

# Annual Results 2018

*Australia's Largest Pure-play Coal Producer*

February 2019



# Agenda



<b>1</b>	<b>Key Highlights</b>	<b>2</b>
<b>2</b>	<b>Operations Overview</b>	<b>13</b>
<b>3</b>	<b>Outlook for Thermal Coal</b>	<b>18</b>
<b>4</b>	<b>Appendix</b>	<b>21</b>



## Key Highlights

# Highlights



**Sustained improvement in safety performance**



**Over A\$1Bn of debt repayments made in 2018 – leverage and gearing reduced to 1.4x and 71% respectively<sup>(1)</sup>**



**Record total of 32.9Mt attributable saleable production<sup>(2)</sup>**



**Full year dividend of A\$507MM implying payout ratio of ~60% of NPAT for 2018 with target CY19E payout ratio of 50% of NPAT<sup>(3)</sup>**



**Record operating EBITDA of A\$2,180MM, operating EBITDA Margin of 45%**



**Continued progress towards developing growth projects**



**Continued delivery of identified synergies at MTW and under the HVO JV**



**Successful completion of Hong Kong IPO**

## Notes:

1. Net debt does not include debt and earnings associated with Watagan arrangements
2. Attributable figures for 2018 include: Moolarben (81% - up to and including 30 November 2018 and 85% thereafter - reflecting Yancoal's increased ownership in the Moolarben Joint Venture as announced on 30 November 2018); Mt Thorley Warkworth (82.9%); Hunter Valley Operations (51%); Stratford Duralie (100%) and Yarrabee (100%)
3. For 2019, Yancoal is targeting a dividend payout of 50% of net profit after tax (adjusted for the impact of foreign exchange hedge reserve movements and any other non-operating items). The payment of dividends by Yancoal is at the discretion of the Directors. The decision as to whether or not a dividend will be paid will be subject to a number of considerations including the general business environment, operating results, cash flows, future capital requirements, regulatory restrictions and any other factors the Directors may consider relevant. No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend

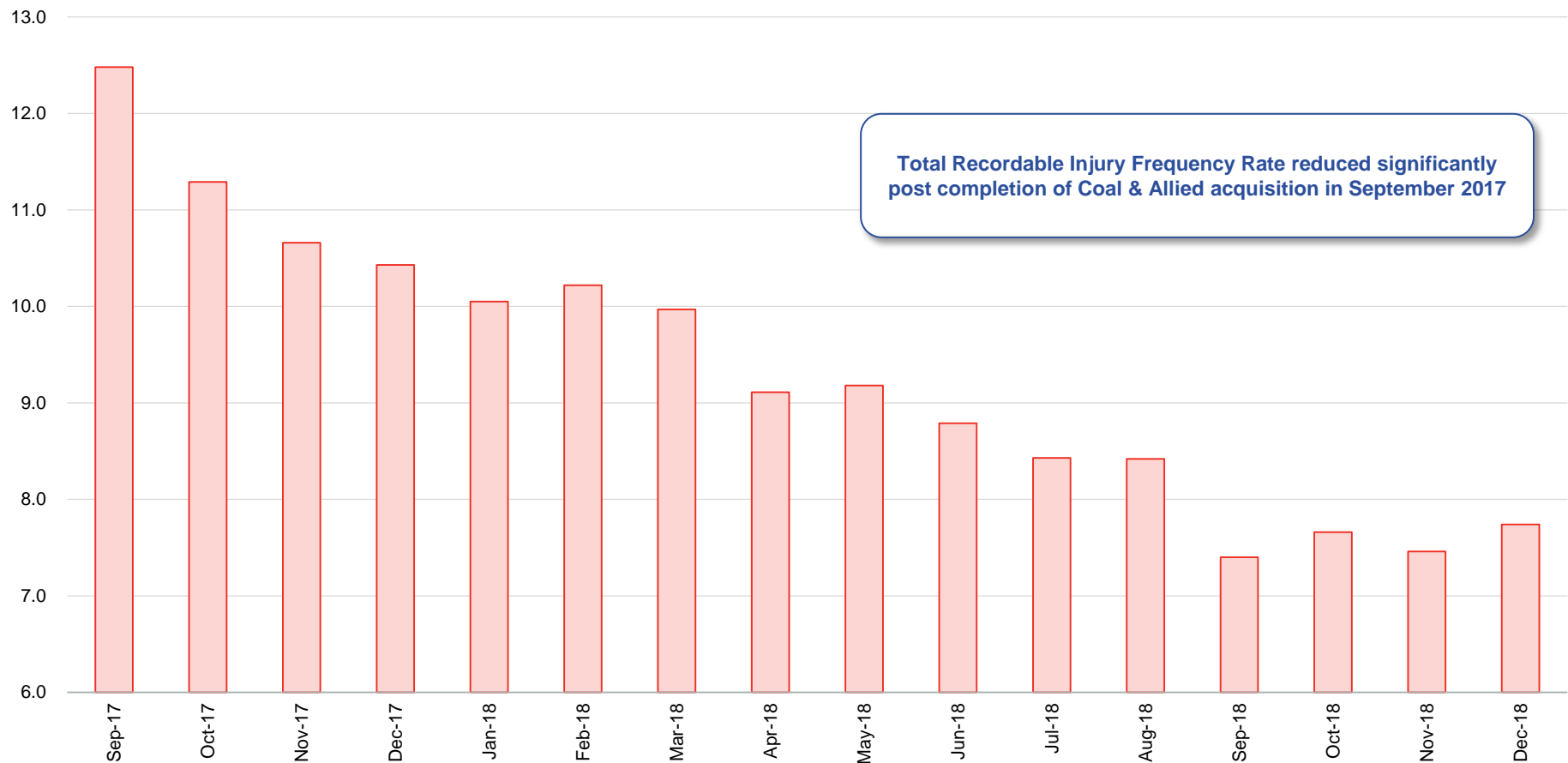
# Safety Performance



Commitment to operating mines to the highest safety standards. Core Hazard Critical Control development and implementation continued throughout the year

## Yancoal Total Recordable Injury Frequency Rate<sup>(1)</sup>

Rolling 12 Month Basis



Source: Company Data

### Notes:

1. Excludes injuries recorded at the Ashton, Aустar and Donaldson mines



# Record Full Year Profit and Net Cash Flow



Higher volumes and realised coal prices combined with steady costs led to record full year profit and cash flow generation

## Abbreviated Income Statement

(A\$MM)	2018	2017
Revenue	4,850	2,601
<b>Operating EBITDA</b>	<b>2,180</b>	<b>988</b>
Depreciation and Amortisation	(523)	(256)
<b>Operating EBIT</b>	<b>1,657</b>	<b>732</b>
<b>Profit before Income Tax</b>	<b>1,172</b>	<b>311</b>
Income Tax Expense (Non-Cash) <sup>(1)</sup>	(320)	(82)
<b>Net Profit after Income Tax</b>	<b>852</b>	<b>229</b>

## Comments

- Operating EBITDA increased by 121% against previous year driven by
  - 68% increase in sales volumes
  - 16% increase in average realised price<sup>(2)</sup>
- Significant net debt repayments of ~A\$1.0Bn made in 2018 with lower net interest expense
- Maiden interim dividend of A\$130MM with additional final dividend of A\$377MM<sup>(3)</sup> to be paid in 2019
- Other investing cash flow items include sale of HVO interest in 2018, MTW acquisition in 2018 and C&A acquisition in 2017
- No cash taxes paid in 2018 due to available carry forward tax losses
- Recent HK IPO raised proceeds of A\$268MM<sup>(4)</sup>

## Abbreviated Cash Flow Statement

(A\$MM)	2018	2017
<b>Net Cash (Used In) / From Operating Activities</b>	<b>1,747</b>	<b>408</b>
Capital Expenditures	(194)	(299)
Other Investing Cash Flows	139	(3,087)
<b>Net Cash (Used In) / From Investing Activities</b>	<b>(55)</b>	<b>(3,386)</b>
Debt Repayments	(1,014)	(196)
Dividends Paid	(130)	-
Equity Raise	268	3,125
Other Financing Cash Flows	(28)	70
<b>Net Cash (Used In) / From Financing Activities</b>	<b>(904)</b>	<b>2,999</b>
<b>Net Increase in Cash</b>	<b>788</b>	<b>21</b>

### Notes:

1. Income Statement expense only. Yancoal currently not paying cash tax due to carry forward tax losses
2. Average realised price calculated as attributable ex-mine coal sales revenue divided by attributable ex-mine tonnes sold
3. Includes ordinary and special dividend
4. Total gross proceeds of approximately HK\$1,183MM (59,441,900 shares at HK\$23.48 per share) based on Announcement of Offer Price and Allotment Results

