

# Quarterly Report

For the Quarter ending 31 March 2025

Issued 17 April 2025

## March Quarter 2025 (1Q 2025)

- A\$157/t average realised coal price.
- \$136 million increase in cash balance.<sup>1</sup>
- \$2.6 billion cash balance at 31 March 2025.
- 15.2Mt ROM coal production (100% basis).
- 12.5Mt Saleable coal production (100% basis).
- 9.5Mt Attributable saleable coal production.
- 8.4Mt Attributable coal sales.

## Performance Summary

Our Total Recordable Injury Frequency Rate of 6.46 improved during the quarter, and remains below the comparable industry weighted benchmark.<sup>2</sup>

Total ROM coal and our attributable saleable coal volumes were both above target. In comparison to the two prior years, 2025 has started stronger and our first quarter production has us well positioned for a strong operational performance in 2025.

Attributable sales were lower than production due to a rebuild of our saleable coal stockpiles and some sales slipping from March to April.

The A\$157/tonne overall realised coal price in 1Q 2025, comprised a 11% lower realised thermal coal price and a 10% lower realised metallurgical coal price compared to 4Q 2024. The realised thermal coal and metallurgical coal prices were in line with relevant coal index trends.

## 2025 Operational Guidance (unchanged)

- 35-39Mt attributable saleable production.
- \$89-97/tonne cash operating costs.
- \$750-900 million attributable capital expenditure.

## CEC / Acting CEO Comment

The coal sector is facing a weak pricing environment as a result of strong supply and subdued short-term demand in both thermal and metallurgical coal markets. Compounding this situation is the volatility and economic uncertainty stemming from the implementation of tariffs by the USA and other nations. Fortunately, our large scale, low-cost operations give us a competitive advantage in these conditions.

We started the year with a positive first quarter and are well placed to deliver a similar operational performance to last year. Our people are extremely capable, and as always are focused on maximising production and minimising our cash operating costs.

During the first quarter we added \$136 million to our cash position and finished the quarter with a cash balance of \$2.6 billion. We will return \$687 million to shareholders at the end of April as a fully franked final dividend of A\$0.52/share.

After making this distribution, we will hold more than \$1.9 billion of cash and remain debt free. This places Yancoal in a strong financial position and enables us to take advantage of opportunities that may present during this cyclical downturn.

To date, we have seen limited supply-side response to the lower coal prices, but we believe coal indices are now below the marginal cost on the global cost curve. Therefore, we anticipate supply-side reductions from higher-cost producers in response to these circumstances, leading to a subsequent price recovery, as was the case with past coal price cycles.

Yancoal's large-scale, low-cost coal production profile is well suited to all coal market conditions. We have a large cash position and no loans. Through recent cycles our margins have naturally fluctuated, but we were able to generate positive cash flows through those cycles.

<sup>1</sup> Increase in cash balance is the increase from 31-Dec-24 to 31-Mar-25.

All financial figures are Australian dollars, unless otherwise stated.

<sup>2</sup> Details page 3.

