under this Chapter in individual cases, subject to any conditions that it may impose.

HK LR 14A.36 – Shareholder approval

The connected transaction must be conditional on shareholders' approval at a general meeting held by the listed issuer. Any shareholder who has a material interest in the transaction must abstain from voting on the resolution.

ASX Listing Rules and Australian laws²

Section 210 of the Australia Corporations Act:

"Member approval is not needed to give a financial benefit on terms that:

- (a) would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length; or*
- (b) are less favourable to the related party than the terms referred to in paragraph (a)."*

Other exemptions are potentially applicable.

ASX LR 10.11 – Approval required for an issue of securities

Unless one of the exceptions in ASX LR 10.12 applies, an entity must not issue or agree to issue equity securities to any of the following persons without the approval of holders of ordinary securities.

10.11.1 A related party.

10.11.2 A person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained.

APPENDIX VI FURTHER INFORMATION ABOUT THE DUAL LISTING

Hong Kong Listing Rules and Hong Kong laws¹

HK LR 14A.92 – Issue of new securities by the listed issuer or its subsidiary

An issue of new securities by a listed issuer or its subsidiary to a connected person is fully exempt if:

1. the connected person receives a pro rata entitlement to the issue as a shareholder;
2. the connected person subscribes for the securities in a rights issue or open offer through excess application or in his or its capacity as an underwriter or sub-underwriter of the rights issue or open offer;
3. the securities are issued to the connected person under a share option scheme that complies with Chapter 17 or a share option scheme adopted by the listed issuer before its securities first start dealing on the Exchange, and where the Exchange has approved the listing of the securities to be issued under the scheme;
4. the securities are issued to the connected person under a "top up placing and subscription" that meets the following conditions:
 - (a) the new securities are issued to the connected person:
 - (i) after it has reduced its holding in the same class of securities by placing them to third parties who are not its associates under a placing agreement; and
 - (ii) within 14 days from the date of the placing agreement;
 - (b) the number of new securities issued to the connected person does not exceed the number of securities placed by it; and
 - (c) the new securities are issued at a price not less than the placing price. The placing price may be adjusted for the expenses of the placing.

Note: an issue of new securities by a subsidiary of the listed issuer may be exempt as a de minimis transaction.

ASX Listing Rules and Australian laws²

ASX LR 10.12 – Exceptions to ASX LR 10.11

Exception 1 the person receives the securities under a pro rata issue.

Exception 2 the person receives the securities under an underwriting agreement in relation to a pro rata issue, provided the person receives the securities not later than 15 business days after close of the offer and the terms of the underwriting were included in offer documents sent to holders of ordinary securities.

Exception 3 the person receives the securities under a dividend or distribution plan (only where the plan does not impose a limit on participation).

Exception 4 an issue of securities under the employee incentive scheme made with the approval of holders of ordinary securities under ASX LR 10.14.

Exception 4A a grant of options or other rights to acquire securities under an employee incentive scheme, where the securities to be acquired on the exercise of the options or in satisfaction of the rights are required by the terms of the scheme to be purchased on-market.

Exception 5 the person receives the securities under an off-market bid that was required to comply with the Australia Corporations Act, or as part of a merger by way of scheme of arrangement under Part 5.1 of the Australia Corporations Act.

Exception 6 the person is a related party by reason only of the transaction which is the reason for the issue of the securities and the application to it of section 228(6) of the Australia Corporations Act.

Exception 7 the person receives the securities on the conversion of convertible securities. The entity must have issued the convertible securities before it was listed or complied with the ASX LR when it issued the convertible securities.

Exception 8 an issue of securities under a share purchase plan, excluding an issue the plan's underwriters. Exception (8) is only available once in any 12 month period and both of the following must apply:

APPENDIX VI FURTHER INFORMATION ABOUT THE DUAL LISTING

Hong Kong Listing Rules and Hong Kong laws¹

ASX Listing Rules and Australian laws²

the number of securities to be issued is not greater than 30% of the number of fully paid ordinary securities already on issue; and

the issue price of the securities is at least 80% of the 5 day volume weighted average price for securities in that class.

Exception 9 an issue under an agreement to issue securities. The entity must have complied with the ASX LR when it entered into the agreement to issue the securities.

Exception 10 an agreement to issue equity securities that is conditional on holders of ordinary securities approving the issue before the issue is made. If an entity relies on this exception it must not issue the equity securities without approval.

Significant transactions

HK LR 14.08 – Classification and explanation of terms The table below summarises the classification and percentage ratios resulting from the calculations set out in rule 14.07. However, listed issuers should refer to the relevant rules or the specific requirements.

Type	Assets ratio	Consideration ratio	Profits ratio	Revenue ratio	Equity capital ratio
Share transaction	<5%	<5%	<5%	<5%	<5%
Disclosable transaction	≥5% but <25%	≥5% but <25%	≥5% but <25%	≥5% but <25%	≥5% but <25%
Major transaction – disposal	≥25% but <75%	≥25% but <75%	≥25% but <75%	≥25% but <75%	N/A
Major transaction- acquisition	≥25% but <100%	≥25% but <100%	≥25% but <100%	≥25% but <100%	≥25% but <100%
Very substantial disposal	≥75%	≥75%	≥75%	≥75%	≥75%
Very substantial acquisition	≥100%	≥100%	≥100%	≥100%	≥100%

HK LR 14.33 – Notification publication and shareholders’ approval requirements

The table below summarises the notification, publication and shareholders’ approval requirements which will generally apply to each category of notifiable transaction. However, listed issuers should refer to the relevant rules for the specific requirements.

ASX LR 11.1 – Proposed change to nature or scale of activities

If an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable. It must do so in any event before making the change. The following rules apply in relation to the proposed change.

11.1.1 The entity must give ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for.

11.1.2 If ASX requires, the entity must get the approval of holders of its ordinary securities and must comply with any requirements of ASX in relation to the notice of meeting. The notice of meeting must include a voting exclusion statement.

11.1.3 If ASX requires, the entity must meet the requirements in chapters 1 and 2 of the ASX LR as if the entity were applying for admission to the ASX official list.

APPENDIX VI FURTHER INFORMATION ABOUT THE DUAL LISTING

	Notification to Exchange	Publicly announce	Circular	Shareholder approval	Accountant Report
Share transaction	Yes	Yes	No	No ³	No
Disclosable transaction	Yes	Yes	No	No	No
Major transaction	Yes	Yes	Yes	Yes	Yes
Very substantial disposal	Yes	Yes	Yes	Yes	No
Very substantial acquisition	Yes	Yes	Yes	Yes	Yes
Reverse takeover	Yes	Yes	Yes	Yes	Yes

For explanations of the different types of transactions and ratios, see 14.06 and 14.07.

ADDITIONAL INFORMATION: *The ASX has provided guidance on ASX LR 11 in Guidance Note 12 “Significant Changes to Activities”. For clarity and ease of application, ASX has adopted 25% as an appropriate benchmark for determining whether or not a transaction involves a significant change to the scale of an entity’s activities that requires notification to ASX under LR 11.1. ASX considers that the following transactions involve a significant change to the nature or scale of an entity’s activities and therefore ought to be notified to ASX under LR 11.1:*

an entity is proposing to embark on a transaction or a series of transactions, that will result in a change to the nature of its main undertaking;

an entity is proposing to dispose of, or to embark on a series of disposals that together will result in a disposal of, its main undertaking;

an entity is proposing:

to acquire a business and the acquisition is likely to result in an increase of 25% or more in; or

to dispose of or abandon an existing business, if the business in question accounts for 25% or more of,

any of the following measures:

consolidated total assets;

consolidated total equity interests;

consolidated annual revenue, or in the case of a mining exploration entity, oil and gas exploration entity or other entity that is not earning – material revenue from operations, consolidated annual expenditure;

consolidated EBITDA; or

consolidated annual profits before tax.

³ No shareholder approval is necessary if the consideration shares are issued under a general mandate. However, if the shares are not issued under a general mandate, the listed issuer is required, pursuant to Rule 13.36(2) or Rule 19A.38, to obtain shareholders’ approval in general meeting prior to the issue of the consideration shares.

APPENDIX VI FURTHER INFORMATION ABOUT THE DUAL LISTING

Hong Kong Listing Rules and Hong Kong laws

HK LR 14.08

Major acquisitions or disposals (relating to 25% or more but less than 75% of an entity's assets) require shareholder approval.

HK LR 14.89

Material changes With the exception of a listed issuer that has successfully transferred its listing from GEM to the Main Board pursuant to Chapter 9A, in the period of 12 months from the date on which dealings in the securities of a listed issuer commence on the Exchange, the listed issuer shall not effect any acquisition, disposal or other transaction or arrangement, or a series of acquisitions, disposals or other transactions or arrangements, which would result in a fundamental change in the principal business activities of the listed issuer as described in the listing document issued at the time of its application for listing.

HK LR 14.90

The Exchange may grant a listed issuer a waiver of the requirements of rule 14.89:

- (1) if it is satisfied that the circumstances surrounding the proposed fundamental change are exceptional; and
- (2) subject to the acquisition, disposal or other transaction or arrangement, or series of acquisitions, disposals or other transactions or arrangements, being approved by shareholders in general meeting by a resolution on which any controlling shareholder (or, where there are no controlling shareholders, any chief executive or directors (excluding independent non-executive directors) of the listed issuer) and their respective associates shall abstain from voting in favour. Any shareholders with a material interest in the transaction and their associates shall abstain from voting on resolution(s) approving such transaction at a general meeting called for the purpose of this rule.