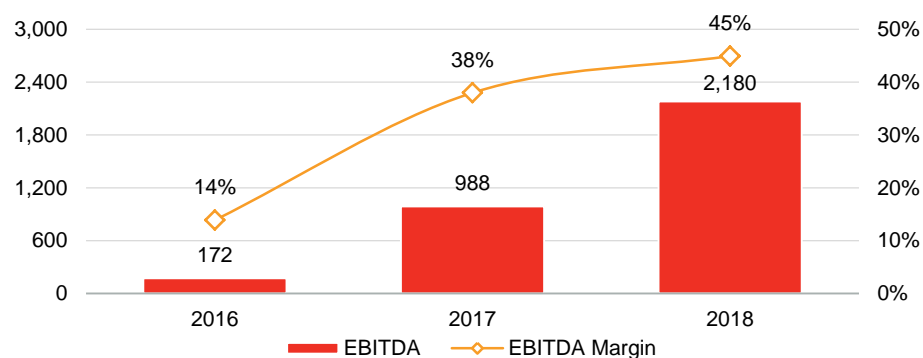
# Key Financial Metrics



Operating performance delivers record operating EBITDA of A\$2,180MM and NPAT of A\$852MM driving continued deleveraging and dividend payments of A\$507MM in 2018

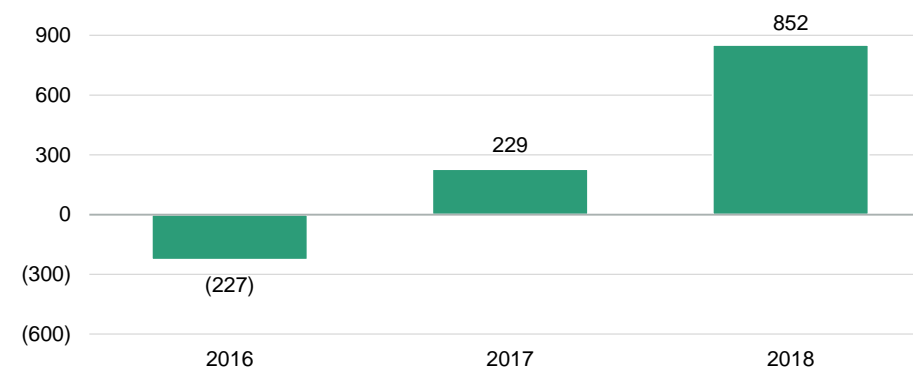
## Operating EBITDA and EBITDA Margin<sup>(1)</sup>

(A\$MM) | (%)



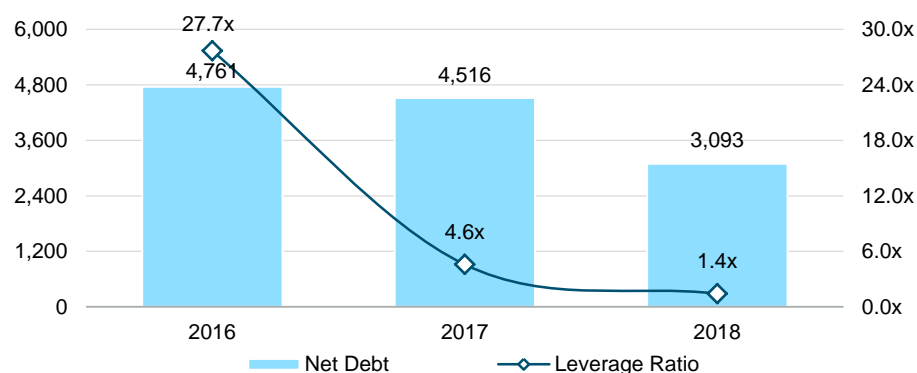
## Net Profit After Tax

(A\$MM)



## Net Debt<sup>(2)</sup> and Leverage Ratio<sup>(3)</sup>

(A\$MM) | (x)



## Dividends for 2018

Net Profit After Tax	2018	A\$852MM
<b>Payout Ratio</b>		<b>~60%</b>
Dividends Paid <sup>(4)</sup>	2018	A\$507MM (incl. A\$166MM special div.)
Market Capitalisation <sup>(5)</sup>	22 Feb 2019	A\$4,131MM
<b>Dividend Yield</b>		<b>~12.3%</b>
<b>Target Payout Ratio of 50% of Net Profit After Tax for 2019<sup>(6)</sup></b>		

### Notes:

- EBITDA Margin calculated as Operating EBITDA divided by total revenue
- Net debt does not include debt and earnings associated with Watagan arrangements
- Leverage Ratio calculated as Net Debt divided by Operating EBITDA for corresponding period
- This comprises of an interim dividend payment of A\$130MM paid in 2018 and an additional final dividend of A\$377MM to be paid in 2019 (which is comprised of an ordinary dividend of A\$211MM and a special dividend of A\$166MM)
- Based on ASX and HKSE implied market capitalisations as at 22 February 2019

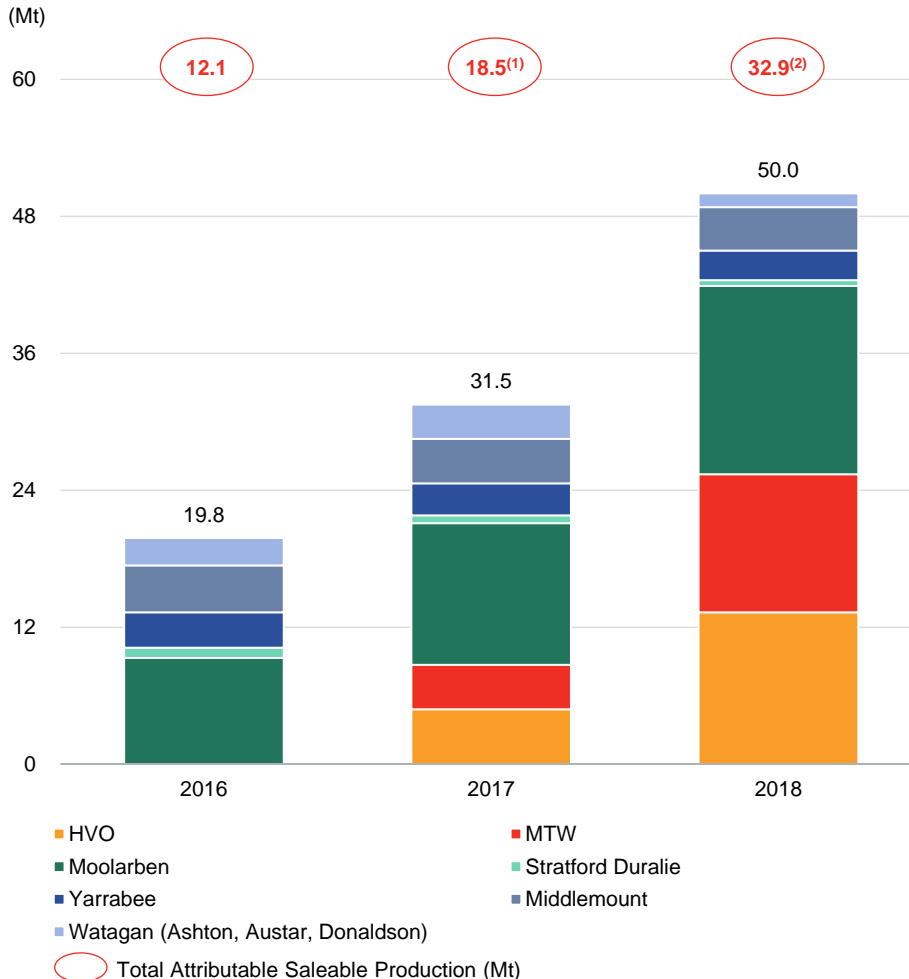
- For 2019 Yancoal is targeting a dividend payout of 50% of net profit after tax (adjusted for the impact of foreign exchange hedge reserve movements and any other non-operating items). The payment of dividends by Yancoal is at the discretion of the Directors. The decision as to whether or not a dividend will be paid will be subject to a number of considerations including the general business environment, operating results, cash flows, future capital requirements, regulatory restrictions any any other factors the Directors may consider relevant. No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend

# Coal Production



## Significant expansion post completion of Coal & Allied acquisition and record production from Moolarben

### Saleable Production by Asset (100% Basis)



### Comments

- Record 2018 total of 50Mt gross saleable coal production, up 59% on the prior year
  - Yancoal’s three tier-one assets (HVO, MTW and Moolarben) contributed 41.9Mt (84% of total)
- Record annual production for Moolarben of 16.5Mt – maximising extraction rates at OC4 / OC2 pits
  - Moolarben longwall (commissioned November 2017) continues to deliver high productivity rates
- Significant fleet efficiency gains at MTW in 2018 and receipt of approvals enabling expansion of West Pit
- HVO maintained high rates of extraction and haulage, with ongoing maintenance reviews to drive further production gains
- Around 35Mt of saleable production on an attributable basis expected in 2019

