

# QUARTERLY REPORT (Q3 FY23)

21 April 2023

## March 2023 Quarter Production Report

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### Highlights

- Whitehaven achieved an **average coal price** of A\$400/t for the quarter<sup>1</sup>, compared with A\$527/t in the December quarter (A\$315/t in prior corresponding period).
- March quarter **managed run-of-mine (ROM) production** of 4.3Mt, down 12% on the December quarter.
- March quarter **total equity sales of produced coal** of 3.4Mt, down 2% on the December quarter (down 5% on pcp); **managed sales of produced coal** of 4.1Mt, down 4% on the December quarter.
- **Cash generated from operations**<sup>2</sup> of ~\$1.2 billion in the March quarter.
- Whitehaven held a **net cash position of \$2.7 billion** as at 31 March 2023 after a \$552 million tax payment (in relation to FY22) and returning \$373 million of capital to shareholders during the March quarter (through the interim dividend and buy-back combined).
- Since the share buy-back program<sup>3</sup> commenced in March 2022, a total of 157.1 million shares have been bought back for \$1.056 billion including **13.73 million shares bought back for \$100.3 million in the March quarter**. The buy-back is due to resume on Monday 24 April following the current required blackout period.
- The **Board has approved commencement of early mining of Vickery coal deposit**. A decision around further investment and commencement of full scale operations at Vickery will be considered by the Board later this calendar year.

### Comments from MD and CEO Paul Flynn

“During the March quarter, overall ROM production was below plan primarily due to operational constraints at Maules Creek, including ongoing labour shortages.

“A mild northern hemisphere winter meant that customers’ inventory levels remained high in the March quarter, demand was softer and thermal coal prices moderated.

“Despite this, underlying demand remains strong and we realised an average coal price of A\$400/t during the quarter, including delivering a 13% premium to the gC NEWC price of US\$248/t for our thermal coal.

“Whitehaven generated \$1.2 billion of cash from operations in the quarter and at the end of March we held a net cash position of \$2.7 billion.

“We are well placed to maintain a strong balance sheet through the cycle while continuing to return capital to shareholders through our share buy-back program. So far this financial year we have returned \$1.3 billion of capital through dividends and buy-backs.

“We will continue to adopt a disciplined and balanced approach to capital allocation.”

### Safety

The safety outcome for the group for the rolling 12 months to 31 March 2023 was a total recordable injury frequency rate (TRIFR) of 4.0 for employees and contractors. This result is a 27% improvement on the FY22 TRIFR.

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<sup>1</sup> Before applicable royalties

<sup>2</sup> Before interest and income tax

<sup>3</sup> Refer to page 6 for details.

## Overview

In the FY23 March quarter (Q3), ROM production was down 12% on the December quarter. While ROM production from our open cut operations (Maules Creek, Tarrawonga and Werris Creek) was up 7% on the previous quarter, Narrabri production was lower following a strong December quarter production. Maules Creek delivered a lower than expected increase in production due to operational constraints exacerbated by ongoing labour shortages and weather interruptions in the month of March.

On an equity basis, sales of produced coal in the March quarter were 2% lower than the December quarter, reflecting a 7% decline in saleable coal production and a 32% reduction in coal stocks in the quarter.

## Whitehaven Managed Production, Sales and Stock Volumes

Thousands of tonnes	Quarter Ended				Year to Date		
	Mar 2023	Dec 2022	QoQ Change	Mar 2022	Mar 2023	Mar 2022	YoY Change
Managed ROM Coal Production	<b>4,268</b>	4,838	(12%)	5,244	<b>13,111</b>	13,643	(4%)
Managed Saleable Coal Production	<b>3,648</b>	4,047	(10%)	4,525	<b>11,907</b>	12,208	(2%)
<b>Managed Sales of Produced Coal</b>	<b>4,086</b>	4,272	(4%)	4,442	<b>12,050</b>	12,182	(1%)
Managed Sales of Purchased Coal	<b>50</b>	358	(86%)	218	<b>498</b>	1,095	(55%)
Total Managed Coal Sales	<b>4,136</b>	4,629	(11%)	4,660	<b>12,548</b>	13,277	(5%)
Managed Coal Stocks at period end	<b>1,462</b>	2,111	(31%)	2,120	<b>1,462</b>	2,120	(31%)

## Whitehaven Equity Production, Sales and Stock Volumes

Thousands of tonnes	Quarter Ended				Year to Date		
	Mar 2023	Dec 2022	QoQ Change	Mar 2022	Mar 2023	Mar 2022	YoY Change
Equity ROM Coal Production	<b>3,426</b>	3,869	(11%)	4,144	<b>10,481</b>	10,872	(4%)
Equity Saleable Coal Production	<b>2,999</b>	3,227	(7%)	3,586	<b>9,621</b>	9,767	(1%)
<b>Equity Sales of Produced Coal</b>	<b>3,365</b>	3,428	(2%)	3,527	<b>9,740</b>	9,815	(1%)
Equity Sales of Purchased Coal	<b>50</b>	358	(86%)	218	<b>498</b>	1,095	(55%)
Total Equity Coal Sales	<b>3,415</b>	3,786	(10%)	3,745	<b>10,238</b>	10,910	(6%)
Equity Coal Stocks at period end	<b>1,264</b>	1,871	(32%)	1,719	<b>1,264</b>	1,719	(26%)

## Maules Creek Open Cut Mine

Whitehaven 75%

Thousands of tonnes – Managed	Quarter Ended				Year to Date		
	Mar 2023	Dec 2022	Change	Mar 2022	Mar 2023	Mar 2022	Change
ROM Coal Production	<b>2,275</b>	2,089	9%	3,160	<b>6,194</b>	8,095	(23%)
Saleable Coal Production	<b>1,669</b>	1,660	1%	2,589	<b>5,285</b>	6,813	(22%)
Sales of Produced Coal	<b>1,699</b>	1,712	(1%)	2,455	<b>5,344</b>	6,787	(21%)
Coal Stocks at period end	<b>266</b>	334	(20%)	1,327	<b>266</b>	1,327	(80%)

Maules Creek ROM coal production of 2.3Mt for the March quarter was up only 9% on the December quarter despite the previous quarter being significantly impacted by wet weather and flooding events. Labour constraints, congestion arising from limited dumping locations while keeping manned and unmanned fleets separate, and intermittent weather interruptions in the month of March all contributed to the lower than expected increase in production during the March quarter.

