Quarterly Report

For the quarter ending 31 March 2022

Issued 20 April 2022

March Quarter 2022 (1Q 2022)

- 13.3Mt 100% basis ROM coal production, down 21% from 4Q 2021.
- 8.1Mt Attributable saleable coal production, down 13% from 4Q 2021.
- 7.8Mt Attributable mine production sales, down 21% from 4Q 2021.
- A$258/t Average realised coal price, up 23% from 4Q 2021.
- 8.1 TRIFR (12mth rolling), compared to 8.4 at the end of 4Q 2021.

Performance summary

Our workforce's safety is always our priority; Yancoal retained a better than industry average TRIFR.

Excessive wet weather struck again during the quarter; it impacted all the open-cut mines, particularly those in the Hunter Valley. The mines were already near their on-site water storage limits before the heavy rain in March. This situation leaves the operational teams with limited capacity to relocate water that accumulates in the open-cut mining locations.

Despite continued proactive COVID-19 protocols, production in the quarter was also negatively impacted by the escalation of positive COVID-19 cases in our operating regions with isolation protocols resulting in reduced labour availability.

The sales volume was similar to saleable coal production, with excess coal stocks depleted in the prior period. Production disruptions and depleted stockpiles are not unique to Yancoal; supply-side constraints contributed to elevated coal indices before the invasion of Ukraine disrupted the global energy markets. Coal prices reached record levels during the quarter as alternative supply sources were sought to replace Russian oil, gas and coal exports. Compared to the prior quarter, our overall realised price increased by A$49/tonne to A$258/tonne, a 23% increase and 193% higher than we achieved in 1Q 2021. Yancoal remains focussed on the appropriate capital management allocation to accommodate future distributions, debt reduction and diversification.

2022 Guidance

- Attributable saleable coal production of 35 to 38 million tonnes.
- Cash operating costs (excluding royalties) of $71-76/tonne.

The exceptional rainfall received so far this year, along with COVID-19 linked absenteeism and higher diesel prices, are pushing production volumes towards the bottom of our guidance range and unit costs towards the top of our guidance range. If such conditions persist, there is a risk of Yancoal not remaining within the current guidance.

Production and Sales Data

ROM COAL PRODUCTION, Mt	Mine type	Economic Interest	1Q 2022	4Q 2021	PP Change	1Q 2021	PCP Change	3 months year-to-date 2022	3 months year-to-date 2021	3 months year-to-date Change
Moolarben	OC / UG	95%	4.9	5.0	(2%)	4.6	7%	4.9	4.6	7%
Mount Thorley Warkworth	OC	82.9%	3.0	4.4	(32%)	3.9	(23%)	3.0	3.9	(23%)
Hunter Valley Operations	OC	51%	3.0	4.2	(29%)	2.9	3%	3.0	2.9	3%
Yarrabee	OC	100%	0.5	0.9	(44%)	0.6	(17%)	0.5	0.6	(17%)
Stratford Duralie	OC	100%	0.1	0.7	(86%)	0.2	(50%)	0.1	0.2	(50%)
Middlemount	OC	49.9997%	1.2	1.2	-%	1.2	-%	1.2	1.2	-%
Ashton	UG	100%	0.6	0.5	20%	0.9	(33%)	0.6	0.9	(33%)
Total – 100% Basis			**13.3**	**16.9**	**(21%)**	**14.3**	**(7%)**	**13.3**	**14.3**	**(7%)**
Total – Attributable			**10.0**	**12.6**	**(21%)**	**10.8**	**(7%)**	**10.0**	**10.8**	**(7%)**

SALEABLE COAL PRODUCTION, Mt	Coal type	Attributable Contribution	1Q 2022	4Q 2021	PP Change	1Q 2021	PCP Change	3 months year-to-date 2022	3 months year-to-date 2021	3 months year-to-date Change
Moolarben	Thermal	95%	4.3	4.6	(7%)	4.1	5%	4.3	4.1	5%
Mount Thorley Warkworth	Met. Thermal	82.9%	2.0	3.0	(33%)	2.7	(26%)	2.0	2.7	(26%)
Hunter Valley Operations	Met. Thermal	51%	2.7	2.6	4%	2.6	4%	2.7	2.6	4%
Yarrabee	Met. Thermal	100%	0.5	0.7	(29%)	0.8	(38%)	0.5	0.8	(38%)
Stratford Duralie	Met. Thermal	100%	0.2	0.3	(33%)	0.1	100%	0.2	0.1	100%
Middlemount	Met. Thermal	0% (equity accounted)	0.8	0.9	(11%)	0.9	(11%)	0.8	0.9	(11%)
Ashton	Met.	100%	0.2	0.2	-%	0.4	(50%)	0.2	0.4	(50%)
Total – 100% Basis			**10.7**	**12.3**	**(13%)**	**11.6**	**(8%)**	**10.7**	**11.6**	**(8%)**
Total – Attributable			**8.1**	**9.3**	**(13%)**	**8.7**	**(7%)**	**8.1**	**8.7**	**(7%)**