ASX Listing Rules and Australian laws¹

ASX LR 11.2 – Change involving main undertaking

If the significant change involves the entity disposing of its main undertaking, the entity must get the approval of holders of its ordinary securities and must comply with any requirements of ASX in relation to the notice of meeting. The notice of meeting must include a voting exclusion statement. The entity must not enter into an agreement to dispose of its main undertaking unless the agreement is conditional on the entity getting that approval. Rules 11.1.1 and 11.1.3 apply.

ADDITIONAL INFORMATION: *If an entity is proposing to dispose of all, or substantially all, of its assets and businesses, ASX will regard that as a disposal of its main undertaking, regardless of the make-up of those assets and businesses. If an entity is proposing to dispose of something less than all, or substantially all, of its assets and businesses, Listing Rule 11.2 will only apply if what is being disposed of constitutes its main undertaking. The term 'dispose' is defined expansively to include not only direct disposals but also indirect disposals through another person. It also captures disposals effected by any means, include granting or exercising an option, using an asset, decreasing an economic interests and disposing of part of an asset. It is not necessary to dispose of all of the assets used in its main undertaking for it to dispose of its main undertaking. If it disposes of the key assets needed to conduct its main undertaking and the commercial outcome is that it will no longer continue to conduct its main undertaking, ASX will regard that as a disposal of its main undertaking. For example, a mining exploration entity that disposes of all of its mining tenements will be regarded as having disposed of its main undertaking, even though it may retain some or all of its mining equipment (ASX Guidance Note 12).*

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Hong Kong Listing Rules and Hong Kong laws

ASX Listing Rules and Australian laws¹

HK LR 14.92 – Restriction on Disposal

A listed issuer may not dispose of its existing business for a period of 24 months after a change in control (as defined in the Takeovers Code) unless the assets acquired from the person or group of persons gaining such control or his/their associates and any other assets acquired by the listed issuer after such change in control can meet the trading record requirement of HK LR 8.05.

ADDITIONAL INFORMATION: *LR 8.05 relates to the profit test or target capitalisation/revenue/cash flow test.*

HK LR 14.93

A disposal by a listed issuer which does not meet the requirement under rule 14.92 will result in the listed issuer being treated as a new listing applicant.

No comparable rule in Hong Kong.

ASX LR 11.4 – No disposal of major asset without offer, or approval for no offer

An entity must not dispose of a major asset if, at the time of the disposal, it is aware that the person acquiring the asset intends to issue or offer securities with a view to becoming listed. The entity must do each of the following if one of its child entities holds the major asset.

It must not sell securities in the child entity with a view to the child entity becoming listed.

It must make sure that the child entity does not issue securities with a view to becoming listed.

11.4.1 This rule does not apply in either of the following cases.

- (a) The securities, except those to be retained by the entity or child entity, are offered pro rata to holders of ordinary securities in the listed entity, or in another way that, in ASX's opinion, is fair in all the circumstances.
- (b) Holders of ordinary securities in the listed entity approve of the disposal without the offer referred to in ASX LR 11.4.1(a) being made. The notice of meeting must include a voting exclusion statement.

APPENDIX VI FURTHER INFORMATION ABOUT THE DUAL LISTING

Hong Kong Listing Rules and Hong Kong laws

ASX Listing Rules and Australian laws¹

Applying for quotation

HK LR 13.25A(1) – Changes in issued shares

In addition and without prejudice to specific requirements contained elsewhere in the Exchange Listing Rules, an issuer must, whenever there is a change in its issued shares as a result of or in connection with any of the events referred to in rule 13.25A(2), submit through HKEx-EPS, or such other means as the Exchange may from time to time prescribe, for publication on the Exchange's website a return in such form and containing such information as the Exchange may from time to time prescribe by not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day next following the relevant event.

HK LR 13.25A(2) – The events referred to in rule 13.25A(1) are as follows:

- (a) any of the following: (i) placing; (ii) consideration issue; (iii) open offer; (iv) rights issue; (v) bonus issue; (vi) scrip dividend; (vii) repurchase of shares or other securities; (viii) exercise of an option under the issuer's share option scheme by any of its directors; (ix) exercise of an option other than under the issuer's share option scheme by any of its directors; (x) capital reorganisation; or (xi) change in issued shares not falling within any of the categories referred to in rule 13.25A(2)(a)(i) to (x) or rule 13.25A(2)(b); and
- (b) subject to rule 13.25A(3), any of the following: (i) exercise of an option under a share option scheme other than by a director of the issuer; (ii) exercise of an option other than under a share option scheme not by a director of the issuer; (iii) exercise of a warrant; (iv) conversion of convertible securities; or (v) redemption of shares or other securities.

ASX LR 2.8 – Time limits for applying for quotation

An entity must apply for quotation of securities on the ASX as follows:

2.8.1. In accordance with Appendix 6A or Appendix 7A (see below).

2.8.2. If the securities are restricted securities – within 10 business days after the end of the escrow period.

2.8.2A. If unquoted partly paid securities become fully paid securities in the same class as quoted fully paid securities – within 10 business days after the date of final payment.

2.8.2B. If the securities are subject to restrictions on transfer under an employee incentive scheme – within 10 business days after the end of the restrictions.

2.8.3. In other cases – on or before the issue date.

ADDITIONAL INFORMATION:

Appendix 7A of the ASX LR contains timetables that must be followed for the conduct of share issuances on the ASX. Appendix 7A contains rules around the timing for applying for quotation of new shares.

Importantly, for entitlement offers conducted in Australia, an application for quotation of the shares to be issued is made to the ASX on the day the offer is announced.

Once an application for quotation is received from the ASX, the relevant shares can be quoted on the ASX the next day.

APPENDIX VI FURTHER INFORMATION ABOUT THE DUAL LISTING

Hong Kong Listing Rules and Hong Kong laws

ASX Listing Rules and Australian laws¹

13.25A (3) – The disclosure obligation for an event in rule 13.25A(2)(b) only arises where:

- (a) the event, either individually or when aggregated with any other events described in that rule which have occurred since the listed issuer published its last monthly return under rule 13.25B or last return under this rule 13.25A (whichever is the later), results in a change of 5% or more of the listed issuer's issued shares; or
- (b) an event in rule 13.25A(2)(a) has occurred and the event in rule 13.25A(2)(b) has not yet been disclosed in either a monthly return published under rule 13.25B or a return published under this rule 13.25A.

Appendix 5, Form C1 – Must be lodged 4 clear Business Days before the issue date (or 10 Business Days before the issuer proposes to bulk print the listing document (if there is a listing document)).

APPENDIX VII

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT THE COMPANY

1. Incorporation

The Company was incorporated in Victoria, Australia under the Australia Corporations Act with limited liability on 18 November 2004 under the name "Yancoal Australia Pty Limited". The Company was converted from a proprietary company limited by shares to a public company limited by shares and its name was changed to "Yancoal Australia Ltd" on 23 March 2010. The Company was listed on the ASX and began trading on the ASX under the ticker code YAL on 28 June 2012.

The Company has established a place of business in Hong Kong at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong. The Company was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Companies (Non-Hong Kong Companies) Regulation (Chapter 622J of the Laws of Hong Kong) on 22 June 2018, with Yee Har Susan LO and Wing Tsz Wendy HO of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong appointed as the Hong Kong authorised representatives of the Company on 5 June 2018 for acceptance of the service of process and any notices required to be served on the Company in Hong Kong.

As the Company was incorporated in Australia, its operations are subject to Australian law and to its Constitution. A summary of the Constitution of the Company and the Australia Corporations Act is set out in "*Appendix V – Summary of the Constitution of the Company and the Australia Corporations Act*".

2. Changes in the Share Capital of the Company

The following alterations in the issued and paid-up share capital of the Company have taken place since its date of incorporation up to the date of this prospectus:

- (a) the Company was incorporated on 18 November 2004 with one initial subscriber, Yanzhou, holding one Share;
- (b) the issue of 30,000,000 shares to Yanzhou on 29 November 2004;
- (c) the issue of 33,999,999 shares to Yanzhou on 15 December 2006;
- (d) the issue of 12,975,000 shares to Yanzhou on 10 August 2011;
- (e) prior to listing Yanzhou held 775,488,994 shares in Yancoal via a new share issuance of 698,513,994 shares on 7 June 2012;
- (f) as part of the Scheme of Arrangement pursuant to which the Company merged with Gloucester Coal Limited, the Company issued 218,727,665 ordinary shares and 87,645,184 contingent value rights shares to the previous shareholders of Gloucester Coal Limited on 6 July 2012;
- (g) on 4 March 2014 the Company completed a buy-back of all 87,645,184 contingent value rights shares;
- (h) the issue on 31 December 2016 of 60,000 shares on conversion of 60 Subordinated Capital Notes;

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- (i) the issue of 23,464,929,520 Shares under the Entitlement Offer, 1,500,000,000 under the Placement and 18,000,181,943 Shares on conversion of 18,000,111 Subordinated Capital Notes on 31 August 2017, the issue of 58,490 Shares on conversion of 31 Subordinated Capital Notes on 15 September 2017, and the issue of 3,015,976 Shares on the conversion of 1,606 Subordinated Capital Notes on 31 January 2018, further details of which are set out in the section headed "*History and Corporate Structure*"; and
- (j) the Shareholders approved the Share Consolidation by ordinary resolution at the general meeting of the Company held on 26 September 2018. The Share Consolidation took effect on 28 September which resulted in the issued capital of the Company being consolidated on the basis of one Share for every 35 Shares in issue on 1 October 2018, and fractional entitlements as a result of holdings not being evenly divisible by 35 were rounded up to the nearest whole number.