Despite the 9% increase in ROM production, saleable coal production of 1.7Mt in the March quarter was in line with the previous quarter due to lower overall yields as a result of mining a greater proportion of lower yielding deeper seams with limited bypass coal available due to mine sequencing.

March quarter sales volumes of 1.7Mt were in line with the December quarter, reflecting the saleable production volumes.

Coal stocks at the end of the March quarter remained at 0.3Mt.

## Narrabri Underground Longwall Mine

Whitehaven 77.5%

Thousands of tonnes – Managed	Quarter Ended			Mar 2022	Year to Date		
	Mar 2023	Dec 2022	Change		Mar 2023	Mar 2022	Change
ROM Coal Production	<b>1,211</b>	1,985	(39%)	1,381	<b>4,804</b>	3,321	45%
Saleable Coal Production	<b>1,029</b>	1,797	(43%)	1,295	<b>4,287</b>	3,277	31%
Sales of Produced Coal	<b>1,382</b>	1,845	(25%)	1,361	<b>4,401</b>	3,117	41%
Coal Stocks at period end	<b>583</b>	796	(27%)	306	<b>583</b>	306	91%

On the back of a strong December quarter, Narrabri ROM coal production of 1.2Mt for the March quarter was down 39%. ROM coal volumes this quarter were impacted by slower mining of the longwall at the end of panel 110B due to expected coal seam thinning.

The longwall move from panel 110B to panel 203 has commenced and is expected to be completed in late May.

Saleable coal production of 1.0Mt for the quarter was down 43% consistent with lower ROM production for the quarter.

March quarter sales volumes of 1.4Mt were 25% lower than the previous quarter reflecting lower ROM production offset by a drawdown of ROM stocks. Coal stocks at the end of the quarter were 0.2Mt lower than the previous quarter as stocks were drawn down to meet sales commitments.

## Gunnedah Open Cut Mines

Whitehaven 100%

Thousands of tonnes	Quarter Ended			Mar 2022	Year to Date		
	Mar 2023	Dec 2022	Change		Mar 2023	Mar 2022	Change
ROM Coal Production	<b>782</b>	764	2%	703	<b>2,113</b>	2,227	(5%)
Saleable Coal Production	<b>950</b>	590	61%	641	<b>2,335</b>	2,118	10%
Sales of Produced Coal	<b>1,005</b>	715	41%	626	<b>2,305</b>	2,278	1%
Coal Stocks at period end	<b>613</b>	981	(38%)	487	<b>613</b>	487	26%

Managed ROM coal production of 0.8Mt from the Gunnedah Open Cut Mines was in line with the December quarter. An increase in production from Tarrawonga following recovery from wet weather and flooding in the previous quarter, was offset by lower production from Werris Creek due to a geotechnical failure slowing mine progression.

Saleable coal production was up 61% reflecting improved ROM coal haulage from Tarrawonga due to flooding impacts in the previous quarter and a drawdown of ROM stocks at Werris Creek to meet sales commitments.

See below for production and sales details per mine.

## Tarrawonga Mine

Whitehaven 100%

Thousands of tonnes	Quarter Ended			Mar 2022	Year to Date		
	Mar 2023	Dec 2022	Change		Mar 2023	Mar 2022	Change
ROM Coal Production	<b>521</b>	348	50%	363	<b>1,222</b>	1,353	(10%)
Saleable Coal Production	<b>540</b>	254	113%	359	<b>1,208</b>	1,159	4%
Sales of Produced Coal	<b>590</b>	289	104%	330	<b>1,232</b>	1,213	2%
Coal Stocks at period end	<b>406</b>	619	(34%)	231	<b>406</b>	231	76%

Tarrawonga's March quarter ROM production of 0.5Mt was 50% above the December quarter due to the December quarter result being significantly impacted by wet weather and flooding events. During the quarter, production was affected by constraints associated with in-pit water from the previous quarter flooding.

Saleable coal production for the March quarter of 0.5Mt was up 113% compared to the December quarter, reflecting better weather conditions. Tarrawonga continued to wash an increased volume of coal to produce higher energy coals. This strategy delivered group blending benefits but resulted in lower yields from Tarrawonga.

Tarrawonga sales for the quarter of 0.6Mt were up 104% compared to the December quarter reflecting the increased saleable production volumes. Coal stocks at the end of the quarter of 0.4Mt were lower than the previous quarter reflecting the draw down of both ROM and saleable coal stocks to meet sales commitments.

## Werris Creek Mine

### Whitehaven 100%

Thousands of tonnes	Quarter Ended			Mar 2022	Year to Date		
	Mar 2023	Dec 2022	Change		Mar 2023	Mar 2022	Change
ROM Coal Production	<b>261</b>	416	(37%)	340	<b>891</b>	874	2%
Saleable Coal Production	<b>410</b>	336	22%	282	<b>1,127</b>	959	18%
Sales of Produced Coal	<b>415</b>	426	(3%)	296	<b>1,073</b>	1,065	1%
Coal Stocks at period end	<b>207</b>	362	(43%)	256	<b>207</b>	256	(19%)

Werris Creek's March quarter ROM coal production of 0.3Mt was 37% below the December quarter due to a geotechnical failure that occurred in late February. Mining activity for the later part of the quarter was focused on geotechnical remediation which restricted mining progression and delayed the release of ROM coal.

Werris Creek's ROM coal production is 100% bypass, which means the coal is crushed in preparation for transport and blending, but no washing of coal is undertaken.