## PRODUCTION AND SALES DATA

			1Q 2025	4Q 2024	PP Change	1Q 2024	PCP change	3mth YtD 2025	3mth YtD 2024	Change
ROM coal production, Mt										
	Mine type	Economic interest								
Moolarben	OC / UG	95%	5.5	4.2	31%	6.0	(8)%	5.5	6.0	(8)%
Mount Thorley Warkworth	OC	83.6%	3.7	4.9	(24)%	3.4	9%	3.7	3.4	9%
Hunter Valley Operations	OC	51%	4.2	5.3	(21)%	2.3	83%	4.2	2.3	83%
Yarrabee	OC	100%	0.6	1.0	(40)%	0.5	20%	0.6	0.5	20%
Middlemount	OC	49.9997%	0.8	1.2	(33)%	1.0	(20)%	0.8	1.0	(20)%
Ashton	UG	100%	0.4	0.7	(43)%	0.7	(43)%	0.4	0.7	(43)%
Stratford Duralie	OC	100%	0.0	0.0	—%	0.1	(100)%	0.0	0.1	(100)%
<b>Total – 100% Basis</b>			<b>15.2</b>	<b>17.3</b>	<b>(12)%</b>	<b>14.0</b>	<b>9%</b>	<b>15.2</b>	<b>14.0</b>	<b>9%</b>
<b>Total – Attributable</b>			<b>11.5</b>	<b>12.7</b>	<b>(9)%</b>	<b>11.0</b>	<b>5%</b>	<b>11.5</b>	<b>11.0</b>	<b>5%</b>
Saleable coal production, Mt										
	Coal type	Attributable Contribution								
Moolarben	Thermal	95%	4.8	4.2	14%	5.0	(4)%	4.8	5.0	(4)%
Mount Thorley Warkworth	Met. & Thermal	83.6%	2.8	3.2	(13)%	2.2	27%	2.8	2.2	27%
Hunter Valley Operations	Met. & Thermal	51%	3.5	3.7	(5)%	2.8	25%	3.5	2.8	25%
Yarrabee	Met. & Thermal	100%	0.6	0.7	(14)%	0.4	50%	0.6	0.4	50%
Middlemount	Met. & Thermal	(equity accounted)	0.6	0.7	(14)%	0.5	20%	0.6	0.5	20%
Ashton	Met.	100%	0.2	0.5	(60)%	0.3	(33)%	0.2	0.3	(33)%
Stratford Duralie	Met. & Thermal	100%	0.0	0.0	—%	0.1	(100)%	0.0	0.1	(100)%
<b>Total – 100% Basis</b>			<b>12.5</b>	<b>13.0</b>	<b>(4)%</b>	<b>11.3</b>	<b>11%</b>	<b>12.5</b>	<b>11.3</b>	<b>11%</b>
<b>Total – Attributable</b>			<b>9.5</b>	<b>9.7</b>	<b>(2)%</b>	<b>8.8</b>	<b>8%</b>	<b>9.5</b>	<b>8.8</b>	<b>8%</b>
Sales volume, Mt										
Thermal coal			7.0	8.6	(19)%	7.3	(4)%	7.0	7.3	(4)%
Metallurgical coal			1.4	1.8	(22)%	1.0	30%	1.4	1.0	43%
<b>Total – Attributable</b>			<b>8.4</b>	<b>10.4</b>	<b>(19)%</b>	<b>8.3</b>	<b>1%</b>	<b>8.4</b>	<b>8.3</b>	<b>1%</b>
Avg. realised price, A\$/tonne										
Thermal coal			145	163	(11)%	159	(9)%	145	159	(9)%
Metallurgical coal			218	242	(10)%	334	(35)%	218	334	(35)%
<b>Overall avg. realised price</b>			<b>157</b>	<b>176</b>	<b>(11)%</b>	<b>180</b>	<b>(13)%</b>	<b>157</b>	<b>180</b>	<b>(13)%</b>

### Notes:

- ROM = Run of Mine; the volume extracted and available to be processed.
- Mount Thorley Warkworth Operational Integration Agreement was renewed from 1 February 2024 increasing the Warkworth joint venture contribution from 65% to 80% and reducing the Mt Thorley joint venture's contribution from 35% to 20%, resulting in Yancoal's effective interest increasing to 83.6% from 82.9%.
- Attributable figures exclude production from Middlemount (incorporated joint venture and equity-accounted).
- 'Sales volumes by coal type' excludes the sale of purchased coal.
- Realised prices are provided on an ex-mine basis, excluding purchased coal and corporate contract volumes.