As a result of the foregoing transactions, as at the Latest Practicable Date, a total of [1,256,070,360] Shares have been issued.

Save as disclosed above, there has been no alteration in the share capital of the Company since the date of its incorporation.

3. Subsidiaries

Details of the subsidiaries of the Company are set out in "*Appendix IA – Accountants' Report*".

The following subsidiaries of the Company were incorporated within two years immediately preceding the date of this prospectus:

<u>Name of Subsidiary</u>	<u>Place of Incorporation</u>	<u>Date of Incorporation</u>
Parallax Holdings Pty Limited	Australia	30 June 2017
HVO Services Pty Ltd	Australia	27 October 2017

Details of the changes in the share capital of the Company's subsidiaries during the two years immediately preceding the date of this prospectus are set out below:

- (a) Coal & Allied Operations Pty Ltd originally held 1 share in HV Operations Pty Ltd but, in preparation of the HVO JV with Glencore, an additional 50 shares were issued to Coal & Allied Operations Pty Ltd. On completion of the HVO JV, an additional 49 shares were issued to Anotero Pty Ltd (a wholly owned subsidiary of Glencore). Save as set out above and in "*Appendix IA – Accountants' Report*", there has been no alteration in the share capital of the subsidiaries of the Company within two years immediately preceding the date of this prospectus.

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So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, the following persons are directly or indirectly interested in 10% or more of the issued voting shares of the following subsidiaries of the Company:

<u>Name of Subsidiary</u>	<u>Name of Shareholder</u>	<u>Number of Shares held or interested in</u>	<u>Approximate Percentage</u> (%)
Mount Thorley Coal Loading Ltd	Warkworth Coal Sales Ltd	555,000	13.9%
	United Collieries Pty Ltd	555,000	13.9%
	Wambo Coal Pty Ltd	555,000	13.9%
HVO Coal Sales Pty Ltd	Anotero Pty Ltd (Glencore)	490	49.0%
Miller Pohang Coal Company Pty Ltd	POSCO Australia Pty Ltd	20	20.0%
Middlemount Coal Pty Ltd	Peabody Custom Mining Pty Ltd (Peabody)	160,726	50.0%
HV Operations Pty Ltd	Anotero Pty Ltd (Glencore)	49	49.0%

4. Repurchases by the Company of its Own Securities

This section sets out information required by the Stock Exchange to be included in this prospectus concerning the repurchase by the Company of its own securities.

(a) Provisions of Australian laws

Section 257A of the Corporations Act provides that a company may buy-back its own shares if:

- (a) the buy-back does not materially prejudice the company's ability to pay its creditors; and
- (b) the company follows the procedures summarised below.

Under the Corporations Act there are five types of permitted buy-backs. These are:

- (a) minimum holding buy-backs;
- (b) employee share scheme buy-backs;
- (c) on market buy-backs;
- (d) equal access scheme buy-backs; and
- (e) selective buy-backs.

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The Australian requirements applicable to each of these types of buy-back are as follows:

(i) *Minimum holding buy-backs*

A "minimum holding buy-back" is a buy-back of all of a holder's shares if the shares are less than a marketable parcel within the meaning of the rules of the relevant financial market. Under the ASX Listing Rules a marketable parcel of shares is a parcel of not less than A\$500 based on the most recent closing price.

Minimum holding buy-backs do not require approval by the shareholders in general meeting nor is there a requirement to give ASIC fourteen days' notice. The company is required, however, to inform ASIC of the number of shares acquired and cancelled.

(ii) *Employee share scheme buy-backs*

An "employee share scheme buy-back" is defined in section 9 of the Corporations Act to mean a buy-back under a scheme that:

- (a) has as its purpose the acquisition of shares in a company by, or on behalf of:
- employees of the company, or of a related body corporate; or
 - directors of the company, or a related body corporate, who hold a salaried employment or office in the company or in a related body corporate; and
- (b) has been approved by the company in general meeting (to the extent that buy-back will exceed the 10/12 limit (as described below)).

One of the purposes of the employee share scheme buy-back provisions is to allow shares held by departing employees to be bought back on the cessation of employment.

The buy-back offer must be approved by shareholders by ordinary resolution in general meeting if the 10/12 limit is exceeded (as described below) and fourteen days' notice of the buy-back must be given to ASIC.

An ASX-listed company which proposes to conduct an employee share scheme buy-back is required to comply with the lodgement requirements in ASX Listing Rule 3.8A. These requirements include the lodging of Appendices 3C to 3F during the course of the buy-back:

- (a) Appendix 3C is the announcement of the buy-back and must be lodged immediately as soon as the company decides to undertake the buy-back. The details to be included in Appendix 3C for an on market buy-back include:
- the name of the broker who will act on the company's behalf;
 - the reason for the buy-back;

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- if the company intends to buy-back a maximum number of shares, that number;
- if the company intends to buy-back shares within a period of time, that period of time;
- if the company intends that the buy-back be of unlimited duration, that intention;
- if the company intends to buy-back shares if conditions are met – those conditions.

Additionally, the company is required to provide any other information material to a shareholder's decision whether to accept the offer (for example, details of any proposed takeover bid).

- (b) Appendix 3D is a notice that must be lodged immediately after any change is made to information the company has given to ASX in the Appendix 3C.
- (c) Appendix 3E is a daily buy-back notice and is required to be given to ASX on the first business day after any shares have been acquired under the buy-back. The Appendix 3E provides details on a running total basis of the number of shares bought on the previous day and since commencement of the buy-back. It also includes details of the consideration paid for the shares and details of the highest and lowest prices paid. Details of the remaining number of shares to be bought back must also be included if there is an announced maximum number.
- (d) Appendix 3F (Final share buy-back notice) is required to be lodged at the conclusion of the buy-back detailing the number of shares bought back and the total consideration paid for those shares.

(iii) On market buy-backs

A buy-back is an on market buy-back if it results from an offer made by a listed corporation on the ASX in the ordinary course of trading (section 257B(6)).

An on market buy-back will need the approval of the company's shareholders by ordinary resolution in general meeting if the buy-back will cause the company to exceed the 10/12 limit (described below).

The company must provide ASIC fourteen days' notice of the buy-back.

On market buy-backs are also regulated by ASX. A company can only buy shares under an on market buy-back if:

- (a) Under ASX Listing Rule 7.29, transactions in the company's shares were recorded on ASX on at least five days in the three months before the company buys back the shares; and

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- (b) Under ASX Listing Rule 7.33, the price at which the shares are bought back is not more than 5% above the average of the market price for securities in that class. The average is calculated over the last 5 days on which sales in the shares were recorded before the day on which the purchase under the buy-back was made.

Under ASX Listing Rule 3.8A the company must lodge Appendices 3C to 3F during the course of the buy-back.

(iv) Equal access scheme buy-backs

To be an "equal access" scheme, section 257B(2) of the Corporations Act requires the scheme to satisfy all the following conditions:

- (a) the offers under the scheme relate only to ordinary shares;
- (b) the offers are to be made to every person who holds ordinary shares to buy-back the same percentage of their ordinary shares;
- (c) all of those persons have a reasonable opportunity to accept the offers made to them;
- (d) buy-back agreements are not entered into until a specified time for acceptances of offers has closed; and
- (e) the terms of all the offers are the same.

With an equal access scheme buy-back, the company must include with the offers to shareholders to buy-back shares, a statement setting out all information known to the company that is material to the decision whether to accept the offer.

The company must lodge with ASIC, before the agreement is entered into, a document setting out the terms of the offer and any document that is to accompany it.

An equal access scheme will require approval at a general meeting of the company if the 10/12 limit is exceeded (as described below).

Before the notice of the meeting is sent to shareholders, the company must lodge with ASIC a copy of the notice of meeting and any documents relating to the buy-back that will accompany the notice of meeting sent to shareholders.

ASX-listed companies wishing to undertake an equal access share buy-back scheme must comply with ASX Listing Rule 3.8A. This requires the lodgement of Appendices 3C to 3F during the course of the buy-back.

There is also a specific timetable for the conduct of an equal access scheme buy-back in Appendix 7A of the ASX Listing Rules, covering such things as setting the record date and the minimum closing period for acceptances (at least 15 Business Days after the record date).

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(v) *Selective buy-backs*

Any buy-back that is not one of the above recognised types will be a selective buy-back.

Where a company wants to undertake a selective buy-back, shareholder approval will always be required. The notice of meeting must be accompanied by a statement setting out all information known to the company that is material to a shareholder's decision on how to vote on the resolution other than information which the company has previously disclosed to its shareholders, and which it would be unreasonable to require the company to disclose again.

A selective buy-back agreement must be approved either by:

- (a) a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by any person whose shares are proposed to be bought back, or by their associates; or
- (b) a resolution agreed to by all ordinary shareholders at a general meeting.

Where an ASX listed company proposes to conduct a selective buy-back, the company must lodge the relevant Appendices 3C, 3E and 3F as discussed above.

The company must lodge with ASIC, before the agreement is entered into, a document setting out the terms of the offer and any document that is to accompany it.

Further, before the notice of meeting is sent to shareholders, the company must lodge with ASIC a copy of the notice and of any document that is to accompany it.

(vi) *10/12 Limit*

As noted above, shareholder approval by ordinary resolution is required in the case of a selective buy-back, or in the case of any buy-back that will cause the Company to exceed the 10/12 limit.