Saleable coal production for the quarter of 0.4Mt was 22% above the December quarter due to the draw down of ROM stocks from the previous quarter. December quarter sales volumes of 0.4Mt were in line with the previous quarter and reflected the saleable coal production volumes. Coal stocks at the end of the quarter were 43% below the previous quarter due to the lower ROM production and the draw down of stocks to maintain sales commitments.

## Equity Coal Sales and Realised Pricing (on sales of produced coal)

		Quarter Ended				
		Mar 2023	Dec 2022	Sep 2022	Jun 2022	Mar 2022
<b>Total Equity Coal Sales</b>	Mt	<b>3.4</b>	3.8	3.0	4.5	3.7
Sales of purchased coal	Mt	<b>0.1</b>	0.4	0.1	0.2	0.2
Equity sales of produced coal	Mt	<b>3.4</b>	3.4	2.9	4.4	3.5
<b>Coal sales mix<sup>1</sup></b>						
High CV thermal Coal	%	<b>68%</b>	66%	92%	77%	72%
Other thermal coal	%	<b>26%</b>	27%	-	7%	4%
Metallurgical coal	%	<b>6%</b>	7%	8%	16%	24%
<b>Pricing</b>						
gC NEWC Index	US\$/t	<b>248</b>	379	421	377	264
JSM Quarterly (SSCC)	US\$/t	<b>268</b>	230	237	368	275
<b>Price achieved<sup>1</sup></b>						
Average coal price <sup>2</sup>	A\$/t	<b>400</b>	527	581	514	315
Thermal coal	US\$/t	<b>280</b>	351	415	370	229
Metallurgical coal	US\$/t	<b>234</b>	312	256	334	244
Premium/Discount:						
Thermal to gC NEWC Index	%	<b>13%</b>	(7%)	(1%)	(2%)	(13%)
Metallurgical to JSM Qtrly	%	<b>(13%)</b>	36%	8%	(9%)	(11%)

Note: Figures may not add due to rounding.

<sup>1</sup> Sales of Produced Coal

<sup>2</sup> Before applicable royalties

Equity sales of produced coal in the March quarter of 3.4Mt were 2% below the previous quarter. In the March quarter, high CV thermal coal as a proportion of the total sales mix was slightly higher quarter on quarter at 68%. Other thermal coal was 26% and metallurgical coal was 6%.

Whitehaven achieved an average coal price of A\$400/t for sales of produced coal during the March quarter, 24% lower than the December 2022 quarter and 27% higher than the March 2022 quarter.

The gC NEWC (6000 CV) index averaged US\$248/t for the March quarter, 35% below the December quarter average of US\$379/t. Whitehaven's realised thermal price of US\$280/t was a 13% premium to the gC NEWC index (compared with a 7% discount in the December quarter and a 13% discount in the March 2022 quarter).

In a stable pricing environment, and given the high average CV of our coal, Whitehaven expects to achieve a premium to the gC NEWC index price. However, in an increasing or decreasing price environment, Whitehaven expects to lag the index. Lags typically reflect pricing mechanisms that are based on the month of scheduled shipment or the average quarterly price for a quarter, together with some JPU reference price sales and other fixed price sales which can be agreed up to three months prior to delivery.

The 13% premium to the gC NEWC index reflects the decreasing index in the quarter coupled with the realisation of improved premiums for the supply of longer term, high quality coal volumes in tight supply markets.

The JSM SSCC benchmark for the March quarter was settled at US\$268/t, which is higher than the December quarter of US\$230/t and is reflective of the improved conditions in the metallurgical market.

At 6% of Whitehaven's sales for the March quarter, the share of metallurgical sales was steady on the previous quarter. Metallurgical sales remained relatively low reflecting opportunities to sell SSCC volumes into thermal coal markets to achieve more attractive price realisations.

## **Thermal and Metallurgical Coal Market Dynamics and Outlook**

Mild weather conditions in Northern Asia and Europe have seen gas prices weaken by ~40% and thermal coal demand soften. The combination of high coal inventories and low demand resulted in a decline in high CV thermal coal prices over the March quarter.

The JPU reference price for the Japanese financial year commencing 1 April 2023 has been agreed at US\$199.95/t. Whitehaven's exposure to this JPU reference price is approximately 5% of our sales.

Export volumes through the Port of Newcastle for the March quarter were approximately 31.8Mt, which is slightly down on the December quarter of 32.7Mt. The annualised FY23 run rate of approximately 128Mt is significantly below the FY22 actual of 155.1Mt. This is due to weather events in the first half of the financial year, the lingering effects of in-pit water management coupled with labour shortages and a push for higher CV, lower yielding product. Lower production through the Port of Newcastle has broadly aligned with the softer demand, supporting the gC NEWC floor at around US\$175/t.

Metallurgical coal prices saw a recovery in the March quarter due a combination of strengthening metallurgical markets including the opening up of China, as well as wet weather and a derailment in central Queensland. While PLV HCC settled at US\$343/t for the period, there has been some easing during the month of March as demand has softened. The differential between metallurgical and thermal coal price has prompted us to consider resuming spot SSCC sales to optimise price realisations.

We maintain our view that thermal coal prices will be supported for the balance of CY23. Demand for high CV coal will continue as stock drawdowns and re-stocking occurs coupled with tight supply, particularly with the sanctions / bans on Russian coal to Europe, Japan and some segments in Taiwan. In metallurgical markets, pricing is relatively strong compared to historical levels, although we expect further volatility due to ongoing global economic pressures.

## **Logistics Update**

Whitehaven rails coal from our mine sites to Newcastle port via both Pacific National and Aurizon rail providers. We export coal through the Port of Newcastle using the two export terminals, Port Waratah Coal Services (PWCS) and Newcastle Coal Infrastructure Group (NCIG).

There were minimal disruptions throughout the coal supply chain during the March quarter. The March quarter closed with a combined vessel queue of ~16 across both loading terminals compared with ~18 vessels at the end of the December quarter.

## Corporate & Regulatory

As at 31 March 2023, there were US\$68.5 million of foreign exchange hedges at an average exchange rate of 0.68225 for fixed price equity coal sales of 0.3Mt with contracts deliverable between April 2023 and December 2023.