#### Notes:

1. Attributable figures for 2017 include only four months of attributable production for HVO and MTW from 1 September 2017. Figure excludes 16.6% interest in HVO, production from Middlemount (incorporated joint venture) and Watagan (equity-accounted investment and deconsolidated from Yancoal in March 2016)
2. Attributable figures for 2018 include: Moolarben (81% - up to and including 30 November 2018 and 85% thereafter - reflecting Yancoal's increased ownership in the Moolarben Joint Venture as announced on 30 November 2018); Mt Thorley Warkworth (82.9%); Hunter Valley Operations (51%); Stratford Duralie (100%) and Yarrabee (100%)

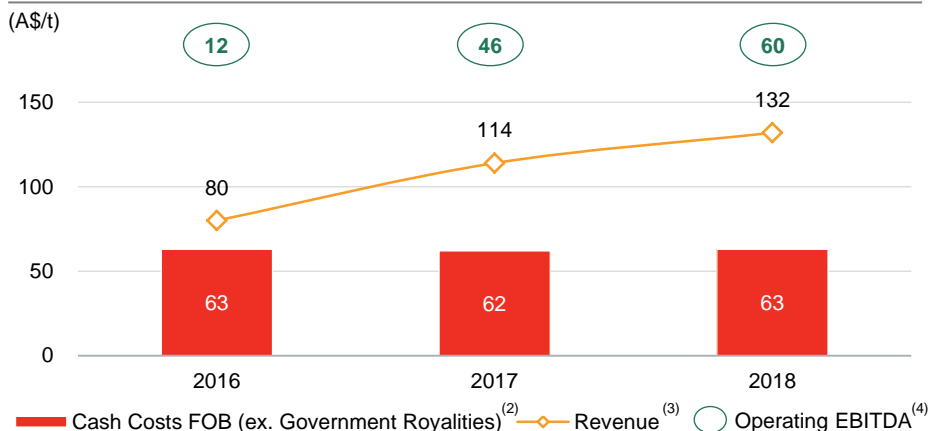


# Margins, Costs and Capex



Strong realised pricing and disciplined cost management drives our attractive margins

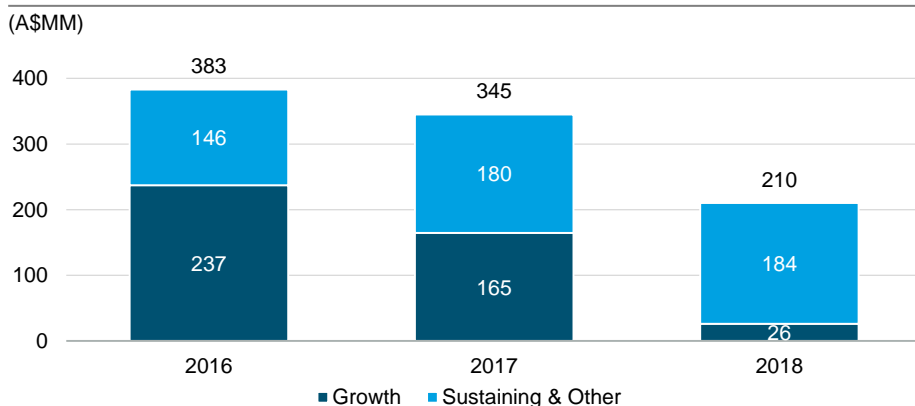
## Revenue, Costs and Operating EBITDA per sold tonne<sup>(1)</sup>



## Comments

- Coal prices in A\$ terms increased as demand for our thermal and met coal products remained strong
  - Average realised thermal and coking coal prices in 2018 were A\$123/t and A\$182/t respectively
- Disciplined cost focus underpinned by increased fleet productivity and procurement savings
- Cash cost guidance (excl. Government royalties) of around A\$62.5/t in 2019 – increase in fuel costs offset by ongoing cost synergies
- Previous growth capital expenditure in 2016 – 17 associated with Moolarben expansion
- Capital expenditure expected to be around A\$285MM (attributable)<sup>(6)</sup> in 2019 (primarily associated with equipment replacement at HVO and MTW)

## Capital Expenditure<sup>(5)</sup>



### Notes:

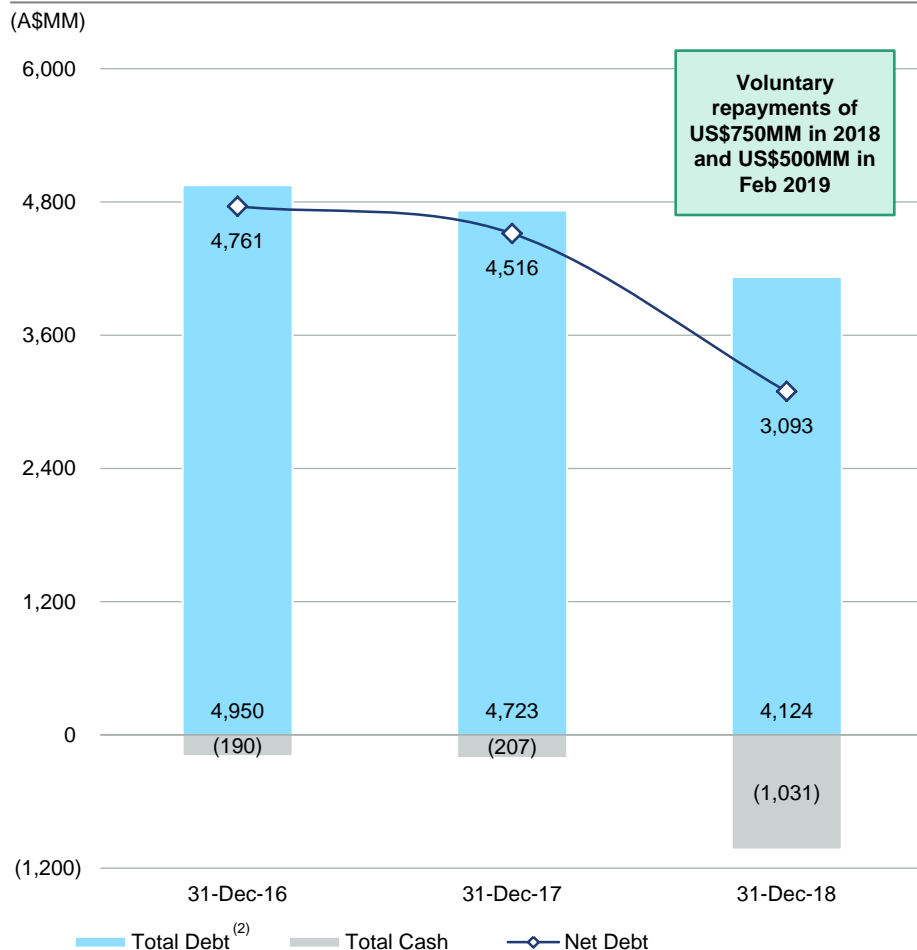
- Figures for 2017 include only four months of attributable production for HVO and MTW from 1 September 2017. Figures for 2018 include 81% attributable production for Moolarben up to and including 30 November 2018, and 85% thereafter. This reflects Yancoal's increased ownership in the Moolarben Joint Venture, as announced on 30 November 2018. Sales volumes includes sales of purchased coal and excludes production from 16.6% interest in HVO, production from Middlemount (incorporated joint venture) and Watagan (equity-accounted investment and deconsolidated from Yancoal in March 2016)
- Includes raw materials / consumables used, employee benefits, transportation and contractual services / plant hire
- Average realised price calculated as attributable ex-mine coal sales revenue divided by attributable ex-mine tonnes sold
- Post Government royalties and other costs
- Includes non-cash capex such as leased plant, rehabilitation provision additions and capitalisation of maintenance costs
- Excludes Middlemount (incorporated joint venture and equity-accounted) and Watagan (deconsolidated from Yancoal in March 2016 and equity-accounted)

# Capital Structure



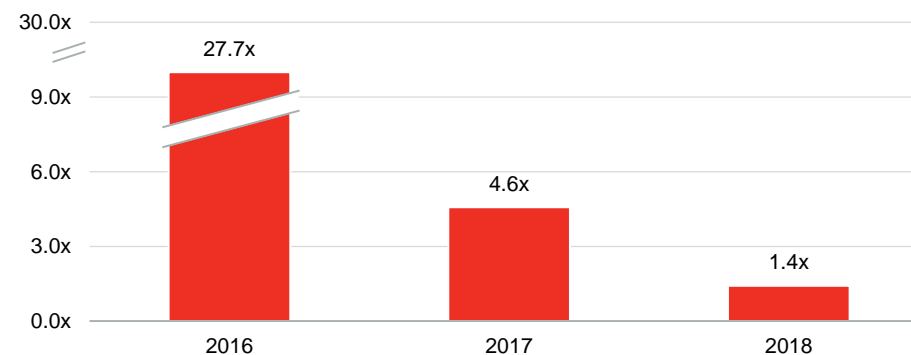
Materially strengthened balance sheet allows us to deliver attractive dividends and positions us for value accretive future growth