The 10/12 limit is a materiality threshold set by the Australia Corporations Act. A proposed buy-back would exceed the 10/12 limit if the number of votes attaching to:

- (a) all the voting shares in the company that have been bought back during the last 12 months; and
- (b) the voting shares that will be bought back if the proposed buy-back is made,

would exceed 10% of the smallest number, at any time during the last 12 months, of votes attached to voting shares of the company (section 257B).

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If a proposed buy-back will exceed the 10/12 limit, a company will be required to have regard to the need for shareholder approval before entering into buy-back agreements with shareholders. It can do this by either:

- (a) obtaining shareholder approval by ordinary resolution approving the terms of the buy-back agreement before it is entered into; or
- (b) making the buy-back agreement conditional on shareholder approval.

(b) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the more important of which are summarised below:

(i) Shareholders' Approval

All proposed repurchase of shares (which must be fully paid up) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

(ii) Source of Funds

Repurchases of shares by a listed company must be funded out of funds legally available for the purpose in accordance with the constitutive documents of the listed company, the Listing Rules and the applicable laws and regulations of the listed company's jurisdiction of incorporation. A listed company may not repurchase its own shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

(iii) Trading Restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new shares for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its shares if that repurchase would result in the number of listed shares which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of shares discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

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(iv) Status of Repurchased Shares

All repurchased shares (whether effected on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those shares must be cancelled and destroyed. Under Australian law, a company's purchased shares shall be treated as cancelled and the amount of the Company's issued share capital shall be reduced by the issue price of the purchase shares.

(v) Suspension of Repurchase

A listed company may not make any repurchase of shares after inside information has come to its knowledge until the information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (1) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (2) the deadline for publication of an announcement of a listed company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of shares on the Stock Exchange if a listed company has breached the Listing Rules.

(vi) Reporting Requirements

Certain information relating to repurchase of shares on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of shares made during the year, including a monthly analysis of the number of shares repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate price paid for such repurchases.

(vii) Connected Persons

A listed company is prohibited from knowingly repurchasing securities on the Stock Exchange from a "core connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or their close associates and a core connected person is prohibited from knowingly selling his securities to the company.

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(c) General

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company is increased, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 15% of the Shares then in issue or such higher percentage held by the public as described in "*Waivers from strict compliance with the Listing Rules and exemptions from strict compliance with the Companies (WUMP) Ordinance – 5. Waiver in relation to the public float requirements*" could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above.

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(d) Documents of Title

Rule 10.06(5) provides that repurchased shares must be cancelled and the documents of title destroyed. Shares that are repurchased by the Company are cancelled immediately after the registration of the transfer of the repurchased shares to the Company pursuant to section 257H(3) of the Australia Corporations Act.; however, no documents of title will be destroyed with respect to repurchased Shares in the Australian Share Registry as Shares in the Australian Share Registry are in uncertificated form (i.e. there are no documents of title to the Shares).

B. FURTHER INFORMATION ABOUT THE BUSINESS

1. Summary of Material Contracts

The Group has entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that are or may be material:

- (a) the Hong Kong Underwriting Agreement [**REDACTED**];
- (b) the Offer Management Agreement dated 1 August 2017 and entered into among the Company, Morgan Stanley Australia Securities Limited, J.P. Morgan Australia Limited and China International Capital Corporation Hong Kong Securities Limited;
- (c) the Underwriting Commitment Letter dated 21 July 2017 and entered into between the Company and Shandong Lucion Investment Holdings Group Co., Ltd.;
- (d) the Underwriting Commitment Letter dated 27 July 2017 and entered into between the Company and Glencore Coal Pty Ltd;
- (e) the Underwriting Commitment Letter dated 25 July 2017 and entered into between the Company and International High Grade Fund B, L.P.;
- (f) the Placement Commitment Letter dated 21 July 2017 and entered into between the Company and Evercharm International Investments Ltd;
- (g) the Placement Commitment Letter dated 20 July 2017 and entered into between the Company and Shandong Taizhong Energy Co., Ltd; and

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- (h) the Subscription Letter dated 1 August 2017 and entered into between the Company and Yanzhou.

2. Intellectual Property

As at the Latest Practicable Date, the following intellectual property rights are material to the Group’s business:

(a) Trademarks

As at the Latest Practicable Date, the Group had applied for registration of the following trademark which is material to its business:

No	Trademark	Class	Applicant	Place of Registration	Application Number	Application Date
1.	<p>(A) 北煤澳大利业有限公司</p> <p>(B) 北煤澳大利业有限公司</p>	1, 4, 7 and 37	The Company	Hong Kong	304550526	4 June 2018

(b) Domain Names

As at the Latest Practicable Date, the Group had registered the following domain names which are material to its business:

No.	Domain Name	Registered Owner	Expiry Date
1.	www.yancoal.com.au	The Company	18 November 2018
2.	ashtoncoal.com.au	The Company	14 August 2018
3.	austarcoalmine.com.au	The Company	10 February 2019
4.	camebydownscoal.com.au	The Company	23 November 2019
5.	coalandallied.com.au	The Company	13 October 2019
6.	donaldsoncoal.com.au	The Company	26 May 2020
7.	duraliecoal.com.au	The Company	02 March 2020
8.	moolarbencoal.com.au	The Company	10 November 2019
9.	mountthorleywarkworthcoal.com.au	The Company	15 July 2019
10.	mtwcoal.com.au	The Company	15 July 2019
11.	premiercoal.com.au	The Company	10 September 2019
12.	stratfordcoal.com.au	The Company	10 November 2018
13.	syntechresources.com.au	The Company	10 July 2019
14.	yarrabeecoal.com.au	The Company	28 February 2019

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C. FURTHER INFORMATION ABOUT THE DIRECTORS

1. Interests of the Directors and Chief Executive of the Company

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised [REDACTED]), the interests and/or short positions (as applicable) of the Directors and the chief executive of the Company in the Shares and debentures of the Company and any interests and/or short positions (as applicable) in shares or debentures of any of the Company’s associated corporations (within the meaning of Part XV of the SFO) which (1) will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO), (2) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (3) will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, in each case once the Shares are listed on the Stock Exchange, will be as follows:

(a) *Interests/Short Positions in the Shares*

<u>Name of Director or Chief Executive</u>	<u>Number of Shares</u>	<u>Nature of Interest</u>	<u>Approximate Percentage</u>
Baocai ZHANG	[REDACTED]	Beneficial owner	[REDACTED]
Gregory James FLETCHER	[REDACTED]	Beneficial owner	[REDACTED]
Geoffrey William RABY	[REDACTED]	Beneficial owner	[REDACTED]
Reinhold SCHMIDT	[REDACTED]	Beneficial owner	[REDACTED]

Save as disclosed above, none of the Directors or the chief executive of the Company will, immediately following the completion of the Global Offering, have an interest and/or short position (as applicable) in the Shares or debentures of the Company or any interests and/or short positions (as applicable) in the shares or debentures of the Company’s associated corporations (within the meaning of Part XV of the SFO) which (i) will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), (ii) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, in each case once the Shares are listed on the Stock Exchange.

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2. Particulars of Letters of Appointment and Service Contracts

Each Director has entered into a letter of appointment in relation to his/her role as a director of the Company, which is subject to termination by the Director or the Company in accordance with the terms of the letter of appointment, the requirements of the Listing Rules and the provisions relating to the retirement and rotation of the Directors under the Constitution.

Pursuant to the terms of the letter of appointment entered into between each Director (on the one part) and the Company (on the other part), (a) the Executive Director and the non-executive Directors are not entitled to receive any director's fees; (b) the annual director's fees payable by the Company to each Independent Non-executive Director are A\$150,000 (save for Mr. Greg Fletcher who receives fees as set out in (e) below); (c) an Independent Non-executive Director (save for Mr. Greg Fletcher) will receive from the Company an additional fee of A\$30,000 for being the chairman of the audit and risk management committee, the strategy and development committee, the nomination and remuneration committee or the health, safety and environment committee, (d) an Independent Non-Executive Director (save for Mr. Greg Fletcher) will receive from the Company an additional fee of A\$15,000 for being a member of the audit and risk management committee, the health, safety and environment committee, the nomination and remuneration committee or the strategy and development committee, and certain additional fees on a per day basis as approved by the Board for the role on an independent board committee for any major related party transactions, and (e) Mr. Greg Fletcher will receive A\$330,000 including superannuation in aggregate for his role as a Co-Vice Chair of the Board, chairman of the audit and risk management committee, member of the nomination and remuneration committee and chair of the independent board committee.

Each Director is entitled to be indemnified by the Company (to the extent permitted under the Constitution and applicable laws) and to be reimbursed by the Company for all necessary and reasonable out-of-pocket expenses properly incurred in connection with the performance and discharge of his/her duties under his/her letter of appointment.

Save as disclosed above, none of the Directors has entered into any service contracts as a director with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

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3. Directors' Remuneration

For details of the Directors' remuneration, see "*Directors and Senior Management – Remuneration of the Directors and of the Five Highest Paid Individuals*".

4. Agency Fees or Commissions Received

[REDACTED]. Save in connection with the Underwriting Agreements, no commissions, discounts, brokerages or other special terms have been granted by the Group to any person (including the Directors and experts referred to in "*– Other Information – Qualifications and Consents of Experts*" below) in connection with the issue or sale of any capital or security of the Company or any member of the Group within the two years immediately preceding the date of this prospectus.