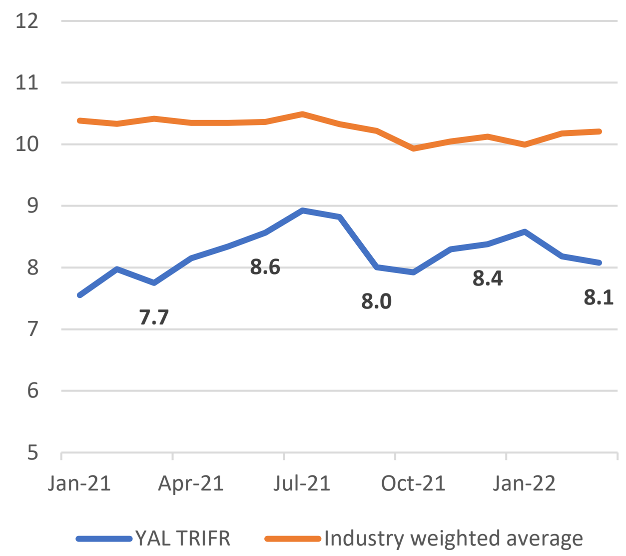
SALES VOLUME by coal type, Mt	1Q 2022	4Q 2021	PP Change	1Q 2021	PCP Change	3 months year-to-date 2022	3 months year-to-date 2021	3 months year-to-date Change
Metallurgical coal	**1.1**	1.6	(31%)	1.4	(21%)	1.1	1.4	(21%)
Thermal coal	**6.7**	8.3	(19%)	7.2	(7%)	6.7	7.2	(7%)
Total – Attributable	**7.8**	**9.9**	**(21%)**	**8.6**	**(9%)**	**7.8**	**8.6**	**(9%)**
Metallurgical coal average realised price, A$/tonne	**349**	285	22%	117	196%	349	117	196%
Thermal coal average realised price, A$/tonne	**243**	195	25%	82	198%	243	82	198%
Average realised price, A$/tonne	**258**	**209**	**23%**	**88**	**193%**	**258**	**88**	**193%**

Notes:

- Attributable figures exclude production from Middlemount (incorporated joint venture and equity-accounted).
- ‘Sales volumes by coal type’ excludes the sale of purchased coal.
- ROM = Run of Mine; the volume extracted and available to be processed.

1Q = March quarter period
2Q = June quarter period
Mt = million tonnes
Met. = Metallurgical coal
3Q = September quarter period
4Q = December quarter period
PP = Prior quarter period
PCP = Prior year corresponding period
UG = Underground
OC = Open-cut

SAFETY STATISTIC - 12mth Rolling TRIFR



CEO COMMENT

The health and well-being of all Yancoal employees remain a key focus. The 12-month rolling Total Recordable Injury Frequency Rate[1] at the end of 1Q 2022 was 8.1, compared to 8.4 at the end of 4Q 2021[2]. This figure compares favourably with the comparable industry weighted average TRIFR of 10.2 at the end of March.

All the mines continue to operate with COVID-19 controls in place, such as crew separation measures, staggered crew starting times, Rapid Antigen Testing, and additional time for employee briefings on mandatory COVID-19 protocols. Whilst this rigorous approach has minimised the COVID-19 impact, as the community transmission of the Omicron-variant increased, particularly in the Newcastle and Hunter regions, we have experienced increased absenteeism through isolation requirements, reducing personnel availability. Transport delays affecting spare part deliveries are also a factor at most mines.

The heavy rains returned, particularly in March. The immediate impact of the rain was restricted access to some mines and the suspension of open-cut mining as pits accumulated water. The more pressing issue is removing water from mining locations, given water storage capacity is close to critical levels at our mines in NSW. The recovery efforts were further impacted by unplanned maintenance and delays to new haulage trucks.