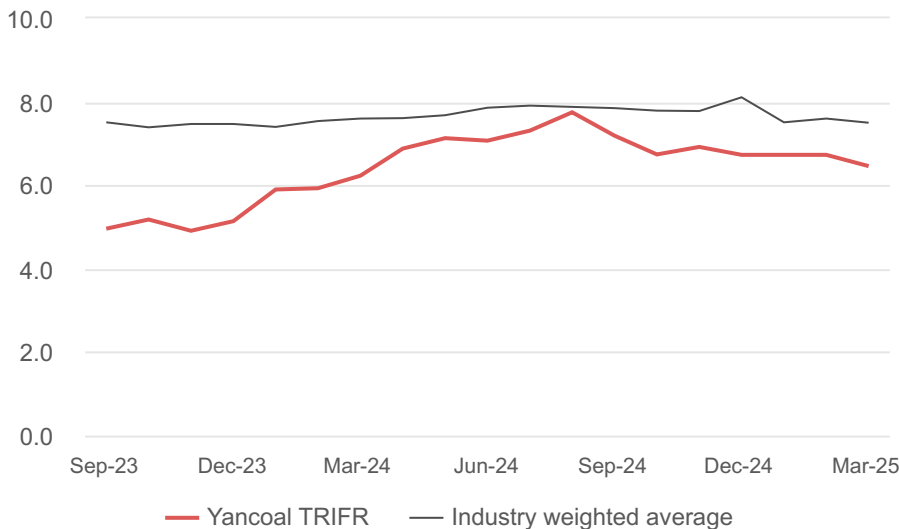
1Q = March quarter period  
 2Q = June quarter period  
 3Q = September quarter period  
 4Q = December quarter period

Mt = million tonnes  
 YtD = Year to Date  
 Met. = Metallurgical coal

PP = Prior quarter period  
 PCP = Prior year corresponding period  
 UG = Underground  
 OC = Open-cut

## SAFETY

**Yancoal 12mth rolling TRIFR**



The safety of all Yancoal employees remains a key focus. The 12-month rolling Total Recordable Injury Frequency Rate ("TRIFR") was 6.46 at the end of 1Q 2025; an improvement from 6.73 at the end of 4Q 2024.

Whilst still below the comparable industry weighted average of 7.50<sup>3</sup>, we remain committed to improving the trend through targeted safety intervention activities.

## COAL SALES AND COAL MARKET OUTLOOK

During 1Q 2025, attributable sales of 8.4Mt were less than the prior quarter and 1.1Mt less than the attributable saleable coal production. During the quarter we rebuilt our saleable coal stockpiles after they were sold down in 4Q 2024 to capture the stronger coal market conditions, and the timing of some sales slipped from March to April.

Yancoal sells the majority of its thermal coal at prices associated with the GlobalCOAL NEWC 6,000kCal NAR index (GCNewc) and the All-Published Index 5 (API5) 5,500kCal index. Each contract has price adjustments for energy content and other coal characteristics. Typically, thermal coal produced in the Hunter Valley tends to have GCNewc index characteristics. In contrast, coal produced west of the Hunter Valley tends to have API5 Index characteristics or sits between the indices. Multiple coal seams are mined at each mine, so the coal quality varies depending on where it was sourced, and how it was blended, in any given period. Yancoal's metallurgical coal is typically sold at prices associated with the Platts Low Vol PCI FOB Australia and Platts Semi-Soft FOB Australia Indices.

During 1Q 2025, the API5 index averaged US\$76/t, down 13% from 4Q 2024, and the GCNewc index averaged US\$105/t, down 24% from 4Q 2024. The Low Vol PCI index averaged US\$140/t, down 11%, and the Semi-Soft index averaged US\$117/t, down 15%.

Yancoal's realised prices in any given period tend to reflect relevant coal price indices from prior periods due to various sales contract structures and timing. Factors influencing the realised price can include: premiums (or discounts) to reflect market conditions; the capacity to wash coal and improve the product specifications; and the availability of coal for purchase and blending.

After converting to Australian dollars, in 1Q 2025 Yancoal recorded an average realised thermal coal price of A\$145/t and an average realised metallurgical coal price of A\$218/t. Yancoal's overall average realised sales price in 1Q 2025 was A\$157/t, compared to A\$176/t in the prior quarter and A\$180/t in 1Q 2024.