5. Personal Guarantees

The Directors have not provided personal guarantees in favour of lenders in connection with banking facilities granted to the Group.

6. Disclaimers

- (a) None of the Directors nor any of the experts referred to in "*– Other Information – Qualifications and Consents of Experts*" below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (b) Save in connection with the Underwriting Agreements, none of the Directors nor any of the experts referred to in "*– Other Information – Qualifications and Consents of Experts*" below, is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Group.
- (c) None of the Directors has any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).
- (d) Save as disclosed in "*Relationship with the Controlling Shareholders*", neither the Controlling Shareholders nor the Directors are interested in any business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the business of the Group.
- (e) No cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this prospectus to any promoter of the Company nor is any such cash, securities or benefit intended to be paid, allotted or given on the basis of the Global Offering or related transactions as mentioned.
- (f) So far as is known to the Directors, none of the Directors or their associates or any Shareholders who are expected to be interested in 5% or more of the issued share capital of the Company has any interest in the five largest customers or the five largest suppliers of the Group.

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D. EQUITY INCENTIVE PLAN

1. Summary

The following is a summary of the principal terms of the Equity Incentive Plan of the Company as approved by the Board on 18 April 2018 (the "**Plan**").

2. Purpose

The purpose of the Plan is to:

- (a) attract, retain and motivate Eligible Employees essential for the continued growth and development of the Company;
- (b) provide a strategic, value based reward for Eligible Employees who make a key contribution to the success of the Group;
- (c) align the interests of Eligible Employees more closely with the interests of Shareholders by providing an opportunity for Eligible Employees to receive an equity interest in the form of Awards;
- (d) provide Eligible Employees with the opportunity to share in any future growth in value of the Company; and
- (e) provide greater incentive for Eligible Employees to focus on the Company's longer term goals.

3. Who may join

Eligible Employees for the purposes of the Plan are those employees that the Board determine are eligible to participate in the Plan (the "**Participants**"). Eligible Employee may receive, at the absolute discretion of the Board, options or rights (a conditional right to receive Shares) ("**Rights**") or a Share (each, an "**Award**") under the Plan.

4. Administration

The Plan will be subject to the administration of the Board. The Board's decision as to all matters arising in relation to the Plan or its interpretation or effect shall be final and binding on all parties. The Board has the power, amongst other things, to terminate or suspend the operation of the Plan at any time, provided that the termination or suspension does not adversely affect or prejudice the rights of Participants holding unvested Shares, Options or Rights at that time or contravene any applicable law.

The Company may also appoint a trustee ("**Trustee**") on any terms and conditions which it considers appropriate to do all such things and perform all such functions as it considers appropriate to operate and administer the Plan.

5. Grant of Awards

The Board may offer an Award to a Participant in writing in such form as the Board may from time to time determine. By accepting an offer the Participant undertakes to hold the Award on the terms on which it is to be granted and to be bound by the terms of the Plan and any other terms and conditions specified by the Board.

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6. Exercise

Once Options or Rights have vested, including after applicable vesting conditions have been satisfied, the Board will notify Participants within a reasonable timeframe of the extent to which any exercise conditions (if applicable) have been satisfied or waived by the Board and the vested Options or vested Rights have become exercisable and:

- (a) whether the Board has determined to equity settle or cash settle the vested Options or vested Rights that have become exercisable on exercise; and
- (b) if the Board has determined to equity settle vested Options or vested Rights, the number of Shares that the Participant will be entitled to receive in respect of each vested Option or vested Right if it is exercised, or how such number of Shares will be determined; or
- (c) if the Board has determined to cash settle vested Options or vested Rights, the cash amount to be paid to the Participant upon the exercise of the vested Option or Vested Right or an explanation of how such cash amount will be determined which must be consistent with the terms of the Offer and the Plan Rules.

The exercise of any vested Option or vested Right must be effected in the form and manner determined by the Board and specified in the Offer. The exercise price (if any) in respect of an Option or Right (subject to any adjustment under the Plan) will be determined by the Board and specified in the relevant Offer.

7. Rights attached to the Awards and the Shares

A Participant has no right or interest in a Share the subject of an Option or Right held by the Participant unless and until the Option or Right is exercised and the Share is issued or transferred to the Participant. Nor does the holder of an Option or Right have any rights to dividends, rights to vote or rights to the capital of the Company as a shareholder as a result of holding an Option or a Right. Subject to the Australia Corporations Act and the Constitution, a Participant will not, as a holder of an Option or a Right, have any right to attend to vote at general meetings of holders of Shares.

However, notwithstanding the above, the Board may determine prior to making an Offer that any Options or Rights the subject of the Offer will carry a conditional right to receive a payment in cash or in Shares that is equivalent to the value of dividends that would have been payable to the Participant had they been the holder of the underlying Shares over which the Option or Right ("**Dividend Equivalent Rights**"). The terms of any such Dividend Equivalent Rights will be specified in the Offer. For the avoidance of doubt, any Dividend Equivalent Rights attaching to Options or Rights do not represent an entitlement to actual dividends on the underlying Shares over which the Options or Rights are exercisable, by reason of the Participant not being the holder of the Shares at that time.

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8. Corporate Events

The Board may, in its discretion, determine how unvested Shares, Options or Rights held by a Participant will be treated where a Change of Control Event has occurred or occurs in the future, including but not limited to:

- (a) determining that unvested Shares, Options or Rights (or a portion of unvested Shares, Options or Rights) will vest and become immediately exercisable with such vesting deemed to have taken place immediately prior to the effective date of the Change of Control Event, regardless of whether or not the employment, engagement or office of the Participant is terminated or ceases in connection with the Change of Control Event;
- (b) reducing or waiving:
 - (i) any of the Share vesting conditions, Option vesting conditions or Right vesting conditions attaching to unvested Shares, unvested Options or unvested Rights; and/or
 - (ii) any exercise conditions attaching to Options or Rights; and/or
- (c) determining that unvested Shares, Options or Rights (or a portion of unvested Shares, Options or Rights) will be forfeited or lapse (as applicable) immediately prior to the effective date of the Change of Control Event.

A "**Change of Control Event**" for the purposes of the Plan occurs where:

- (a) an offer is made for Shares pursuant to a takeover bid under Chapter 6 of the Australia Corporations Act and is, or is declared, unconditional; or
- (b) the Court sanctions under Part 5.1 of the Australia Corporations Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 50% or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or
- (d) any Group Company enters into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in a Group Company) of the Group to a person, or a number of persons, none of which are Group Companies;
- (e) the Board determines in its reasonable opinion, control of the Company has or is likely to change or pass to one or more persons, none of which are Group Companies;

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- (f) any event or circumstance occurs (whether specified above or not and whether control of the Company has or is likely to change or pass as a result or not), which the Board determines in its reasonable opinion, means it is not practical or appropriate for Unvested Shares, Unvested Options or Unvested Rights to remain on foot; or
- (g) an administrator, liquidator, provisional liquidator, receiver or receiver and manager is appointed in respect of the Company or substantially all of the assets of the Company.

If, while a Participant holds Options or Rights, a resolution for a members' voluntary winding up of the Company is proposed (other than for the purpose of a reconstruction or amalgamation) the Board may, in its discretion, give written notice to Participants of the proposed resolution. Subject to the Option vesting conditions or Right vesting conditions, the Participants may, during the period referred to in the notice, exercise their Options or Rights.

9. Maximum number of shares

Where an Offer is made under the Plan, the Board must, at the time of making the Offer, have reasonable grounds to believe that the total number of Shares (or, in respect of Options or Rights, the total number of Shares which would be issued if those Options or Rights were exercised) will not exceed 5% of the total number of Shares on issue when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under:

- (a) the Plan or any other employee incentive scheme covered by the ASIC Class Order [CO 14/1000] (or any amendment to or replacement of that Class Order) ("**Class Order**"); or
- (b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme, ("5% Limit").

10. Transfer restrictions

A Participant may not sell, transfer, assign, novate, etc. any Options or Rights issued under the Plan, unless:

- (a) the prior consent of the Board is obtained, which consent may impose such terms and conditions on such assignment, transfer, novation, encumbrance or disposal as the Board sees fit in its sole and absolute discretion; or
- (b) such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.

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11. Malus and Clawback

Where, in the opinion of the Board:

- (a) a Participant at any time:
 - (i) acts, or has acted, fraudulently or dishonestly or made a material misstatement on behalf of any Group Company;
 - (ii) is in material breach of any of his or her duties or obligations to any Group Company;
 - (iii) has engaged in negligence or gross misconduct;
 - (iv) has done an act which could reasonably be regarded to have brought any Group Company into disrepute; or
 - (v) is convicted of an offence or has a judgment entered against them in connection with the affairs of any Group Company;
- (b) there is a material misstatement or omission in the financial statements of a Group Company ("**Financial Misstatement Circumstance**") which results in a benefit to a Participant under the Plan (including Awards vesting or becoming exercisable, or a restriction in relation to Awards being lifted), where, in the opinion of the Board, such benefit would not have been obtained but for that Financial Misstatement Circumstance;
- (c) a Participant's Awards granted under the Plan vest, or may vest or become as a result of the fraud, dishonesty, negligence or breach of duties or obligations of any other person and, in the opinion of the Board, the Awards would not have otherwise vested or become exercisable; or
- (d) the Company is required by, or entitled under, law or Company policy to reclaim remuneration from a Participant or restrict the vesting or exercise of a Participant's Awards; or
- (e) other adverse events or outcomes arise that the Board considers should impact on a Participant's Awards under this Plan (including the Participant ceasing employment or engagement with Group in order to commence employment or engagement with a direct competitor of the Group or otherwise breaching a restraint under the terms of their employment, engagement or appointment with the Group),

the Board may determine that:

- (f) all or some of the Shares acquired by the Participant under the Plan (including Shares acquired upon the exercise of Options or Rights or received under any Dividend Equivalent Right) be forfeited or else remain on foot but subject to conditions;
- (g) all or some unvested Options or unvested Rights, or vested but unexercised Options or Rights held by the Participant will lapse or else remain on foot but subject to conditions;

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- (h) the number of Shares over which all or some Options or Rights are exercisable be adjusted;
- (i) the Participant must pay or repay (as the case may be) to the Company as a debt:
 - (i) the value of all or part of an Award received under the Plan;
 - (ii) all or part of the net proceeds of sale where Shares acquired under the Plan (including on the exercise of Options or Rights or under any Dividend Equivalent Right) have been sold;
 - (iii) any dividends received in respect of Shares acquired under the Plan; and/or
 - (iv) any payment received under any Dividend Equivalent Right; and/or
- (j) adjust fixed remuneration, incentives or participation in this Plan of the relevant Eligible Employee in the current year or any future year,

if it determines that such action is warranted to ensure no unfair benefit is derived by the Participant.