## Net Debt<sup>(1)</sup>



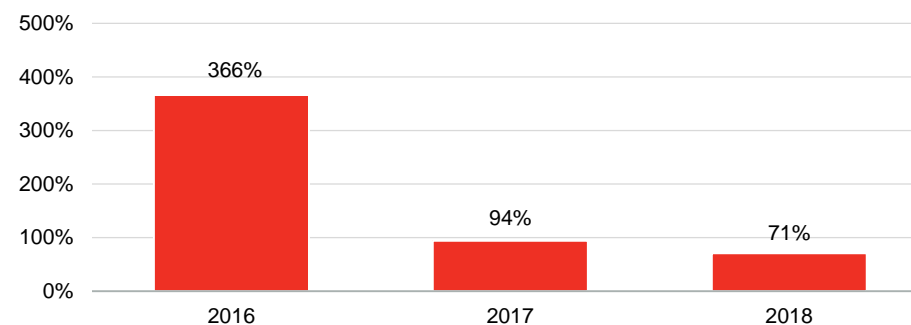
## Leverage Ratio

Net Debt<sup>(1)</sup> / Last Twelve Months Operating EBITDA (x)



## Gearing Ratio

Total Debt<sup>(1)</sup> / Total Equity (%)



### Notes:

- Does not include debt and earnings associated with Watagan arrangements
- Difference between change in total debt between 2017 and 2018 of A\$599m and total net debt repayments of A\$1,014m in 2018 due to FX on USD loans



Yancoal is aiming to balance long-term deleveraging with shareholder returns by:

- Targeting a long term Net Debt / Operating EBITDA Leverage Ratio of <1.5x
- Setting a target 2019<sup>(1)</sup> dividend payout ratio of 50% of Net Profit After Tax

Operational guidance:

- Yancoal consolidated attributable<sup>(2)</sup> saleable coal production 2019 guidance of around 35Mt
- Yancoal consolidated attributable<sup>(2)</sup> cash cost (excl. Government royalties) 2019 guidance of around A\$62.5/t
- Expected attributable<sup>(2)</sup> capital expenditures of around A\$285MM

**Notes:**

1. For 2019 Yancoal is targeting a dividend payout of 50% of net profit after tax (adjusted for the impact of foreign exchange hedge reserve movements and any other non-operating items). The payment of dividends by Yancoal is at the discretion of the Directors. The decision as to whether or not a dividend will be paid will be subject to a number of considerations including the general business environment, operating results, cash flows, future capital requirements, regulatory restrictions any any other factors the Directors may consider relevant. No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend
2. Attributable excludes Middlemount (incorporated joint venture and equity-accounted) and Watagan (deconsolidated from Yancoal in March 2016 and equity-accounted)

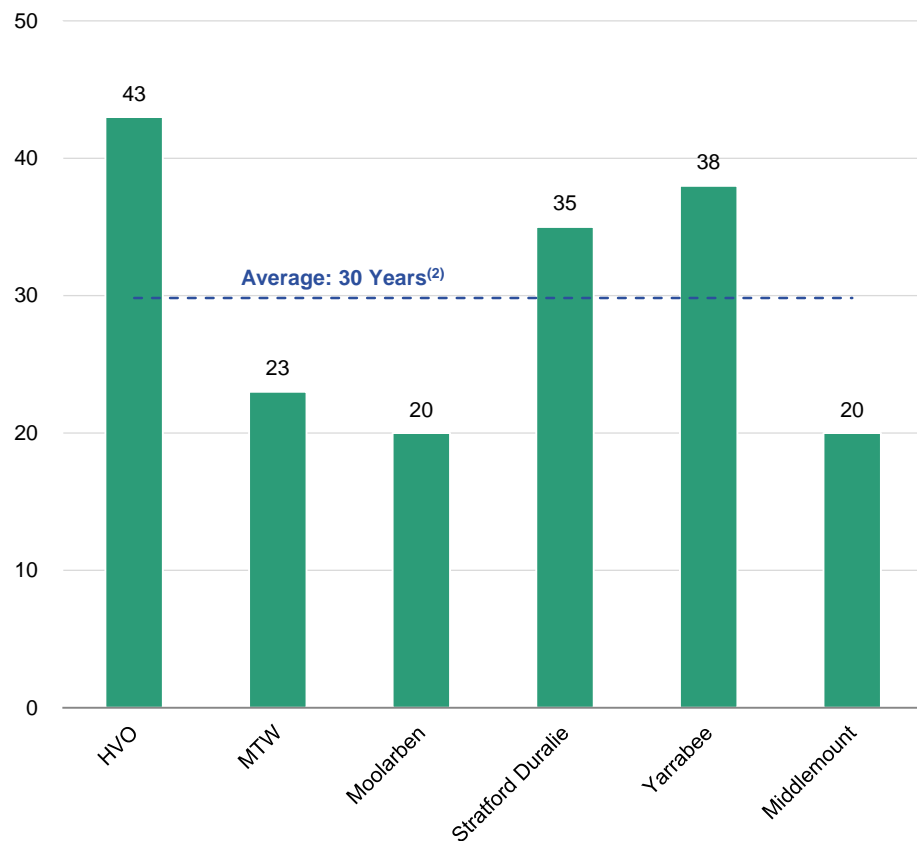
# Well-positioned for Growth



Our large-scale and long-life asset base contains several organic growth initiatives which have the potential to deliver material value for shareholders

## Large-scale and long-life asset base...

Yancoal Owned and Operated Assets Only<sup>(1)</sup> | Reserve Life (Years)



Source: RPM Competent Persons Report dated 26 November 2018, Yancoal

### Notes:

- Mine life for Watagan (deconsolidated from Yancoal in March 2016 and equity-accounted) not shown on chart.
- Mine life of each individual mine calculated as marketable reserves (as at 31 December 2017) divided by CY17 production. Average represents average of each individual mine life
- Based on a conceptual level study, potential underground targets at MTW have been identified in the Mount Arthur, Vaux and Bayswater seams, which have seam characteristics generally favourable for longwall mining that is currently utilised at our Moolarben, Ashton and Auster mining operations. Based on a conceptual underground mine of an estimated 270Mt of potential ROM coal mineable over an approximate 40 year mine life. Further details and assumptions of the production estimates of the underground mining targets are set out in Appendix III – Competent Person's Report – HVO / MTW Underground Mining

## ...with growth projects that could drive material value for shareholders

### MTW Underground

- Significant amount of coal identified as potential underground targets
- Conceptual underground mine with an estimated 6Mt of potential ROM coal per annum<sup>(3)</sup>

### HVO Boundary Coal

- Additional coal tonnage of between 100 and 120Mt could be exploited with extensions to current mine pits<sup>(4)</sup>
- Integrated mining plan should present upside to the current LOM plan<sup>(5)</sup>

### Moolarben Expansion

- Increase in site **ROM coal production** from **18Mtpa to 24Mtpa** through optimising the approved Stage 1 and Stage 2 operations

### Blending

- Continued value creation through maximising blending opportunities
- Blending strategy will **optimise mining operations**

Potential – Production Estimate of the Prospectus uploaded to ASX on 26 November 2018. To date, all underground mine planning that has been completed is at a conceptual level only and no capital estimate is available. Further drilling and mining studies are required to determine if any resource is economically viable and before any decision on whether to develop the potential expansion project and commit material resources on developing the project can be made

- Based on findings of a third party consultant engaged by Yancoal
- Further details and assumptions can be found in Appendix III – Competent Person's Report – HVO / MTW Underground Mining Potential – Production Estimate of the Prospectus uploaded to ASX on 26 November 2018. Further detailed integrated planning will need to be conducted to confirm the estimated tonnage. We have no current plans to develop this potential expansion project

# Our Proposition to Drive Shareholder Returns



**Australia's largest pure-play coal producer and the largest HKSE-listed exporter of high quality seaborne thermal coal**



**World class large-scale coal mines which produce high value export coal and operate at industry-leading cash margins**



**Long-term sustainable capital structure combined with significant base of reserves / resources provides a sustainable platform for growth**