<sup>3</sup> Based on the available industry data at the time of preparing the report

	Units	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25
API5, 5,500kCal	US\$/t	102	88	96	93	89	87	88	76
GCNewc, 6,000kCal	US\$/t	158	149	136	126	136	141	138	105
Low Vol PCI, FOB Aust.	US\$/t	207	169	185	164	164	174	157	140
Semi-Soft, FOB Aust.	US\$/t	181	167	161	150	152	138	137	117
AUD:USD		0.67	0.65	0.65	0.66	0.66	0.67	0.65	0.63
API5, 5,500kCal	A\$/t	153	135	148	142	134	137	132	121
GCNewc, 6,000kCal	A\$/t	237	228	208	191	206	210	211	167
Low Vol PCI, FOB Aust.	A\$/t	310	258	285	249	248	259	241	224
Semi-Soft, FOB Aust.	A\$/t	271	255	247	228	231	205	210	186
Realised Thermal price	A\$/t	197	178	180	159	163	157	157	145
Realised Metallurgical price	A\$/t	403	360	292	334	318	259	259	218
<b>Overall realised price</b>	<b>A\$/t</b>	<b>226</b>	<b>197</b>	<b>196</b>	<b>180</b>	<b>181</b>	<b>170</b>	<b>170</b>	<b>157</b>

Source: GlobalCOAL, Platts, Argus/McCloskey, Reserve Bank of Australia.<sup>4</sup>

Note: A\$/t prices are a simple conversion using the US\$/t price and relevant AUD-USD exchange rates for the period.

During the first three months of 2025 we observed strong supply and reduced short-term demand conditions in the international thermal and metallurgical coal markets.

In prior quarters we had noted thermal coal markets appeared relatively balanced and coal prices were trading in relatively narrow ranges. By contrast, 1Q 2025 saw the indices steadily decline and finish the quarter near four year lows.

In the seaborne thermal coal market there is underlying demand, but downstream stockpiles remain elevated after a mild northern hemisphere winter suppressed re-stocking activity. Supply side output remains elevated with minimal disruptions to export capacity and Chinese domestic production. There has been some supply-side response to the subdued price indices with reduced exports from Colombia and also Indonesia due to its export reference price policy. However, these were not sufficient to bring back supply-demand tension.

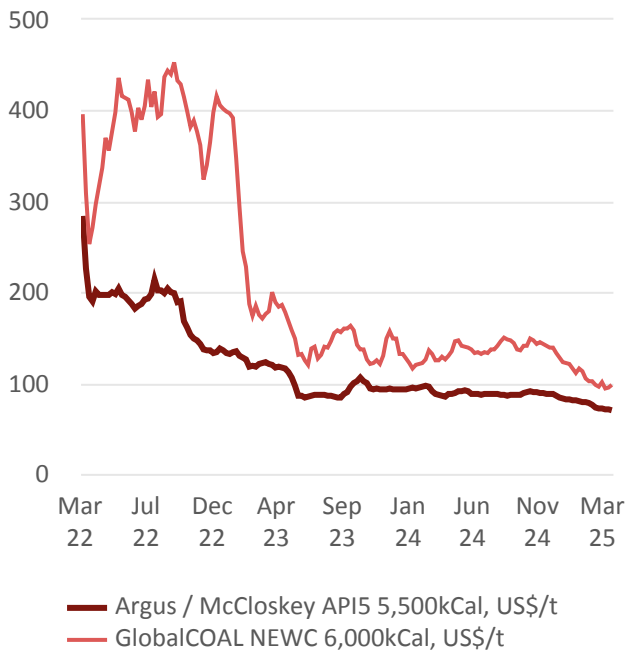
There is speculation that various Governments could apply stimulus measures if recessionary conditions arise from the application of new tariffs. Such a scenario should prove constructive for demand, but currently there is significant uncertainty and caution in the coal markets.

The metallurgical coal markets also faced weak demand stemming from an oversupply of steel in both long product and flat product markets (typically used in construction and manufacturing respectively). While there are indications that export volumes from the USA and Canada are starting to react to the low metallurgical coal prices, similar to thermal coal markets, the supply responses to date are not yet sufficient to materially alter supply-demand balance.

The 4% lower AUD:USD exchange rate in the quarter provided a modest offset to the softer coal indices for Australian exporters like Yancoal.

<sup>4</sup> The data and information provided by GlobalCOAL, Platts and Argus/McCloskey may not be copied or used except as expressly permitted in writing by the data provider.