### Share buy-back

Whitehaven's share buy-back program is progressing well. Since 7 March 2022, a total of \$1.056 billion of capital has been invested to acquire 157.1 million shares (at an average price of \$6.72 per share), broken down into the following tranches:

Tranche	Shares bought back		Capital returned via buy-back
10% buy-back 7 Mar-22 to 21 Oct-22	103,264,423	10.0%	\$587.9m
Current buy-back since 26 Oct-22	53,862,408	5.8%	\$467.8m

Buy-back activity is summarised below on a financial year basis, including capital returned to shareholders via dividends.

	Shares bought back	Capital returned via buy-back	Capital returned via dividends	Total capital returned to shareholders
FY2022	76,372,580	\$362.6m	\$79.8m	\$442.4m
FY2023	80,754,251	\$693.1m	\$638.8m	\$1,331.9m

The Company's on-market share buy-back program remains an important feature of Whitehaven's Capital Allocation Framework and continues to represent excellent value for shareholders.

There are a range of contributing factors that determine whether the company is active in the market on any day. For example, Whitehaven slowed buy-back activities in the second half of March as we took a prudent approach to conserving cash and monitor uncertain market conditions while central banks provided liquidity and support to manage potential contagion following the collapse of several US regional banks and the rescue of Credit Suisse.

Furthermore, the allocation of capital to buying back shares takes into account the Company's targeted payout ratio of 20-50% of NPAT for dividends and buy-backs combined, to ensure appropriate capital is allocated between buy-backs and dividends.

Whitehaven will resume buying back shares on 24 April 2023 following a blackout period that commenced on 31 March ahead of the release of the Q3 FY23 Production Report.

Other factors that influence whether the company is active in the market include, but are not limited to the following:

- Daily volumes are always considered with respect to not moving the market, and shares cannot be bought back if the market price exceeds 5% of the previous 5-day VWAP.
- Timing of ex-dividend and dividend record dates.
- Blackout periods ahead of quarterly production reports, financial results or release of other material information.

The Company's blackout periods are set out in Whitehaven's [Security Trading Policy](http://www.whitehavencoal.com.au/our-business/corporate-governance/) which can be found at [www.whitehavencoal.com.au/our-business/corporate-governance/](http://www.whitehavencoal.com.au/our-business/corporate-governance/)

### Domestic Coal Reservation Scheme

On 16 February 2023, we received finalised Directions for Coal Mines as part of the NSW Government's expanded domestic thermal coal reservation policy.

The expanded policy means that from 1 April 2023 to 30 June 2024, Whitehaven's mines are obliged to make certain volumes of thermal coal available for domestic power stations. In aggregate these volumes are capped at the lower of 200k tonnes per quarter or 5% of each mine's expected saleable thermal coal production. The tonnage obligation for each mine must be made available to the extent the volumes expected to be produced during the quarter were not contractually committed prior to 19 January 2023, including under evergreen contracts.

Whitehaven's mines are required to meet their tonnage obligations by delivering produced or purchased coal that is consistent with the quality of thermal coal that has been supplied to the domestic power stations during the previous three years. The required volumes under the scheme are to be made available at a maximum delivered price of A\$125/tonne for 5500 kcal coal (adjusted pro rata for calorific value).

If the production cost of the delivered coal plus royalties and a reasonable margin exceeds the price cap, an application can be made to increase the price cap. The AER (Australian Energy Regulator) has determined a fair margin for domestic 5500 kcal coal is \$18/t (adjusted for calorific value).

Whitehaven has negotiated rail contracts to facilitate coal supply to domestic power stations and commenced deliveries on 1 April 2023. The delivery of these volumes to the domestic power stations is not expected to impact our export operations in the June quarter.

From our next quarterly report we will disclose volumes supplied to domestic power stations through the Coal Reservation Scheme and the average price achieved for those volumes. Export volumes and prices will be separately disclosed.

## Safeguard Mechanism

Our Narrabri underground mine and Maules Creek mine both fall within the Federal Government's Safeguard Mechanism, which is being reformed to reduce emissions in line with Australia's climate targets. We are continuing to participate in the Government's consultation process as it finalises key design elements of the reformed scheme, which are due to take effect from 1 July 2023.

We are currently engaging with Government on their second discussion paper on potential options for setting production variables for the coal sector which will determine emissions baselines for existing coal mines under the scheme.

As key scheme design elements for safeguard facilities are finalised in the coming months, we will provide an update to the market at the appropriate time.

We are continuing to assess site-based abatement opportunities, particularly in relation to fugitive emissions, and we are investigating options for optimising carbon offset generation across our land holdings.

## Development Projects

All of Whitehaven's Development Projects are subject to the Company's strict capital allocation framework. Under this framework each project must pass through a series of tollgates (PFS, DFS, FID) and greenfield projects (i.e. Vickery and Winchester South) will be constructed sequentially.

During the quarter, \$10.4 million of expenditure was incurred on development projects (Vickery Extension Project, Winchester South Metallurgical Coal Project and Narrabri Underground Mine Stage 3 Extension Project) primarily across exploration and geological work, environmental studies, Council contributions, infrastructure design work and project management costs.

In addition, approximately \$15 million of capital was invested to internalise the outsourced road haulage services provided by Bis between our Tarrawonga mine and our Gunnedah CHPP. Internalising the transport operations provides Whitehaven with greater control of our transport / logistics supply chain including strengthening reliability and facilitating productivity improvements, and direct haulage of coal from Vickery to the Gunnedah CHPP as part of the early mining activities.

## Vickery Extension Project and Early Mining

**The Board has approved investment to commence the early mining of the Vickery coal deposit.**

**Early mining will comprise of a low capital project that will utilise surplus coal processing and washing infrastructure capacity at the Gunnedah CHPP as well as existing road haulage, rail and port capacity.**

Expenditure of ~\$150m will be invested to overhaul mining equipment, establish water management infrastructure, construct modest site facilities and establish a box cut. The cost estimate includes \$50m of mining costs (net of revenues) associated with development of the box cut. Approximately \$120m of the \$150m of expenditure is required for the full scale Vickery project.