**Experienced management team well positioned to pursue growth opportunities and create further shareholder value**



**Valuable and strategic operational and trade relationships as well as strong support from key shareholders**





## Operations Overview

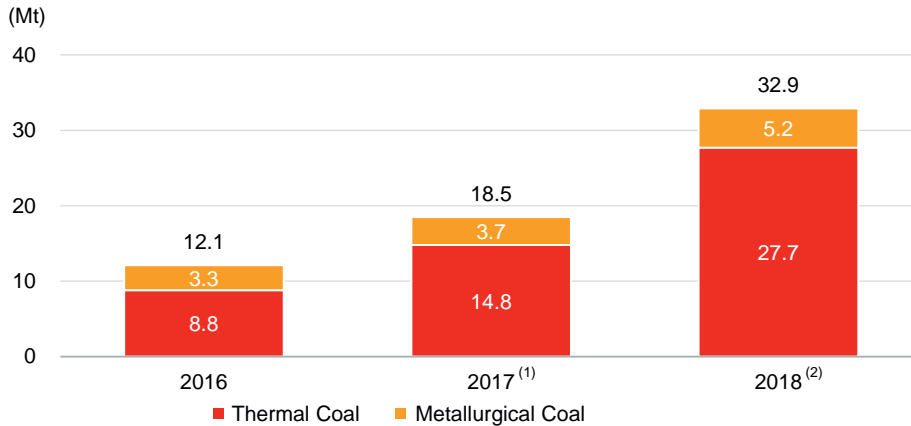


# Large-scale and High Margin Coal Portfolio

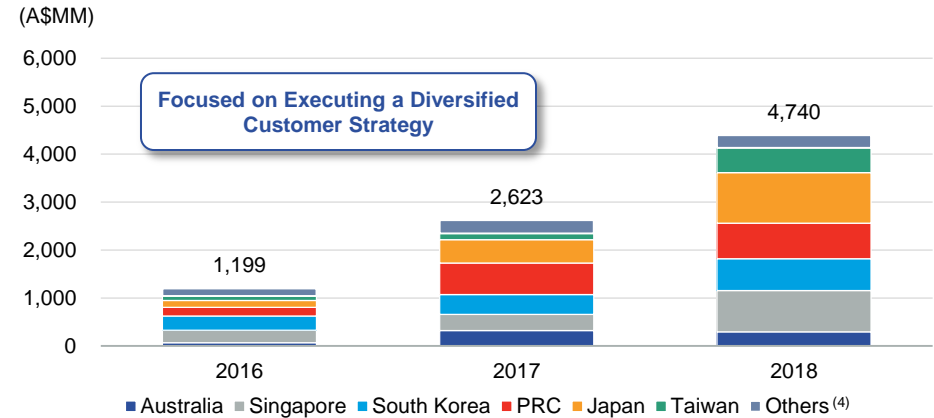


Largest Australian pure-play coal producer servicing a diversified customer base and operating at industry leading cash margins

## Attributable Marketable Production

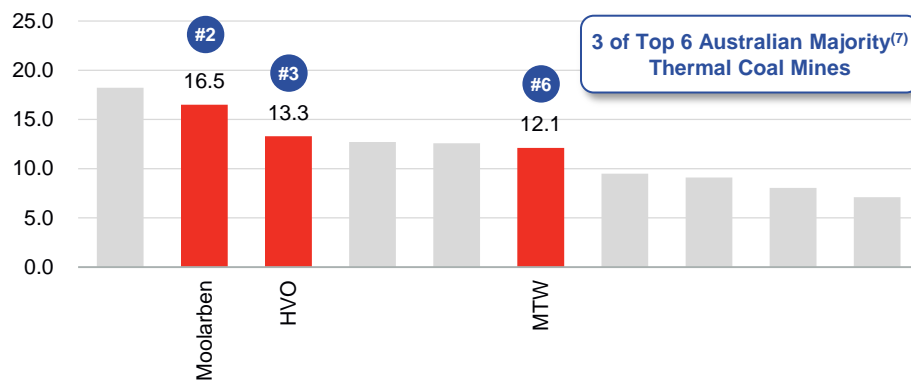


## Coal Revenue by Customer Location<sup>(3)</sup>



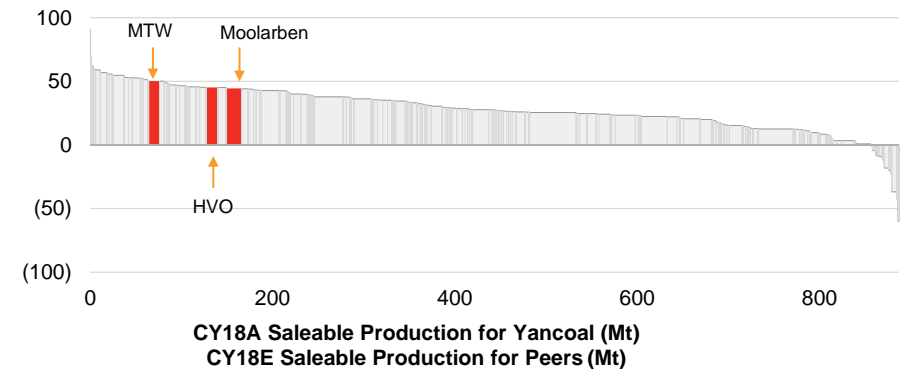
## Significant Scale Drives Efficiency, Performance and Productivity<sup>(5)</sup>

CY18A / CY18E Saleable Production (100% basis, Mt)



## Industry-Leading Cash Margins at our Three Flagship Mines<sup>(6)</sup>

Cash Margins Excluding Government Royalties (A\$/t)



Source: Company Filings, AME Industry Report 26 November 2018

### Notes:

- Attributable figures for 2017 include only four months of attributable production for HVO and MTW from 1 September 2017. Figures exclude 16.6% interest in HVO, production from Middlemount (incorporated joint venture) and Watagan (equity-accounted investment and deconsolidated from Yancoal in March 2016)
- Attributable figures for 2018 include: Moolarben (81% - up to and including 30 November 2018 and 85% thereafter - reflecting Yancoal's increased ownership in the Moolarben Joint Venture as announced on 30 November 2018); Mt Thorley Warkworth (82.9%); Hunter Valley Operations (51%); Stratford Duralie (100%) and Yarrabee (100%).
- Revenue shown in chart represents revenue from external customers only and excludes fair value losses recycled from hedging reserve, interest income, mining services fees, sea freight revenue and other sources of revenue
- Other includes Malaysia, Vietnam, Thailand, India, Indonesia and Chile
- Graph for illustrative purposes only. Yancoal data based on 2018 reported figures. Data for other mines based on 2018 actuals where data has been reported and is publically available. Where not reported or publically available, CY18E data sourced from the AME Industry Report dated 26 November 2018
- Graph for illustrative purposes only. Yancoal data based on 2018 reported figures. Data for other mines based on CY18E data sourced from the AME Industry Report dated 26 November 2018
- Mines where thermal coal comprises at least 50% of saleable production

# Hunter Valley Operations

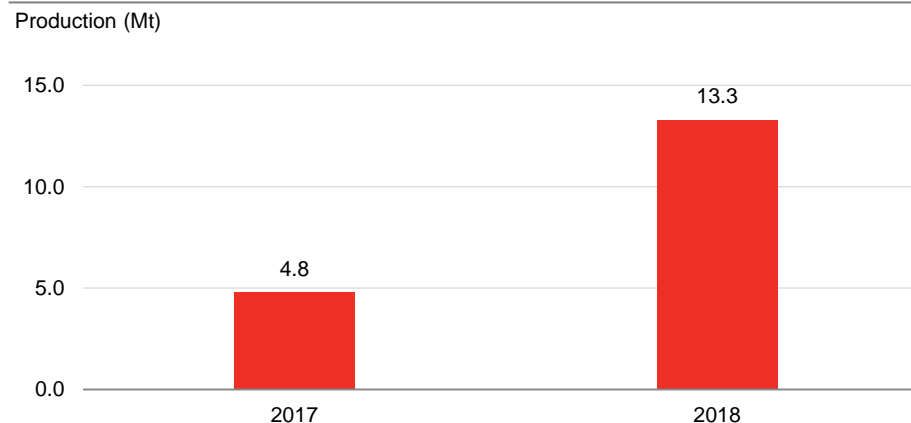


World-class tier one thermal coal asset – operating synergies realised with potential for mine extension through JV with Glencore

## Key Metrics

<b>Location</b>	New South Wales, Australia
<b>Mine Type</b>	Open Cut
<b>Ownership (%)</b>	51.0%
<b>Coal Resources (OC + UG) (100% basis)<sup>(1)</sup></b>	<b>Measured:</b> 704Mt <b>Indicated:</b> 1,430Mt <b>Measured + Indicated:</b> 2,134Mt <b>Inferred:</b> 1,654Mt <b>Total:</b> 3,788Mt
<b>Coal Reserves (OC) – Proven and Probable (100% basis)<sup>(1)</sup></b>	796Mt
<b>Marketable Coal Reserves (OC) – Proven and Probable (100% basis)<sup>(1)</sup></b>	554Mt
<b>Mine Life</b>	43 years
<b>Product Type</b>	Thermal / Semi Soft Coking

## Saleable Coal Production (Mt) (100% basis)<sup>(2)</sup>



## Commentary

- Located in Hunter Valley Basin of NSW and operated as an unincorporated joint venture with Glencore
- Multi-pit open cut mine, using dragline and truck and shovel mining
- ROM coal processed through two on-site coal preparation plants to produce semi-soft coking coal and low, medium and high ash thermal coal for export markets
- Product coal railed through the Hunter Valley rail network and shipped via Newcastle