We identified excessive rain, COVID-19 and diesel prices as primary risks to our production and cost outlook for 2022. The teams at each mine are once again revising the recovery plans to minimise the production impacts.

In addition to high diesel prices, with the strong coal market, we are also experiencing cost pressures across the value chain, but management remains focussed on enforcing strict cost control disciplines.

In the context of the revenue Yancoal reports, a 23% increase in the average realised coal price counteracts the 21% lower sales volume for the quarter. Our average realised coal price for 1Q 2022 comprised a thermal coal average realised price of A$243/tonne and a metallurgical coal average realised price of A$349/tonne; both were close to three times the prices achieved just 12 months ago.

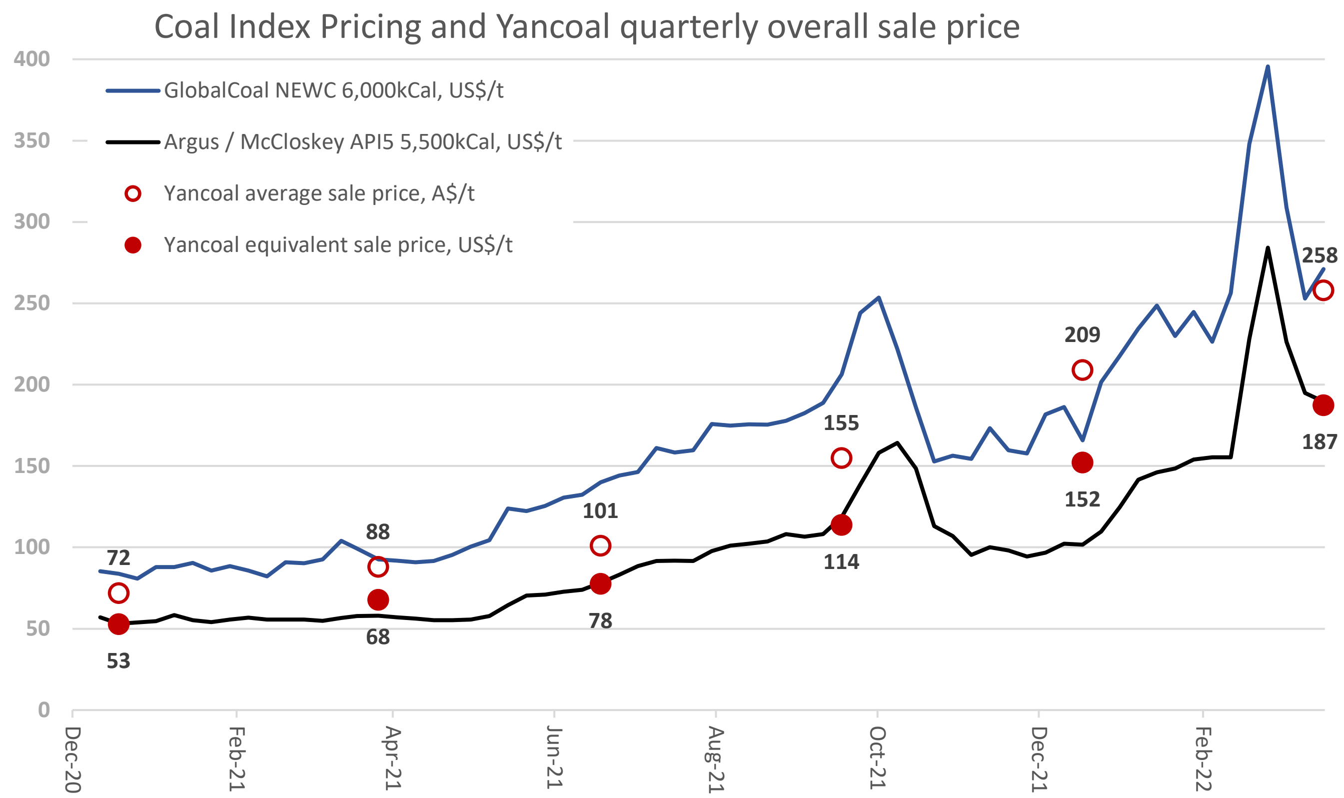
The dislocation of global energy markets caused by the invasion of Ukraine exacerbated conditions in international coal markets, which were already supply-side constrained. Rain and COVID-19 impacts are not unique to Yancoal; it seems likely that supply-side constraints will set the tone for the international coal indices through much of 2022. Yancoal is working with its customers to meet their requirements as best as possible from its constrained production profile.