Construction is expected to commence in June 2023. As Werris Creek winds down in FY24, equipment and people will be available to transfer to Vickery.

First coal is expected around mid-CY2024 with production ramping up in FY25. Following ramp-up, ROM production of around 1.2-1.3Mtpa<sup>1</sup> (~0.9-1.0Mtpa sales) is expected.

The Vickery mine is located approximately midway between Whitehaven's Tarrawonga mine and the Gunnedah CHPP. The mine produces a proven high quality semi-soft coking coal, PCI coal and high-CV thermal coal. Early mining at Vickery is expected to produce a >6400 CV thermal coal with low ash content of between 6% and 10%. This will provide attractive blending opportunities across Whitehaven's portfolio.

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<sup>1</sup> Forecast production from the Vickery project is underpinned by the JORC Reserves released to the ASX on 13 August 2015. Whitehaven confirms that the material assumptions underpinning the forecast production in that initial public report continue to apply and have not materially changed. Whitehaven's JORC information is available at <https://whitehavencoal.com.au/investors/jorc>

A decision around further investment and commencement of full scale operations at Vickery will be considered by the Board at the appropriate time, which is expected later in CY2023. We are continuing to refine capital and mine plans for Vickery to be shovel ready in CY2024.

**A brief presentation is included as an Appendix** to this quarterly report further outlining the Early Mining of Vickery.

As further background, the Vickery coal mine was previously owned and operated by Rio Tinto with open cut and underground mining operating from 1991 through to 1998.

In August 2020, the Vickery Extension Project received approval from the IPC to operate an up to 10Mtpa open cut metallurgical and thermal coal mine, with onsite processing and rail infrastructure. On 16 September 2021 the Federal Minister for the Environment approved the Project under the Commonwealth's Environment Protection and Biodiversity Conservation Act 1999.

Further details can be found at <https://whitehavencoal.com.au/our-business/our-assets/vickery-extension-project/>

### **Narrabri Underground Mine Stage 3 Extension Project**

On 1 April 2022, the NSW Independent Planning Commission (IPC) announced that it had approved the State Significant Development Consent for the Narrabri Underground Mine Stage 3 Extension (Consent), subject to meeting a range of IPC conditions, including in relation to emissions mitigation technology and measures.

The project seeks to convert Narrabri's adjacent Exploration Licence into a Mining Lease and use the existing portals, CHPP, rail loop and associated infrastructure to extract, process and export high-energy thermal coal and Pulverised Coal Injection (PCI) coal products using the longwall mining method.

The project involves extending the longwall panels planned for the mining lease south of the current main roads into the contiguous Narrabri South Exploration Licence area, to extend the approved life of the mine from 2031 to 2044.

Judicial review proceedings in the NSW Land and Environment Court, in respect of the Consent granted by the IPC are being undertaken by a client of the Environmental Defenders Office (EDO). The proceedings are seeking to invalidate the Consent on climate change related grounds despite comprehensive assessment and evaluation having been undertaken by the IPC, including in relation to climate change related matters. The matter was vigorously defended at the hearing, which was heard 15 – 17 February and 8 March 2023.

Federal EPBC approval is being finalised along with required secondary approvals prior to project commencement.

Meanwhile, the Federal Environment Minister agreed to a reconsideration request by the Environment Council of Central Queensland to review environmental impacts of 18 coal and gas projects, which have already been referred under the Environment Protection and Biodiversity Conservation Act. The Narrabri Stage 3 extension is one of those projects.

Whitehaven takes its role to support energy security and economic development goals in the region extremely seriously. High quality thermal coal supplied by Whitehaven has an important role in supporting a responsible decarbonisation transition in the coming decades. As such, Whitehaven intends to respond to all reviews and proceedings vigorously to ensure Narrabri remains a responsible and reliable source of coal throughout the transition.

The majority of the expected project spend to complete the Stage 3 extension is expected to be expended between FY25-FY28, with some capital expenditure in FY23-FY24.

Further details can be found at <https://whitehavencoal.com.au/our-business/our-assets/narrabri-mine>

### **Winchester South Metallurgical Coal Project**

The proposed Winchester South open cut metallurgical coal mine is located in Queensland's Bowen Basin. At full capacity the mine is targeting an average ROM production of 15 Mtpa to supply the international market for about 30 years.

The project team is continuing to complete a Feasibility Study with detailed studies underway across all project work streams.

The Project continues to progress through the Queensland Government's Coordinated Project approval process.

On 31 March 2023, the Winchester South project team submitted the Response to Submissions Report to the Office of Coordinator General (OCG), which responded to all submissions received during the public notification of the Revised Draft EIS in late 2022.

Further project details can be found at <https://whitehavencoal.com.au/our-business/our-assets/winchester-south>



## FY23 Guidance

FY23 Guidance was updated as per the ASX release on Wednesday, 12 April 2023.

Item		FY23 Guidance Range
<b>Managed ROM coal production</b>	Mt	<b>18.0 – 19.2</b>
Maules Creek	Mt	9.3 - 9.8
Narrabri	Mt	5.6 – 6.0
Gunnedah O/C	Mt	3.1 – 3.4
<b>Managed coal sales</b>	Mt	<b>15.3 – 16.0</b>
<b>Equity coal sales</b>	Mt	<b>12.3 – 12.9</b>
<b>Unit cost of coal (excl. royalties)</b>	\$/t	<b>100 – 107</b>

*This Quarterly Report is authorised for release to the market by the Board of Whitehaven Coal Limited.*

## Investor and Analyst teleconference

Managing Director and Chief Executive Officer Paul Flynn will host a teleconference to provide an overview of the March 2023 Quarter Production Report.