### Notes:

1. As at 30 June 2018
2. For 2017, 4 months of production from 1 September 2017, following completion of the Coal & Allied transaction

# Mount Thorley Warkworth

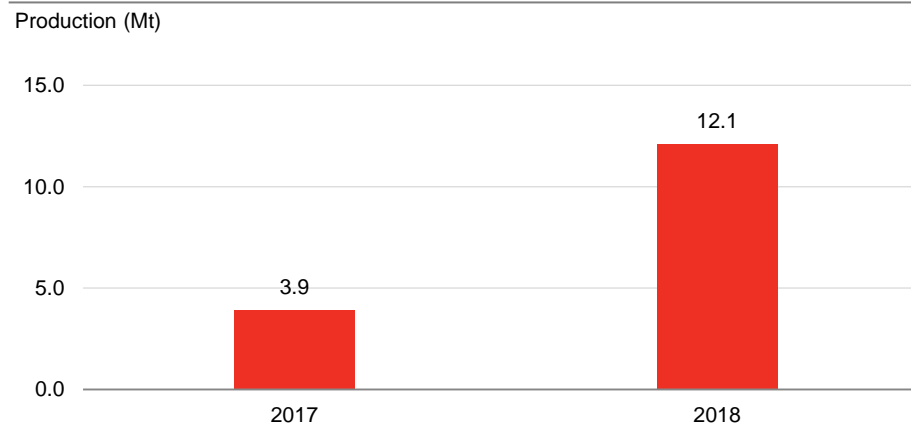


World-class tier one thermal coal asset – integrated operation of two open cut mines with potential underground opportunity being assessed

## Key Metrics

<b>Location</b>	New South Wales, Australia
<b>Mine Type</b>	Open Cut
<b>Ownership (%)</b>	82.9%
<b>Coal Resources (OC + UG) (100% basis)<sup>(1)</sup></b>	<b>Measured:</b> 27Mt (MT), 197Mt (W) <b>Indicated:</b> 75Mt (MT), 713Mt (W) <b>Measured + Indicated:</b> 102Mt (MT), 910Mt (W) <b>Inferred:</b> 153Mt (MT), 527Mt (W) <b>Total:</b> 255Mt (MT), 1,437Mt (W)
<b>Coal Reserves (OC) – Proven and Probable (100% basis)<sup>(1)</sup></b>	8Mt (MT), 314Mt (W)
<b>Marketable Coal Reserves (OC) – Proven and Probable (100% basis)<sup>(1)</sup></b>	5Mt (MT), 220Mt (W)
<b>Mine Life</b>	23 years
<b>Product Type</b>	Thermal / Semi Soft Coking

## Saleable Coal Production (Mt) (100% basis)<sup>(2)</sup>



## Commentary

- Integrated operation of two open cut mines located adjacent to each other in Hunter Valley basin of NSW
- Operates through multiple pits, using dragline and truck and shovel methods
- ROM coal processed through two on-site coal preparation plants to produce semi-soft coking coal and low, medium and high ash thermal coal for export markets
- Product coal railed through the Hunter Valley rail network and shipped via Newcastle
- Improved maintenance practices supported achievement of fleet efficiency gains and necessary approvals received to commence development of Lot 1 / 2 areas
- Following preliminary studies, further drilling and technical assessments commissioned to consider feasibility of a potential underground opportunity at MTW

### Notes:

1. As at 30 June 2018
2. For 2017, 4 months of production from 1 September 2017, following completion of the Coal & Allied transaction

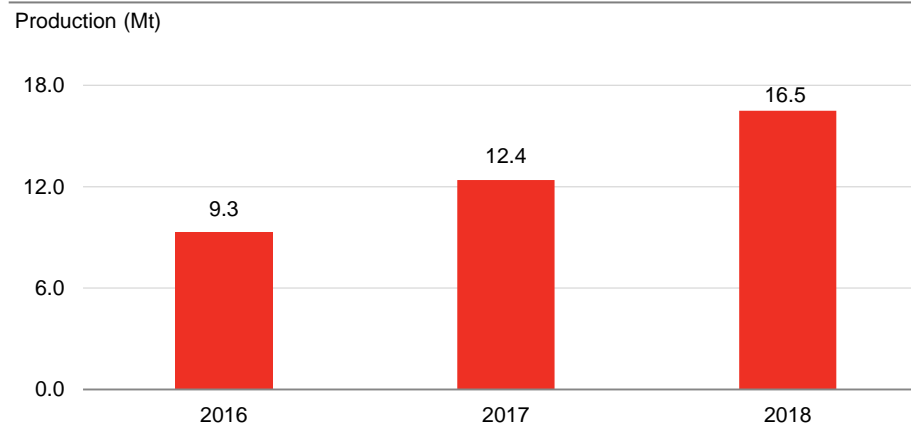


World-class tier one thermal coal asset – integrated operation of two mines (one open cut and one underground) after successful underground expansion in 2017

## Key Metrics

<b>Location</b>	New South Wales, Australia
<b>Mine Type</b>	Open Cut and Underground
<b>Ownership (%)</b>	85%
<b>Coal Resources (OC + UG) (100% basis)<sup>(1)</sup></b>	<b>Measured:</b> 438Mt (OC), 287Mt (UG) <b>Indicated:</b> 105Mt (OC), 131Mt (UG) <b>Measured + Indicated:</b> 543Mt (OC), 418Mt (UG) <b>Inferred:</b> 69Mt (OC), 129Mt (UG) <b>Total:</b> 612Mt (OC), 547Mt (UG)
<b>Coal Reserves (OC+UG) – Proven and Probable (100% basis)<sup>(1)</sup></b>	189Mt (OC), 67Mt (UG)
<b>Marketable Coal Reserves (OC+UG) – Proven and Probable (100% basis)<sup>(1)</sup></b>	148Mt (OC), 67Mt (UG)
<b>Mine Life</b>	20 years
<b>Product Type</b>	Thermal

## Saleable Coal Production (Mt) (100% basis)



## Commentary

- Open-cut and underground complex producing primarily export quality thermal coal located within western coalfields of New South Wales
- Expansion of Moolarben complex continued in 2017 with successful commissioning of new underground mine and commencement of longwall production in October 2017 (on schedule and on budget)
- The integrated Moolarben Coal Complex has approval to produce up to 21Mt<sup>(2)</sup> of ROM coal per annum
- Achieved record 16.5Mt<sup>(2)</sup> of saleable production in 2018

**Notes:**  
1. As at 30 June 2018  
2. 100% basis



## Outlook for Thermal Coal

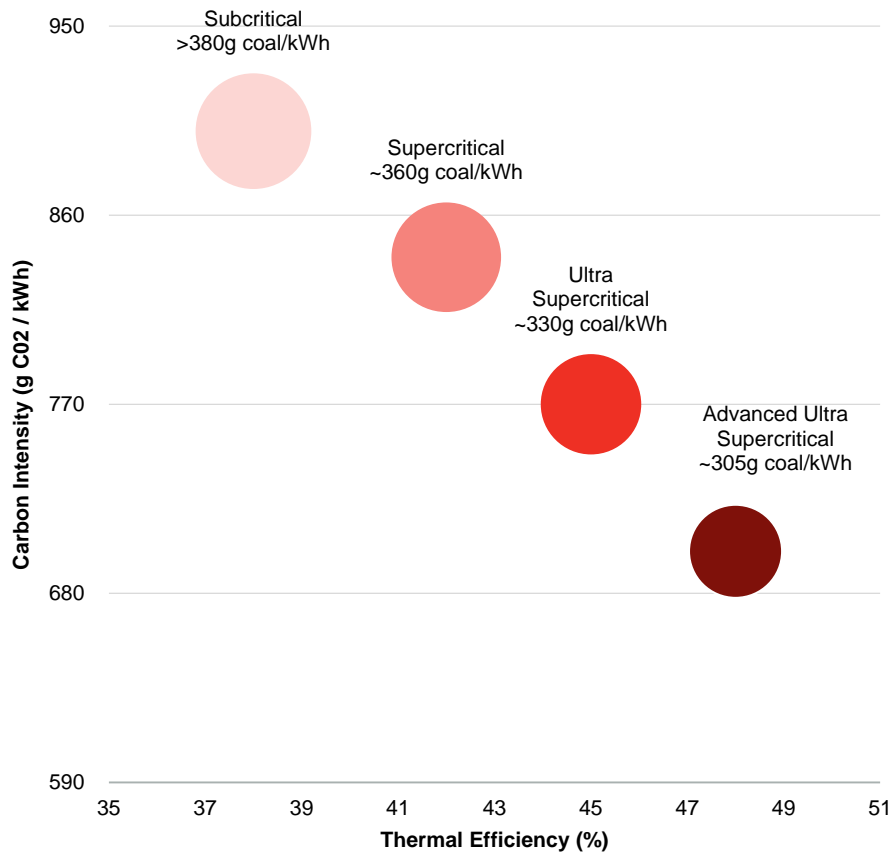
# Demand for High Quality Coal Expected to Remain