[1] Attributable TRIFR includes Moolarben, Mount Thorley Warkworth, Stratford Duralie, Yarrabee and Corporate; it excludes Joint venture operated Middlemount and Hunter Valley Operations. The Industry Weighted Average combines proportional components from the relevant New South Wales and Queensland Industry references.

[2] Prior periods may be revised for reclassification of past events.

Through periods of high and low coal prices, our focus remains on the controllable elements of our business. A disciplined production and operating costs approach ensures the best outcome in all coal market conditions.

Yancoal's large-scale, low-cost production profile provides notable cash flow during periods of elevated coal prices. In the past six months, Yancoal repaid US$500mn of debt ahead of schedule (in October 2021) and allocated A$930 million to the 2021 dividend.



COAL SALES and PRICING

During 1Q 2022, attributable sales of 7.8Mt were 0.3 below the attributable saleable production (8.1Mt). Current inventory levels are comparable to past periods.

Yancoal purchased additional coal for blending, per its usual practice, to optimise the overall product mix and realised prices, as well as some extra volumes to meet obligations after the rain disruptions. Yancoal's average realised sale price in 1Q 2022 was A$258/t across the combined thermal and metallurgical coal volumes, compared to A$209/t in the prior quarter and A$88/t in the prior corresponding period.

During 1Q 2022, Yancoal's average realised price for thermal coal was A$243/tonne, 196% higher than 1Q 2021. Similarly, Yancoal's average realised price for metallurgical coal was A$349/tonne, 198% higher than 1Q 2021.

COAL MARKET OUTLOOK

Yancoal sells most of its thermal coal at prices associated with the All Published Index 5 (API5) 5,500kCal index, with the balance priced off the GlobalCOAL NEWC 6,000kCal NAR index (GCNewc). During 1Q 2022, the API5 price averaged US$174/t after peaking at over US$300/t. The GCNewc index also jumped to record levels; it averaged US$264/t after peaking at over US$395/t.

The international coal market indices were already at elevated levels due to supply-side constraints before the invasion of Ukraine. The invasion disrupted global energy markets as traders and customers prepared for a possible drop in Russian export volumes related to potential sanctions and international payment constraints.

After reaching record levels in March, the indices eased back as the market settled following the initial reaction to supply risks of Russian coal and the delayed imposition of sanctions. However, the indices are still at elevated levels and potentially remain elevated until the geopolitical factors pass.

Overall supply volumes remain constrained due to the structural decline in coal asset investment and ongoing production losses resulting from COVID-19 and weather effects across the coal industry and supporting industries.

Overall, the demand for low-ash GCNewc coal has remained consistent with the expectations of market observers. Swings in the supply output and sentiment seem likely to determine index movements for the remainder of the year.

The high-ash API5 index followed a similar profile to the low-ash index during the quarter. Chinese domestic supply, Indonesian exports and Indian imports demand are key factors in this market. Yancoal is a leading participant in the international high-ash thermal coal market.

Although having retreated from peak levels, international coal indices remain remarkably robust compared to prior years. The metallurgical and thermal coal markets have sound demand fundamentals, and we see this as supportive of the price outlook during the first half of 2022.

ASSET PERFORMANCE

All the open-cut mines in NSW and one in Queensland were significantly impacted as an intense low-pressure system delivered heavy rainfall across the east coast, including record volumes in the Hunter Valley during March. The rainfall impacted output during the quarter and will impact the remainder of the year as the adverse weather in 2021 left the operations with low mining inventory levels and significant water volumes on site.

Our workforce availability remains impacted by COVID-19 as workers follow mandatory isolation procedures. The impact varies by mine in any given month, but the reduced availability of employees and contractors is hampering the wet weather recovery efforts across the mines. There are also ongoing logistics and supply chain delays due to COVID-19 disruptions.

Moolarben

Overburden removal and ROM mining activities were reduced due to lower than planned crew numbers resulting from COVID-19 related absenteeism and a general labour shortage in the region. To catch up on overburden removal, we are bringing additional contractor mining capacity to the site. The mine is adding further water storage dams to its system but is currently at its limit for capacity to de-water mining locations. The underground mine also experienced reduced crew numbers; however, it was able to deliver above the targeted production level.