Time: 10:30 AEST (Sydney time)

Date: Friday, 21 April 2023

Dial-in details: Participants can access the teleconference by copying and pasting the following link into your browser, <https://kapara.rdbk.com.au/landers/87324d.html>

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## Reporting Calendar

### Event

### Date

June Quarter Production Report	17 July 2023
Full Year FY23 Financial Results	24 August 2023
September Quarter Production Report	20 October 2023

PRODUCTION, SALES & STOCKS BY MINE Thousands of tonnes	Quarter Ended					
	Mar 23	Dec 22	Sep 22	Jun 22	Mar 22	Dec 21
<b>Whitehaven Group Managed Totals</b>						
ROM Coal Production	<b>4,268</b>	4,838	4,005	6,360	5,244	3,235
12-Month Rolling Yield	<b>86%</b>	87%	85%	83%	82%	82%
Saleable Coal Production	<b>3,648</b>	4,047	4,212	5,066	4,525	3,024
Sales of Produced Coal	<b>4,086</b>	4,272	3,693	5,391	4,442	3,520
Sales of Purchased Coal	<b>50</b>	358	90	152	218	451
Total Coal Sales	<b>4,136</b>	4,629	3,783	5,543	4,660	3,971
Coal Stocks at period end	<b>1,462</b>	2,111	2,068	2,379	2,120	2,148
<b>Maules Creek</b>						
ROM Coal Production	<b>2,275</b>	2,089	1,830	3,125	3,160	1,996
12-Month Rolling Yield	<b>78%</b>	79%	77%	76%	76%	76%
Saleable Coal Production	<b>1,669</b>	1,660	1,956	2,559	2,589	1,786
Sales of Produced Coal	<b>1,699</b>	1,712	1,934	2,824	2,455	1,804
Coal Stocks at period end	<b>266</b>	334	371	1,012	1,327	1,339
<b>Narrabri</b>						
ROM Coal Production	<b>1,211</b>	1,985	1,609	1,481	1,381	415
12-Month Rolling Yield	<b>99%</b>	99%	98%	98%	96%	96%
Saleable Coal Production	<b>1,029</b>	1,797	1,460	1,518	1,295	619
Sales of Produced Coal	<b>1,382</b>	1,845	1,174	1,499	1,361	1,004
Coal Stocks at period end	<b>583</b>	796	689	270	306	319
<b>Gunnedah Open Cuts</b>						
ROM Coal Production	<b>782</b>	764	566	1,754	703	824
12-Month Rolling Yield	<b>89%</b>	90%	90%	89%	88%	89%
Saleable Coal Production	<b>950</b>	590	796	989	641	618
Sales of Produced Coal	<b>1,006</b>	715	585	1,067	626	712
Coal Stocks at period end	<b>613</b>	981	1,008	1,097	487	489
<b>Tarrawonga</b>						
ROM Coal Production	<b>521</b>	348	352	1,066	363	551
12-Month Rolling Yield	<b>81%</b>	81%	82%	81%	80%	81%
Saleable Coal Production	<b>540</b>	254	414	468	359	355
Sales of Produced Coal	<b>590</b>	289	353	468	330	403
Coal Stocks at period end	<b>406</b>	619	655	746	231	299
<b>Werris Creek</b>						
ROM Coal Production	<b>261</b>	416	214	688	340	273
12-Month Rolling Yield	<b>100%</b>	100%	100%	100%	100%	100%
Saleable Coal Production	<b>410</b>	336	382	521	282	263
Sales of Produced Coal	<b>415</b>	426	232	598	296	310
Coal Stocks at period end	<b>207</b>	362	353	351	256	190

QUARTERLY REPORT (Q3 FY23) - Appendix

# Breaking Ground at Vickery

Market update  
21 April 2023

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# Disclosure

## **FORWARD LOOKING STATEMENTS**

Statements contained in this material, particularly those regarding the possible or assumed future performance, costs, dividends, returns, production levels or rates, prices, reserves, potential growth of Whitehaven Coal Limited, industry growth or other trend projects and any estimated company earnings are or may be forward looking statements. Such statements relate to future events and expectations and as such involve known and unknown risks and uncertainties. Actual results, actions and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.

The presentation of certain financial information may not be compliant with financial captions in the primary financial statements prepared under IFRS. However, the company considers that the presentation of such information is appropriate to investors and not misleading as it is able to be reconciled to the financial accounts which are compliant with IFRS requirements.

All dollars in the presentation are Australian dollars unless otherwise noted.



# We will break ground at Vickery through an initial small scale capital project

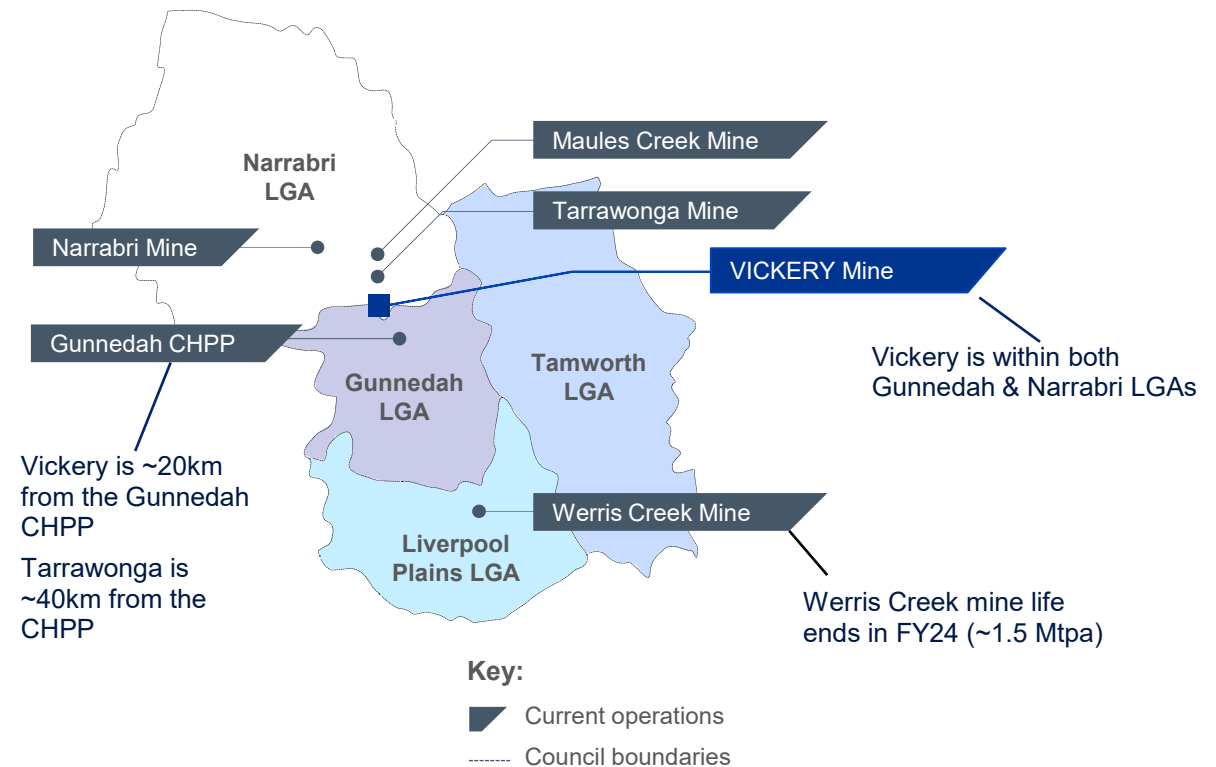
Early mining of Vickery presents a compelling opportunity