Regulatory landscape means power generators are increasingly focused on securing coal with a high energy content

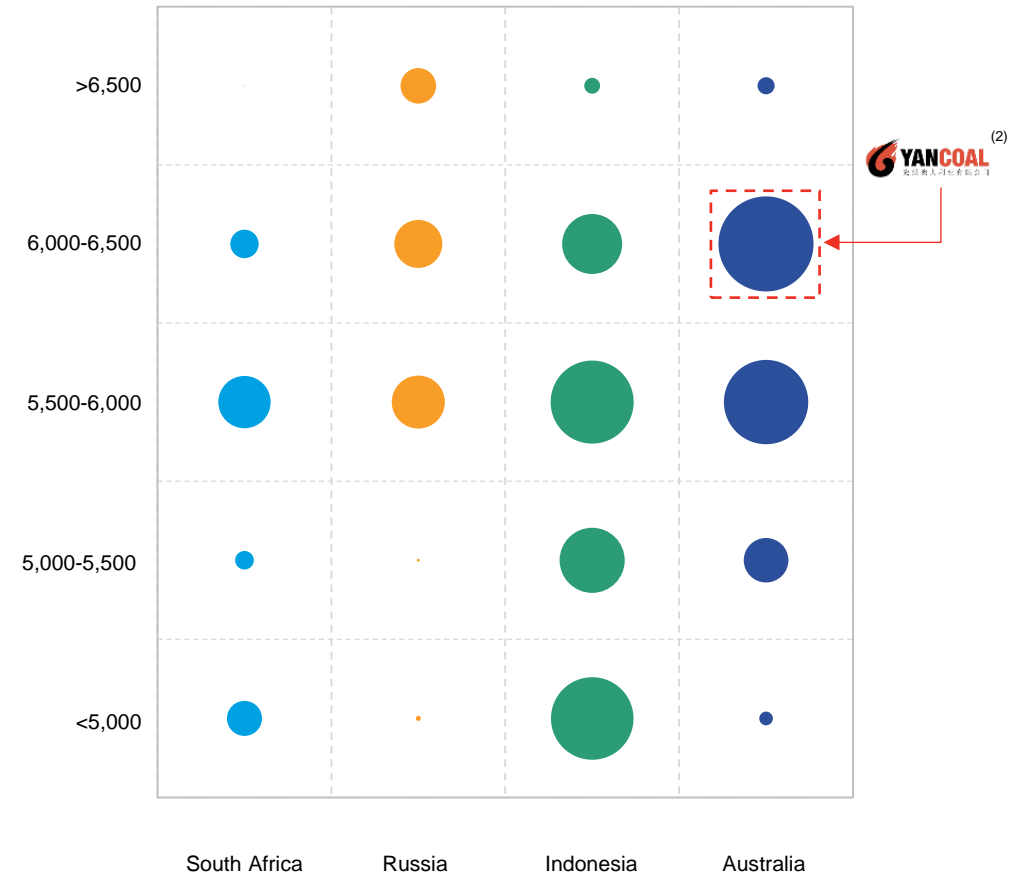
## Power generators are focused on improving thermal efficiency

Note: bubble size represents grams of coal required for each kWh of power generated



## ...which should drive demand for high quality Australian product<sup>(1)</sup>

Energy Content (kcal/kg NAR)



Source: AME Industry Report 26 November 2018, International Energy Agency

Source: AME Industry Report 26 November 2018

- Notes:
- Ball size represents relative contribution to seaborne thermal trade
  - Refers to Yancoal's Hunter Valley Low Ash Thermal product



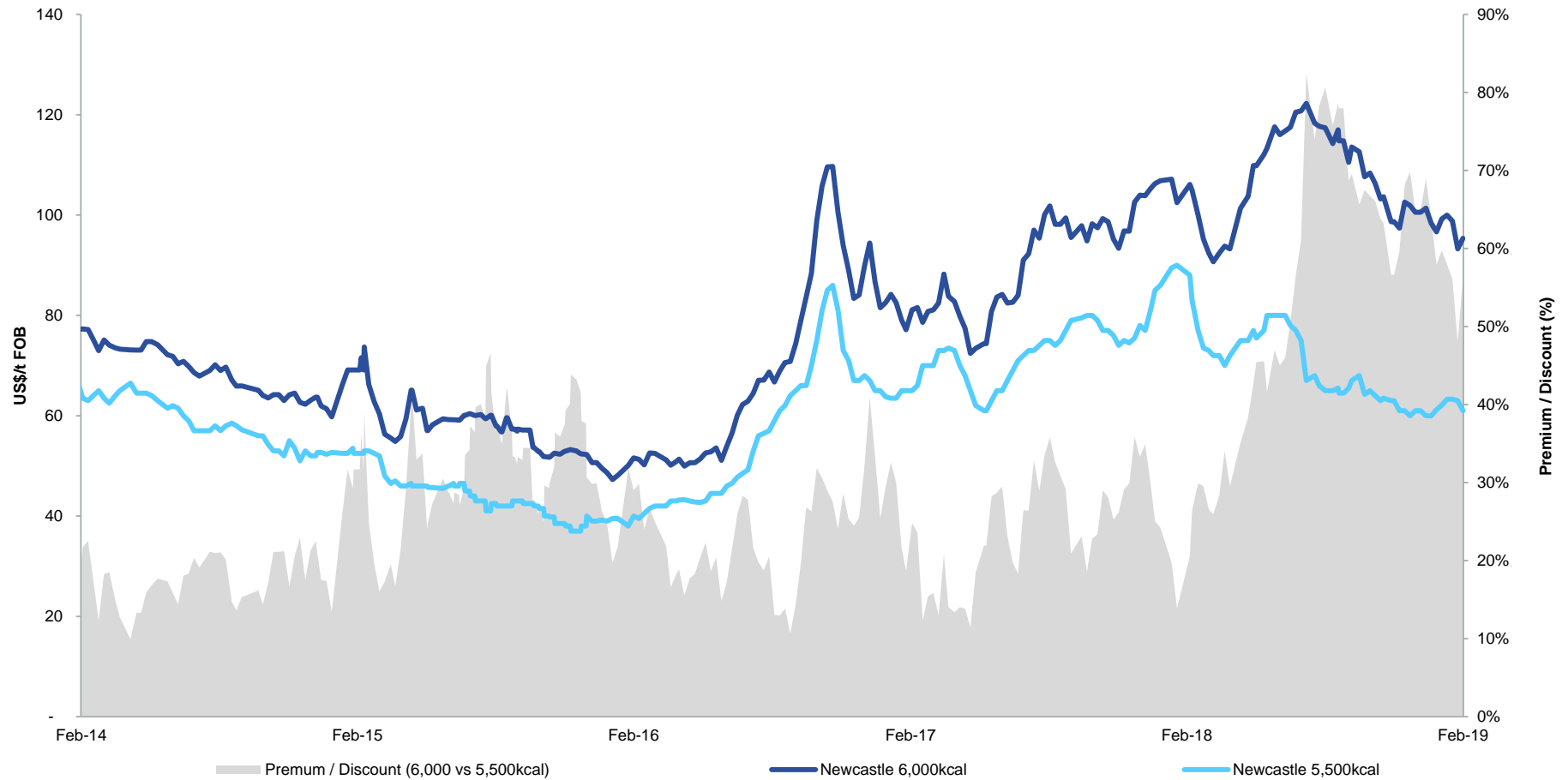
# Demand Driving Premium Pricing on High Quality Coal