Mount Thorley Warkworth (MTW)
MTW is also dealing with the wet weather and COVID-19 impacts as it aims to recover from a low inventory of blasted overburden at the start of the year. The mine was closed for several days due to rain, and when mining resumed, haul cycles were longer than usual as roads and dumps on-site were remediated. The construction of an additional water storage dam is planned for 2022 to increase the capacity to de-water the mining locations, but the prioritisation of this work needs to be balanced against the re-optimisation of the overall mine schedule.

Hunter Valley Operations (HVO)
Wet weather impacted production during February and was compounded by unplanned equipment maintenance delays. In March, localised flooding again impacted the operation when the access between the southern and northern mining operations was affected. The mine has increased wash plant capacity after restarting the second wash plant in December, enabling further optimisation of the mines' coal stockpiles during 2022.

Yarrabee
Although the Yarrabee mine experienced less rainfall than other sites, it did have to contend with complex mining conditions. Water in the pit from previous rainfall continues to impact mining activities. Due to the continuing high PCI coal price, a decision was taken to continue the wash harder strategy, achieving a higher specification product. This lowers the yield; however, the higher realised price more than counters the loss in product tonnes.

Stratford Duralie
In December, the wash plant was shut down following the partial failure of a reinforced earthwall at the ROM coal bin caused by saturated ground conditions following heavy rain. The temporary mobile crushing plant that was used to keep the mine running has now been replaced by a larger unit Yancoal had at the Austar mine. Implementation of recovery works will continue into the June quarter, meaning output from the mine will necessarily be weighted to the second half of the year.

Middlemount
COVID-19 absenteeism and unplanned equipment maintenance impacted mining activities; however, the mine maintained its output at levels similar to prior periods.

Ashton
Ashton is an underground mine, so the rain was not an issue for the Ashton operation; however, local road closures did restrict the workforce from reaching the mine at times. The longwall had to deal with soft floor conditions and roof dilution that impacted yield in the wash plant during the period. As with the other mines, the mine is experiencing reduced workforce availability.

GROWTH INITIATIVES

At Moolarben, Yancoal has the required approvals to increase annual open-cut mine ROM production from 14Mt to 16Mt. Studies under review incorporate work to assess the optimal production profile and address the various licensing requirements. Yancoal's ability to increase open-cut production depends on increasing the capacity at the Coal Handling and Preparation Plant (CHPP). This CHPP project is underway, and the expansion to 16Mtpa will occur over the next 15 months. The MTW underground mine concept remains subject to study and assessment, but we do not expect to reach a conclusion within the next eighteen months.

Yancoal continually examines opportunities to grow the business. The Company is open to expanding or extending the operational profile of its existing assets with organic projects, like those identified at Moolarben. It would also consider acquiring additional coal assets or diversifying into other minerals, energy or renewable energy projects should suitable opportunities arise. Any new initiative would be subject to careful evaluation and require Yancoal Board consideration and approval before commencement.

CORPORATE ACTIVITY

On 28 February 2022, Yancoal declared a Final dividend of $0.500 cents per share and a Special dividend of $0.204 cents per share. The dividends are due to be paid on 29 April 2022; the amount being returned to shareholders is approximately $930 million.

On 31 March 2022, the number of ordinary shares was 1,320,439,437, unchanged during the period.

Authorised for lodgement by the Yancoal Disclosure Committee.
This report was compiled from verified material. The Yancoal Audit and Risk Management Committee (ARMC) evaluates and reviews the process and content to confirm the integrity of the report.

CEO -
David Moult
CFO -
Kevin Su
Company Secretary
Laura Zhang

Registered Office
Yancoal Australia Ltd
Level 18, Tower 2, 201 Sussex Street,
Sydney NSW 2000
Phone: (02) 8583 5300
www.yancoal.com.au

Shareholder Enquiries
Computershare Investor Services
Level 3, 60 Carrington Street,
Sydney, NSW, 2000
Phone: 1300 850 505
www.computershare.com.au

Investor Relations Contact: Brendan Fitzpatrick Brendan.Fitzpatrick@yancoal.com.au
Media Relations Contact: Matthew Gerber Matthew.Gerber@yancoal.com.au