- Low capital, low risk investment
- Brings replacement volumes from Gunnedah open cuts to market (~0.9-1.0 Mtpa of sales)
- Utilises surplus Gunnedah CHPP processing and road haulage capacity
- Uses unallocated take-or-pay port and rail paths
- Brings revenue forward
- Early blending benefits – with more significant portfolio benefits from full scale mining of Vickery
- Opportunity to spread overhead costs across greater volumes (post closure of Werris Creek)
- Opportunity to retain / re-deploy people following closure of Werris Creek
- Value accretive for shareholders

# Vickery is proximate to existing operations in the Gunnedah Basin

Early mining of Vickery utilises surplus processing and supply chain capacity

- Utilises surplus CHPP processing capacity
  - Gunnedah CHPP only processes Tarrawonga and is operating at ~60% capacity
- Uses surplus road haulage capacity
  - Will utilise recently internalised transport operations
- Uses take-or-pay port and rail paths
  - Whitehaven's surplus rail and port capacity increases as Werris Creek operations end
- Deploys personnel and equipment released in phased wind down of Werris Creek in FY2024



# A low capital, low risk project that is value accretive for shareholders

An incremental cost project with attractive economics

## Capital expenditure and returns

- ~\$150m of expenditure, including:
  - ~\$100m of capex to overhaul mining equipment, establish water management infrastructure, construct site facilities and to allow for a new box cut
  - initial mining costs of ~\$50m in FY24 for box cut construction (net of revenues)
- If full scale Vickery proceeds ~\$120m of expenditure will have been brought forward and ~\$30m of capital expenditure will be 'regret capital'
- Operating cashflow (excluding capex) from early mining of Vickery is positive in FY25
- Investment case assumes a volume weighted 3-year gC NEWC price of ~US\$156/t