Demand dynamics are driving premium pricing for coals with higher energy content

## Premium pricing being realised for higher energy coal

Newcastle 6,000 kcal/kg vs 5,500 kcal/kg NAR Price



Source: Bloomberg as at 22 February 2019



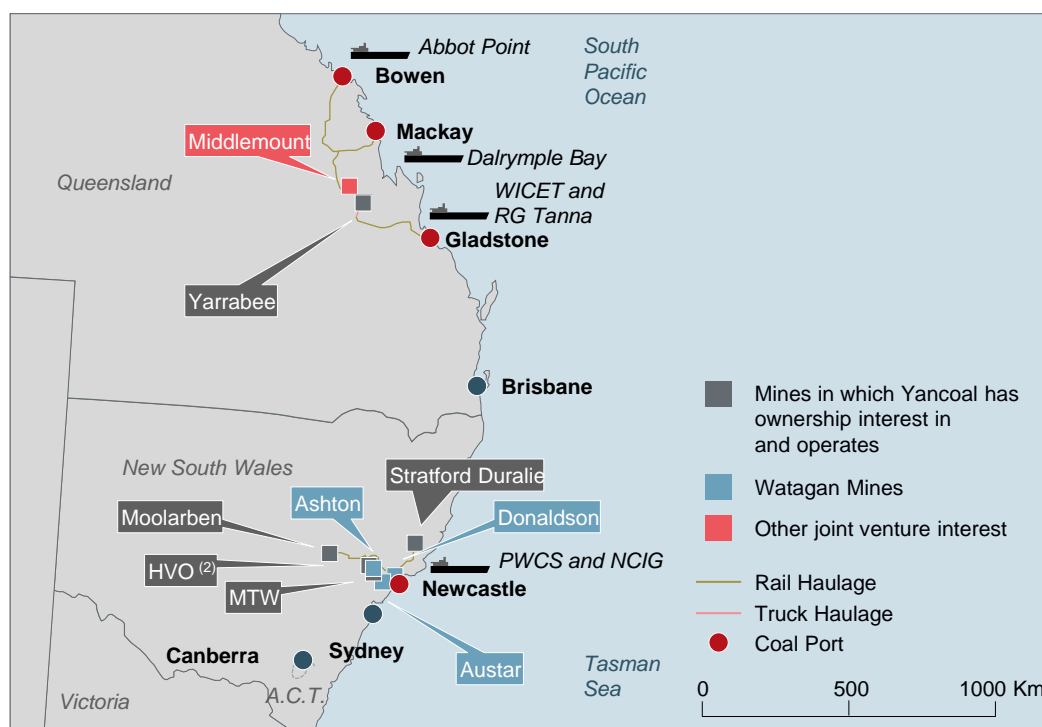
## Appendix

# Portfolio Overview



A diversified portfolio of world-class coal assets comprising interests in 9 mines with supporting rail and port infrastructure

## Yancoal's Portfolio



Source: Company Filings

### Notes:

1. Marketable Reserves, Resources and Saleable Production for individual assets are reported on a 100% basis
2. HVO is operated as a 51:49 unincorporated joint venture with Glencore. The HVO JV is jointly controlled by Yancoal and Glencore through a joint venture management committee and is operated by a manager, HV Ops, which is appointed by Yancoal and Glencore and which reports to the joint venture management committee
3. Marketable Reserves, Resources and Saleable Production as at 30 June 2018
4. Measured, indicated and inferred Resources as at 30 June 2018
5. Adjusted for full-year contribution of Coal & Allied assets and subject to limitations and qualifications set out in the RPM Competent Person's Report

## Asset Overview<sup>(1)</sup>

	Location	Ownership	Marketable Reserves <sup>(3)</sup>	Resources <sup>(4)</sup>	Saleable Production	
					(CY17) <sup>(5)</sup>	(CY18)
Hunter Valley Operations <sup>(2)</sup>	NSW	51%	554 Mt	3,788 Mt	4.8 Mt	13.3 Mt
Mount Thorley Warkworth	NSW	82.9%	225 Mt	1,692 Mt	3.9 Mt	12.1 Mt
Moolarben	NSW	85%	215 Mt	1,159 Mt	12.4 Mt	16.5 Mt
Stratford Duralie	NSW	100%	26 Mt	319 Mt	0.7 Mt	0.5 Mt
Yarrabee	QLD	100%	42 Mt	194 Mt	2.8 Mt	2.6 Mt
Middlemount	QLD	49.9997%	67 Mt	121 Mt	3.9 Mt	3.8 Mt
Ashton, Austar and Donaldson	NSW	100%	89 Mt	1,056 Mt	3.0 Mt	1.2 Mt
<b>Total (100% Basis)</b>	<b>NSW, QLD</b>	<b>n/a</b>	<b>1,218 Mt</b>	<b>8,327 Mt</b>	<b>31.5 Mt</b>	<b>50.0 Mt</b>
<b>Total (Attributable)</b>	<b>NSW, QLD</b>	<b>n/a</b>	<b>837 Mt</b>	<b>5,916 Mt</b>	<b>18.5 Mt<sup>(6)</sup></b>	<b>32.9Mt<sup>(7)</sup></b>

Source: Company Filings

6. Attributable figures for 2017 include only four months of attributable production for HVO and MTW from 1 September 2017. Figure excludes 16.6% interest in HVO, production from Middlemount (incorporated joint venture) and Watagan (equity-accounted investment and deconsolidated from Yancoal in March 2016)
7. Attributable figures for 2018 include: Moolarben (81% - up to and including 30 November 2018 and 85% thereafter - reflecting Yancoal's increased ownership in the Moolarben Joint Venture as announced on 30 November 2018); Mt Thorley Warkworth (82.9%); Hunter Valley Operations (51%); Stratford Duralie (100%) and Yarrabee (100%)

# Reserves and Resources By Mine



As at 30 June 2018, Yancoal has Coal Reserves of 1,710Mt, Marketable Coal Reserves of 1,218Mt and Coal Resources of 8,327Mt (on 100% basis)

- On an attributable basis, Yancoal's Coal Reserves were 1,178Mt, Marketable Coal Reserves were 837Mt and total Coal Resources (measured, indicated and inferred) were 5,916Mt (as at 30 June 2018)
- The three flagship mines amount to ~80% of Coal Reserves, Marketable Coal Reserves and Coal Resources

## Coal Reserves (Proved and Probable, as at 30 Jun 2018, on a 100% basis)<sup>(1)</sup>

	Mines in which Yancoal has ownership interests in and operates					Other Joint Venture Interests	Watagan Mines			Total
	HVO (OC)	MTW (OC)	Moolarben (OC/UG)	Stratford Duralie (OC)	Yarrabee (OC)	Middlemount (OC)	Ashton (OC/UG)	Austar (UG)	Donaldson (UG)	
Coal Reserves (Mt)	796	MT: 8 W: 314	OC: 189 UG: 67	44	55	87	OC: 14 UG: 33	41	62	1,710
Marketable Coal Reserves (Mt)	554	MT: 5 W: 220	OC: 148 UG: 67	26	42	67	OC: 8 UG: 18	31	32	1,218
Product Type	Met/ Thermal	Met/ Thermal	Thermal	Met/ Thermal	Met/ Thermal	Met/ Thermal	Met	Met/ Thermal	Thermal	-
<b>80% of Total Coal Reserves, and 82% of Marketable Coal Reserves</b>										

## Coal Resources (as at 30 Jun 2018, on a 100% basis)<sup>(2)</sup>

	Mines in which Yancoal has ownership interests in and operates					Other Joint Venture Interests	Watagan Mines			Total
	HVO (OC)	MTW (OC)	Moolarben (OC/UG)	Stratford Duralie (OC)	Yarrabee (OC)	Middlemount (OC)	Ashton (OC/UG)	Austar (UG)	Donaldson (UG)	
Measured (Mt)	704	MT: 27 W: 197	OC: 438 UG: 287	OC:11 UG: -	94	73	OC: 25 UG: 52	70	OC: 10 UG: 178	2,165
Indicated (Mt)	1,430	MT: 75 W: 713	OC: 105 UG: 131	OC:196 UG: 1	80	47	OC: 49 UG: 18	80	OC: - UG: 326	3,249
Measured and Indicated (Mt)	2,134	MT: 102 W: 910	OC: 543 UG: 418	OC:207 UG: 1	174	120	OC: 74 UG: 70	150	OC: 10 UG: 503	5,414
Inferred (Mt)	1,654	MT: 153 W: 527	OC: 69 UG: 129	OC: 76 UG: 35	20	1	OC: 70 UG: 15	69	OC: - UG: 95	2,913
Total	3,788	MT: 255 W: 1,437	OC: 612 UG: 547	OC: 283 UG: 36	194	121	OC: 144 UG: 85	219	OC: 10 UG: 598	8,327
<b>80% of Total Measured, Indicated and Inferred Resources</b>										

### Notes:

1. Attributable data is based on our effective ownership interest as at the Latest Practicable Date and is provided on an aggregate, not per mine, basis
2. As defined in the JORC Code and as at 30 June 2018. Total Coal Resources = Measured + Indicated + Inferred coal resources

# Summary of Yancoal's Product Suite



		NSW			Queensland	
		Low Ash Thermal	High Ash Thermal	SSCC <sup>(1)</sup>	PCI <sup>(2)</sup>	Coking Coal
<b>Calorific Value</b>	<i>kcal / kg</i>	6,322	<6,322	6,784	6,767	NA
<b>Ash</b>	%	≤15	>15	9.5	11.5	10
<b>Total Moisture</b>	%	10	10	10	9	10
<b>Fixed Carbon</b>	%	53	53	52	77.8	69.5
<b>Sulphur</b>	%	0.55	0.55	0.65	0.68	0.43
<b>Phosphorous</b>	%	0.008	0.008	0.023	0.096	0.039
<b>Volatile Matter</b>	%	31	31	36	9.2	19
<b>HGI<sup>(3)</sup></b>	#	50	50	50	72	85
<b>Free Swelling Index</b>	#	NA	NA	7	NA	6
<b>Fluidity</b>	<i>ddpm</i>	NA	NA	150	NA	20

Source: Company Filings

**Notes:**

1. Semi-soft coking coal
2. Pulverised coal injection
3. Hardgrove Grindability Index

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