12. Cessation of employment

If a Participant ceases to be an employee due to a Special Circumstance or as a 'good leaver' (i.e. not as a 'Bad Leaver'):

- (a) the relevant Participant will be entitled to retain a pro-rata amount of their unvested Shares, unvested Options and/or unvested Rights (based on the proportion of the applicable vesting period that the relevant person was an employee, by reference to the number of whole months employed or engaged);
- (b) all other unvested Shares held by the Participant will be forfeited by the Participant; and
- (c) all other unvested Options and/or unvested Rights held by the relevant Participant will lapse.

If a Participant ceases to be an employee as a Bad Leaver:

- (a) any unvested Shares held by the Participant will be forfeited by the Participant;
- (b) unvested Options or unvested Rights held by the relevant Participant will immediately lapse; and
- (c) any vested Options or vested Rights held by the relevant Participant must be exercised within the following applicable period or they will also lapse:
 - (i) if the relevant Participant ceases to be an employee at a time when the Participant would be entitled to deal in the securities of the Company in accordance with Company's share trading policy, within 60 days of the Relevant Person ceasing to be an Employee; or

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- (ii) if the relevant Participant ceases to be an employee at a time when the Participant would be restricted from dealing in the securities of the Company in accordance with the Company's share trading policy, within 60 days of the such restrictions ceasing to apply.

Subject to the Plan Rules, any unvested Options and/or unvested Rights which the relevant Participant is entitled to retain will continue to be held by the Participant subject to the applicable Option vesting conditions or Right vesting conditions, and any applicable exercise conditions, set out in the Offer, and otherwise subject to and in accordance with the Plan Rules and the terms of the Offer.

"Special Circumstance" for the purposes of the Plan means with respect to a Participant:

- (a) total and permanent disablement;
- (b) mental illness;
- (c) redundancy;
- (d) retirement; or
- (e) the death, or terminal illness.

"Bad Leaver" for the purposes of the Plan means a Participant who ceases to be an employee due to:

- (a) resignation (other than due to a Special Circumstance);
- (b) dismissal for cause or poor performance; or
- (c) any other circumstances (other than due to a Special Circumstance) determined by the Board to constitute a Bad Leaver.

13. Adjustments

Unless otherwise determined by the Board and specified in an Offer, a Participant who holds the Shares issued pursuant to the Offer has the same entitlement as any other Shareholder in the Company to participate in any rights issue or bonus issue, provided however, if the Shares held by the Participant are subject to any Share vesting conditions or any restrictions on sale, any shares issued to a Participant under the rights issue or bonus issue will, unless the Board determines otherwise, be subject to the Plan Rules and deemed to have the same Share vesting conditions and restrictions attached as if those shares were Shares issued under the Offer made to the Participant.

In the event of any reorganisation (including consolidation, sub-division, reduction, issue of bonus shares, buy back or cancellation) of the issued share capital of the Company, subject to any provision in the official listing rules of the Australian Securities Exchange, the Board may adjust any or all of the number of Shares issued pursuant to the Offer to a Participant as the Board deems appropriate.

14. Amendment, modification and termination

The Board may at any time: (a) amend the Plan Rules; (b) waive or amend the application of any of the Plan Rules in relation to a Participant; or (c) amend the terms on which any Awards have been granted under the Plan.

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No amendment to the Plan Rules, the application of the Plan Rules in relation to a Participant or the terms on which any Award has been granted is to reduce the rights of any Participant in respect of their Awards acquired under the Plan, other than:

- (a) an amendment introduced primarily:
 - (i) for the purposes of complying with or conforming to present or future legislation governing or regulating the Plan or like plans;
 - (ii) to correct any manifest error or mistake;
 - (iii) to allow the implementation of a trust arrangement in relation to the holding of Shares granted under the Plan;
 - (iv) for the purpose of complying with applicable law; and/or
 - (v) to take into consideration possible adverse taxation implications (including, without limitation, on account of fringe benefits tax) for the Company in respect of the Plan or the Awards granted under the Plan, including as a result of changes to applicable taxation legislation or the interpretation of that legislation by any taxation authority or a court of competent jurisdiction or any rulings from taxation authorities administering such legislation; or
- (b) an amendment agreed to in writing by the Participant.

As soon as reasonably practicable after making any amendment to the Plan Rules, the Board will give notice of the amendment to any Participant affected by the amendment. Failure by the Board to notify a Participant of any amendment will not invalidate the amendment as it applies to that Participant.

General

The Trustee will acquire Shares from the market and upon vesting, an Award will be satisfied by the Trustee transferring the Shares underlying that Award to the Participant.

As at the Latest Practicable Date, a portion of the awards of the directors and management team's bonuses granted in 2017 as disclosed in Note 11 to "Appendix 1A – Accountants' Report of the Group" will be made under the Plan.

Details of the Plan, including particulars and movements of the Awards granted during each financial year of the Company, and our employee costs arising from the grant of the Awards will be disclosed in the Company's annual report.

E. THE COMPANY'S AUDITOR

Pursuant to Rule 19.20 of the Listing Rules, the annual accounts of an overseas issuer must be audited by a person, firm or company who must be a practising accountant of good standing. Such person, firm or company must also be independent of the overseas issuer to the same extent as that required of an auditor under the Companies Ordinance and in accordance with the statements on independence issued by the International Federation of Accountants ("IFAC") and, if the overseas issuer's primary listing is or is to be on the Stock Exchange, must be either (i) qualified under the

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Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) for appointment as an auditor of a company; or (ii) a firm of accountants acceptable to the Stock Exchange which has an international name and reputation and is a member of a recognised body of accountants. In addition, the JPS provides that auditors that are not Hong Kong qualified would be considered acceptable if the firm is subject to independent oversight by a regulatory body of a jurisdiction that is a signatory to the International Organization of Securities Commissions Multilateral Memorandum of Understanding.

The Company was incorporated in Australia and the business, operations and management of the Group are all located in Australia. Its financial statements have been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards. The Company has engaged ShineWing Australia as its auditors since 2015. It is intended that ShineWing Australia will remain as the auditors of the Group's annual accounts upon, and after, the completion of the Listing as a firm of accountants acceptable to the Stock Exchange pursuant to Rule 19.20(2) of the Listing Rules for the following reasons:

- (a) ShineWing Australia is a member firm of ShineWing International, an accounting practice with an international name and reputation;
- (b) ShineWing Australia is registered under the applicable laws of Australia and is a member of the Chartered Accountants Australia and New Zealand, which is one of the professional accounting bodies in Australia and a member of the International Federation of Accountants, a global organisation for the accountancy profession. ShineWing Australia is regulated by the Australian Securities and Investment Commission;
- (c) ShineWing Australia is independent from the Group under the statements on independence issued by the IFAC; and
- (d) ShineWing Australia will continue to audit the Group's annual accounts in accordance with both Australia Accounting Standards and International Financial Reporting Standards.

F. OTHER INFORMATION

1. Estate Duty

The Directors have been advised that no material liability for estate duty is likely to fall on the Group in Hong Kong and Australia.

2. The Joint Sponsors

Morgan Stanley and CMBI satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

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BOCI is not and does not expect to be independent because, among others, it is likely that more than 15% of the proceeds raised from the Global Offering will be used directly or indirectly to settle debts due from the Company to Bank of China Limited, Sydney Branch. Bank of China Limited, Sydney Branch is a subsidiary of Bank of China Limited, of which BOCI Asia Limited is also a subsidiary, and is therefore a member of the sponsor group (as defined in Rule 3A.01(9) of the Listing Rules).

The Joint Sponsors will receive an aggregate fee of US\$2,250,000 to act as joint sponsors to the Company in connection with the Global Offering.

3. Preliminary Expenses

The total preliminary expenses of the Company are estimated to be approximately A\$1,000 and were paid by the Company.

4. Promoter

The Company has no promoter. Save as disclosed above, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefits have been paid, allotted or given to the promoters in connection with the Global Offering or the related transactions described in this prospectus.