## Operating costs

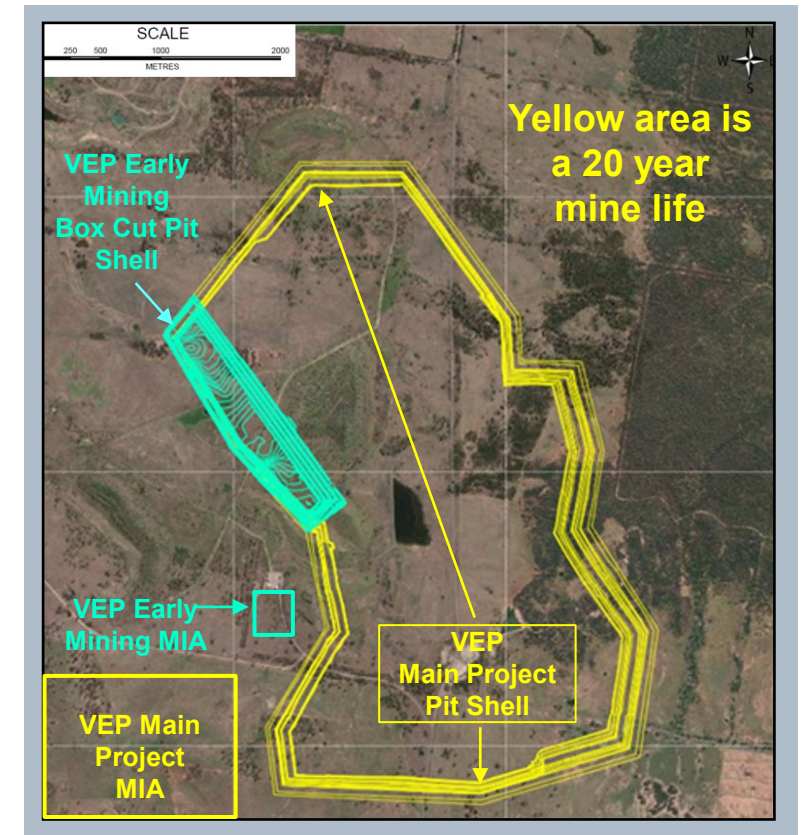
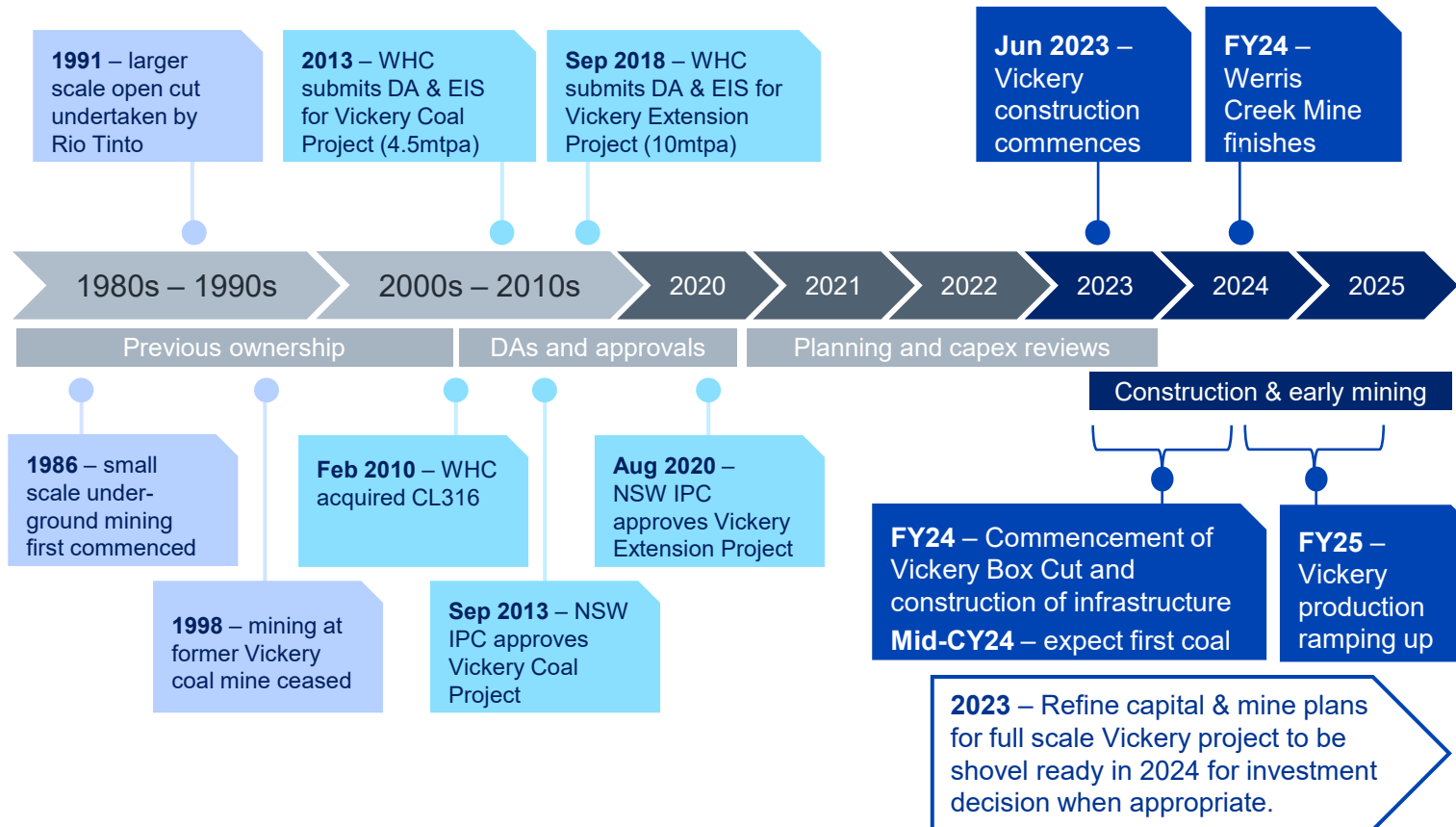
- 9:1 strip ratio for LOM
- Early mining at Vickery will absorb CHPP and overheads
- Railing and shipping Vickery coal will absorb fixed rail and port costs
- Emissions from early mining of Vickery are similar to Werris Creek emissions

## Margin benefits

- Vickery's high CV (>6400) product enhances blending opportunities and lifts overall revenues
- Additional portfolio blending benefits estimated at ~US\$25/t of Vickery coal sold, subject to coal price spreads

# Vickery is a long-life, fully approved proven asset

We expect first coal from early mining of Vickery around mid-CY2024, ramping up from FY25 to ~1.2-1.3 Mtpa ROM<sup>1</sup> and ~0.9-1.0 Mtpa sales





# Vickery's high-CV coal provides blending benefits and aligns with customer needs for quality and energy security

## Vickery's high-CV coal is a proven product

- Early mining of Vickery will produce a >6400 CV thermal coal with low ash content of ~6 to 10%
- High-CV coal is in strong demand, with a widening supply gap as a result of Russian sanctions
- Re-introduction of coal from Vickery is well-supported by customers with commissioning of new USC plants in Asia
- Some blending benefits from early mining of Vickery >6400 CV coal replacing Werris Creek ~5600 CV coal
- More significant blending benefits across the portfolio from full scale mining of Vickery

	Indicative product quality, kCal/kg <sup>1</sup>	Ash range, %	Strip ratio
<b>Early Vickery</b>	>6400	6-10%	~9:1
<b>Maules Creek</b>	~6300-6400	6-10%	~6:1
<b>Tarrawonga</b>	~6300-6400	6-11%	~11:1
<b>Narrabri</b>	~5800-5900	12-16%	Underground
<b>Werris Creek</b>	~5600	15%	Closing FY24

1. Other than Vickery, data is based on past 12 months of production

# Board approval of full scale Vickery project will be considered stand alone

Capital and mine plans for full scale Vickery investment are currently being finalised

- Strong demand for Vickery coal in export markets; it will displace lower quality, lower-CV coal and help customer countries meet their decarbonisation goals
- Full scale Vickery mining provides opportunity to lift quality of Whitehaven's portfolio to gC NEWC+
- ROM production of ~10 Mtpa (~7-8 Mtpa of saleable coal)
- Full on-site processing plant and rail load out required plus fleet (leased or purchased)
- Capital costs for full scale Vickery development are being finalised e.g. rail, CHPP, engineering, land, biodiversity
- Impact of Safeguard Mechanism to be considered
- Board expected to receive investment case for full scale Vickery in late CY23