5. Qualifications and Consents of Experts

The qualifications of the experts which have given opinions or advice which are contained in, or referred to in, this prospectus are as follows:

<u>Name of Expert</u>	<u>Qualifications</u>
Morgan Stanley Asia Limited	Licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities
CMB International Capital Limited	Licensed under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
BOCI Asia Limited	Licensed under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
Gilbert + Tobin	Qualified Australian lawyers
SHINEWING (HK) CPA Limited	Certified Public Accountants, Hong Kong
ShineWing Australia	Chartered Accountants, Australia
RPMGlobal Asia Limited	Competent Person
AME Consulting Pty Ltd	Industry consultant
KPMG	Taxation adviser

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Each of Morgan Stanley Asia Limited, CMB International Capital Limited, BOCI Asia Limited, Gilbert + Tobin, SHINEWING (HK) CPA Limited, ShineWing Australia, RPMGlobal Asia Limited, AME Consulting Pty Ltd and KPMG has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or opinion and/or references to its name included herein in the form and context in which they respectively appear.

6. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

7. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided in Section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

8. Miscellaneous

- (a) Save as disclosed in "*History and Corporate Structure*", "*Share Capital*", "*Structure of the Global Offering*" and this Appendix VII, within the two years preceding the date of this prospectus, no share or loan capital of the Company or any of its subsidiaries has been issued or has been agreed to be issued fully or partly paid either for cash or for a consideration other than cash.
- (b) No share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.
- (c) No founder, management or deferred shares of the Company or any of its subsidiaries have been issued or have been agreed to be issued.
- (d) The Company has no outstanding convertible debt securities or debentures.
- (e) None of Morgan Stanley Asia Limited, CMB International Capital Limited, BOCI Asia Limited, Gilbert + Tobin, SHINEWING (HK) CPA Limited, ShineWing Australia, RPMGlobal Asia Limited, AME Consulting Pty Ltd and KPMG:
 - (i) is interested beneficially or non-beneficially in any shares in any member of the Group; or
 - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group save in connection with the Underwriting Agreements.
- (f) The English text of this prospectus and the Application Forms shall prevail over their respective Chinese text.
- (g) There has not been any interruption in the business of the Group which may have or has had a significant effect on the financial position of the Group in the 12 months preceding the date of this prospectus.

APPENDIX VIII DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE FOR INSPECTION

A. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the **WHITE, YELLOW** and **GREEN** Application Forms;
- (b) a copy of each of the material contracts referred to in "*Appendix VII – Statutory and General Information*"; and
- (c) the written consents referred to in "*Appendix VII – Statutory and General Information*".

B. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Freshfields Bruckhaus Deringer at 55th Floor, One Island East, Taikoo Place, Quarry Bay, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this prospectus:

- (a) the Constitution of the Company;
- (b) the Accountants' Report, the Accountants Report on C&A, the report on the unaudited pro forma financial information and the report on the unaudited pro forma financial information of the Enlarged Group prepared by SHINEWING (HK) CPA Limited and ShineWing Australia, the texts of which are set out in "*Appendix IA – Accountants' Report*", "*Appendix IB – Accountants' Report of C&A*", "*Appendix IIA – Unaudited Pro Forma Financial Information*" "*Appendix IIB – Unaudited Pro Forma Financial Information of the Enlarged Group*" and "*Appendix IIC - Pro Forma Consolidated Statement of Financial Position of the Group*", respectively;
- (c) the audited consolidated financial statements of the Group for the years ended 31 December 2015, 2016 and 2017;
- (d) the letter from Gilbert + Tobin, the Company's Australian legal adviser, summarising the Constitution of the Company and certain aspects of the Australia Corporations Act referred to in "*Appendix V – Summary of the Constitution of the Company and the Australia Corporations Act*";
- (e) the competent person's report prepared by RPMGlobal Asia Limited;
- (f) the industry report prepared by AME Consulting Pty Ltd;
- (g) the letters of appointment referred to in "*Appendix VII – Statutory and General Information*";
- (h) the material contracts referred to in "*Appendix VII – Statutory and General Information*"; and
- (i) the written consents referred to in "*Appendix VII – Statutory and General Information*".

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**DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES AND AVAILABLE FOR INSPECTION**

In addition, investors can access the following documents via the following websites:

- (i) the Australia Corporations Act (<https://www.legislation.gov.au/Details/C2018C00131>);
- (ii) the ASX Listing Rules (<https://www.asx.com.au/regulation/rules/asx-listing-rules.htm>);
- (iii) the ASX Settlement Operating Rules (<https://www.asx.com.au/regulation/rules/asx-settlement-operating-rules.htm>); and
- (iv) the Australia Foreign Acquisitions and Takeovers Act (<https://www.legislation.gov.au/Details/C2016C01144>).

Any information contained in, or that can be accessed via the above websites, does not constitute a part of this prospectus.

APPENDIX IX

DEFINITIONS AND GLOSSARY

In this prospectus, unless the context otherwise requires, the following expressions shall have the following meanings.

“100% basis”	the aggregate Coal Resources, Coal Reserves or coal production from our mines, Middlemount and the Watagan Mines, without taking into account our effective ownership interest therein
“A\$” or “Australian dollars”	Australian dollars, the lawful currency of Australia
“APCT”	Abbot Point Coal Terminal
“Application Form(s)”	[REDACTED]
“ASIC”	Australian Securities and Investments Commission
“ASX”	Australian Stock Exchange Limited
“ASX Listing Rules”	the Listing Rules of the ASX
“attributable basis”	the percentage interest attributable to our ownership, whether contractually or otherwise, in the aggregate JORC Coal Resources or JORC Coal Reserves in, or production from, our mines
“Australia Corporations Act”	the Corporations Act 2001 (Cth) of Australia, as amended or supplemented from time to time
“Australia Foreign Acquisitions and Takeovers Act”	the Foreign Acquisitions and Takeovers Act 1975 of Australia, as amended or supplemented from time to time
	[REDACTED]
“Board” or “Board of Directors”	the board of directors of the Company
“BOCIF”	BOCI Financial Products Limited, one of the Watagan Bondholders
“business day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business
“C&A”	Coal & Allied Industries Limited

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“C&A Acquisition”	our acquisition of 100% of the equity interest in C&A from Rio Tinto, which was completed on 1 September 2017
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Account”	a securities account maintained by a CCASS Participant with CCASS
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“CHES”	Clearing House Electronic Subregister System for security transfers on the ASX
“Cinda”	Cinda International HGB Investment (UK) Limited
“Coal Reserve”	as defined in the JORC Code, i.e. the economically mineable part of a Measured and/or Indicated Coal 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. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified
“Coal Resource”	as defined in the JORC Code, i.e. a 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. The location, quantity, grade (or quality), continuity and other geological characteristics of a Coal Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Coal Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories

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DEFINITIONS AND GLOSSARY

“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance” or “Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended or supplemented from time to time
“Company”	Yancoal Australia Ltd, a company incorporated under the laws of Australia with limited liability on 18 November 2004
“Competent Person”	has the meaning ascribed to it under Chapter 18 of the Listing Rules
“Competent Person’s Report”	the report prepared and/or supervised by the Competent Persons in compliance with Chapter 18 of the Listing Rules, the text of which is set out in <i>“Appendix III – Competent Person’s Report”</i>
“Constitution”	the constitution of the Company (as amended from time to time), as adopted by a resolution of the Shareholders on 26 June 2012 and last amended on 30 May 2014, a summary of which is set out in <i>“Appendix V – Summary of the Constitution of the Company and the Australia Corporations Act”</i>
“Controlling Shareholders”	has the meaning given to it in the Listing Rules and, unless the context requires otherwise, refers to Yanzhou and Yankuang
“CSIL”	China Shandong Investment Limited, a wholly owned subsidiary of Shandong Lucion Investment Holdings Group Co., Ltd.
“Director(s)”	the director(s) of the Company

[REDACTED]

“FOB”	free on board
“FY” or “financial year”	financial year ended or ending 31 December

APPENDIX IX

DEFINITIONS AND GLOSSARY

“Glencore”	Glencore Coal Pty Ltd
“Glencore Transaction”	the sale by the Company of a 16.6% interest in HVO to Glencore, which was completed on 4 May 2018, resulting in the 51:49 HVO JV between us and Glencore
“Global Offering”	[REDACTED]
“GREEN Application Form(s)”	[REDACTED]
“Group”, “we”, “our” or “us”	unless otherwise indicated, the Company, its consolidated subsidiaries and the Company’s interests in associates, joint ventures and joint operations
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC, in its capacity as nominee for HKSCC (or any successor thereto) as operator of CCASS and any successor, replacement or assign of HKSCC Nominees Limited as nominee for the operator of CCASS
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Offer Shares”	[REDACTED]
“Hong Kong Public Offering”	[REDACTED]
“Hong Kong Share Registrar”	[REDACTED]

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“Hong Kong Underwriters”	[REDACTED]
“Hong Kong Underwriting Agreement”	[REDACTED]
“HVO”	the Hunter Valley Operations
“HVO JV”	the unincorporated HVO joint venture, which owns HVO and in which the Company holds a 51% interest
“HVOR”	HVO Resources Pty Ltd, a wholly owned subsidiary of MDP
“IBC”	Industrial Bank Co., Ltd., one of the Watagan Bondholders
“IFRS”	International Financial Reporting Standards
“independent third party”	any party who is not connected (within the meaning of the Listing Rules) with the Company, so far as the Directors are aware after having made reasonable enquiries
“Indicated Coal Resource”	as defined in the JORC Code, i.e. that part of a Coal Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed
“Inferred Coal Resources”	as defined in the JORC Code, i.e. that part of a Coal Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability

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“International Offer Shares” [REDACTED]

“International Offering” [REDACTED]

“International Underwriters” [REDACTED]

“International Underwriting Agreement” [REDACTED]

“Joint Bookrunners” [REDACTED]

“[REDACTED]” or “Joint Sponsors” Morgan Stanley Asia Limited, CMB International Capital Limited and BOCI Asia Limited

“Joint Policy Statement” the Joint Policy Statement regarding the listing of overseas companies issued by the Stock Exchange and the SFC on 27 September 2013 and amended on 30 April 2018

“JVMC” the joint venture management committee through which the Group and Glencore jointly control the HVO JV

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“JORC Code”	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition, which is used to determine resources and reserves, and is published by Joint Coal Reserves Committee on behalf of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia
“Latest Practicable Date”	[REDACTED], being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Date”	the date, expected to be on or about [REDACTED], on which the Shares are first listed and from which dealings in the Shares are permitted to take place on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Maximum Offer Price”	HK\$[REDACTED] per Offer Share, being the maximum subscription price in the Offer Price Range
“MDP”	Mitsubishi Development Pty Ltd
“Measured Coal Resource”	as defined in the JORC Code, i.e. that part of a Coal Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity
“Middlemount”	the Middlemount mine
“Middlemount JV”	Middlemount Coal Pty Ltd, a joint venture entity in which the Company holds a 49.9997% interest
“Minimum Offer Price”	HK\$[REDACTED] per Offer Share, being the minimum subscription price in the Offer Price Range

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“Moolarben”	the Moolarben mine
“Moolarben Acquisition”	the Company’s planned acquisition of an additional 4% interest in the Moolarben JV
“Moolarben JV”	the unincorporated Moolarben joint venture, which owns Moolarben and in which the Company holds an 81% interest
“Mount Thorley”	the Mount Thorley mine, which is operationally integrated with the Warkworth mine to form MTW
“Mount Thorley JV”	the unincorporated Mount Thorley joint venture, which owns Mount Thorley and in which the Company holds an 80% interest
“Mt”	million tonnes
“Mtpa”	million tonnes per annum
“MTW”	the Mount Thorley Warkworth Operations
“NCIG”	Newcastle Coal Infrastructure Group Pty Ltd, or where the context requires, Newcastle Coal Infrastructure Group coal export terminal, in which the Company holds a 27.0% interest as an associate.
“NSW”	New South Wales, Australia
“Offer Price”	the final offer price per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of not more than HK\$[REDACTED] and expected to be not less than HK\$[REDACTED], such price to be determined by agreement between the Joint Global Coordinators (on behalf of the Underwriters) and the Company on or before the Price Determination Date
“Offer Price Range”	HK\$[REDACTED] to HK\$[REDACTED] per Offer Share
“Offer Shares”	the Hong Kong Offer Shares and the International Offer Shares, together with, where relevant, any additional Shares which may be issued by the Company pursuant to any exercise of the Over-allotment Option

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“Over-allotment Option”	the option expected to be granted by the Company under the International Underwriting Agreement to the International Underwriters, exercisable by the Joint Global Coordinators (on behalf of the International Underwriters), pursuant to which the Company may be required to issue up to an additional [REDACTED] Shares (representing not more than approximately [REDACTED]% of the number of Offer Shares initially being offered under the Global Offering) at the Offer Price, to, among other things, cover over-allocations in the International Offering, if any, as further described in “ <i>Structure of the Global Offering</i> ”
“PWCS”	Port Waratah Coal Services Pty Ltd, or where the context requires, the Port Waratah Coal Services coal export terminal, in which the Company holds a 30.0% interest as an associate.
“PRC” or “China”	the People’s Republic of China, but for the purposes of this prospectus only, except where the context requires, references in this prospectus to PRC or China exclude Hong Kong, Macau and Taiwan
“Price Determination Date”	the date, expected to be on or about [REDACTED], on which the Offer Price will be determined and, in any event, not later than [REDACTED]
“Pro Forma Transactions”	the C&A Acquisition, Glencore Transaction and Warkworth Transaction
“QIB”	a qualified institutional buyer within the meaning of the Rule 144A
“QLD”	Queensland, Australia
“Regulation S”	Regulation S under the U.S. Securities Act
“Relevant Persons”	the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Underwriters, the Controlling Shareholders, any of their or the Company’s respective directors, officers, agents, or representatives or advisers or any other person involved in the Global Offering
“RGTCT”	RG Tanna Coal Terminal
“Rio Tinto”	Rio Tinto Limited
“RMB”	Renminbi, the lawful currency of the PRC

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“Rule 144A”	Rule 144A under the U.S. Securities Act
“SCNs”	Subordinated capital notes issued by Yancoal SCN in December 2014 in the amount of A\$2.3 billion and redeemed in full on 31 January 2018
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Shareholder(s)”	holder(s) of Shares
“Shares”	ordinary shares in the share capital of the Company
“Stabilising Manager”	[●]
“Stock Borrowing Agreement”	the stock borrowing agreement expected to be entered into on or about the Price Determination Date between the Stabilising Manager (or its affiliate) and [●]
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Syndicated Facility”	a secured loan facility with a maximum credit limit of US\$2,900 million that the Company obtained in 2009 with a syndicate of banks, including Bank of China Limited, Sydney Branch, China Development Bank Limited, Hong Kong Branch, and China Construction Bank Limited, Hong Kong Branch
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“tonnes”	metric tonne or 1,000 kilograms
“Track Record Period”	the three years ended 31 December 2017 and the six months ended 30 June 2018
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“UNE”	United NSW Energy Limited, one of the Watagan Bondholders

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“U.S.” or “United States”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“US\$” or “US dollars”	Dollars, the lawful currency of the U.S.
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“Warkworth”	the Warkworth mine, which is operationally integrated with the Mount Thorley mine to form MTW
“Warkworth JV”	the unincorporated Warkworth joint venture, which owns Warkworth and in which the Company holds a 55.574% interest
“Warkworth Transaction”	the Company’s acquisition of an additional 28.9% interest in the unincorporated Warkworth JV from MDP, which was completed on 7 March 2018
“Watagan”	Watagan Mining Company Pty Ltd, a company with limited liability incorporated under the laws of New South Wales, Australia on 14 December 2015 and a wholly-owned subsidiary of the Company
“Watagan Agreements”	agreements entered into among Watagan, the Company and the Watagan Bondholders in connection with the issuance of the Watagan Bonds
“Watagan Board”	the board of directors of Watagan
“Watagan Bondholders” or “Bondholders”	IBC, BOCIF and UNE
“Watagan Bonds”	US\$775 million nine-year secured bonds issued on 31 March 2016 by Watagan to the Watagan Bondholders
“Watagan Group”	Watagan and its subsidiaries
“Watagan Loan”	a loan from the Company to Watagan of A\$1,363 to fund the purchase of the Ashton, Austar and Donaldson mines in March 2016, bearing interest at the bank bill swap rate on the first day of each interest period plus 7.06% with a maturity date of 1 April 2025
“Watagan Mines”	the Ashton, Austar and Donaldson mines

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“White Form eIPO”	[REDACTED]
“White Form eIPO Service Provider”	[REDACTED]
“WICET”	Wiggins Island Coal Export Terminal Pty Ltd, or where the context requires, the Wiggins Island Coal Export Terminal, in which the Company holds a 9.4% interest as an associate
“Yancoal International”	Yancoal International (Holding) Co., Limited, a company with limited liability incorporated under the laws of Hong Kong on 13 July 2011 and a wholly-owned subsidiary of Yanzhou
“Yancoal SCN”	Yancoal SCN Ltd, a limited liability company incorporated under the laws of Australia on 13 November 2014 and a wholly-owned subsidiary of the Company
“Yankuang”	Yankuang Group Company Limited (兗礦集團有限公司), a company with limited liability reformed and established under the laws of the PRC on 12 March 1996, the controlling shareholder of Yanzhou and the ultimate controlling shareholder of the Company
“Yankuang Group”	Yankuang and its subsidiaries (excluding the Yanzhou Group)
“Yanzhou”	Yanzhou Coal Mining Company Limited (兗州煤業股份有限公司), a joint stock limited company incorporated in the PRC on 25 September 1997, the H shares and A shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange, respectively, a subsidiary of Yankuang and a controlling shareholder of the Company
“Yanzhou Group”	Yanzhou and its subsidiaries (excluding the Group)

In this prospectus, unless the context otherwise requires, the terms “**associate**”, “**close associate**”, “**connected person**”, “**core connected person**”, “**connected transaction**”, “**subsidiary**” and “**substantial shareholder**” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

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Unless otherwise specified, certain amounts denominated in Australian dollars or US dollars have been translated into HK dollars at an exchange rate of A\$1.00 = HK\$6.1152 and US\$1.00 = HK\$7.8400, respectively, and certain amounts denominated in Renminbi have been translated into Australian dollars at an exchange rate of RMB1.00 = A\$0.1996, in each case for illustrative purposes only and such conversions shall not be construed as representations that amounts in Australian dollars or US dollars were or could have been or could be converted into Hong Kong dollars, that amounts in Hong Kong Dollars were or could have been or could be converted into Australian dollars or US dollars and/or that amounts in Renminbi were or could have been or could be converted into Australian dollars at such rate or any other exchange rates.

Unless otherwise specified, all references to any shareholdings in the Company following the completion of the Global Offering assume that the Over-allotment Option is not exercised.

This glossary contains explanations of certain terms used in this prospectus in connection with the Group and its business. The terminologies and their meanings may not correspond to standard industry meanings or usage of those terms.