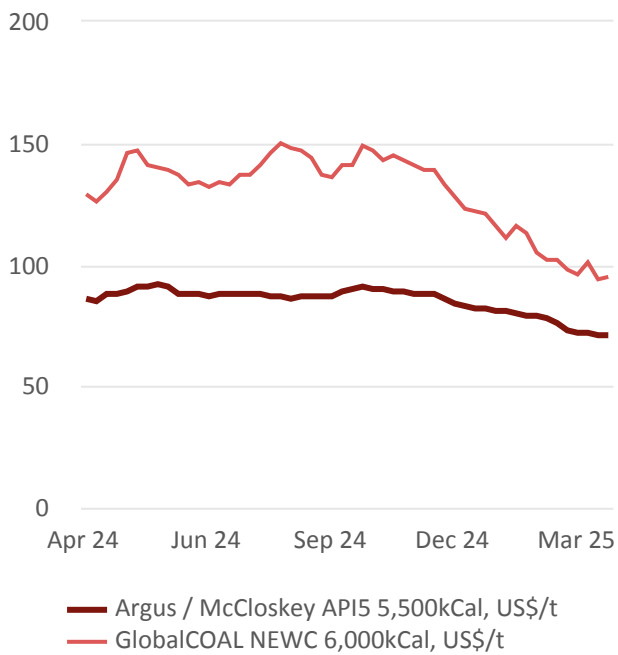
Thermal coal indices - past 3 years



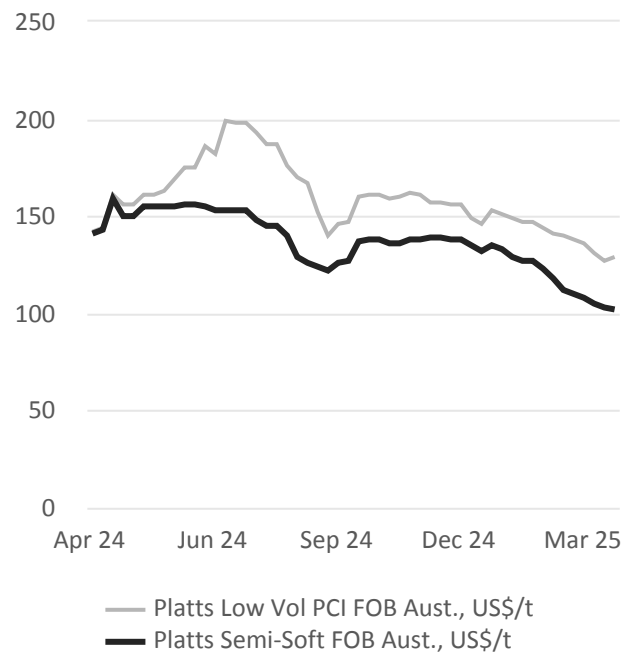
Metallurgical coal indices - past 3 years



Thermal coal indices - past year



Metallurgical coal indices - past year



Source: GlobalCOAL, Platts, Argus/McCloskey

## **ASSET PERFORMANCE**

The first quarter was forecast to have lower production than the subsequent three quarters. One element contributing to this production profile was the two underground mines having longwall moves during the quarter, however, both moves were completed ahead of schedule and were back in production prior to early February. There are two more longwall moves planned this year; Moolarben in June and Ashton through the second half. Despite, some open-cut mines experiencing minor weather disruptions during the quarter, the Company is on a positive trajectory for the remainder of the year.

### **Moolarben**

Moolarben had a good first quarter after the longwall move was completed ahead of schedule, which contributed additional by-pass tonnes to the production profile. There were some minor disruptions at the open-cut mine due to unplanned maintenance (conveyor belt in the wash plant) and some minor weather delays. Countering these disruptions were better than expected dig rates from the mining fleet, higher yields, and favourable operating hours from the load-and-haul fleet. The mine is carrying good momentum into the second quarter.

### **Mount Thorley Warkworth (MTW)**

MTW operated to plan for the quarter. In January, dragline volumes exceeded budget and reduced load-and-haul cycle times resulted in ROM coal volumes running ahead of plan; however, later in the quarter truck availability negatively affected some activities. Throughout the quarter, saleable coal production was better than forecast, initially due to the higher feed volumes to the wash plant and, then later due to favourable yield from the coal seams processed.

### **Hunter Valley Operations (HVO)**

Although HVO encountered some temporary weather delays and mining challenges early in the quarter, subsequent better than expected truck utilisation and operating hours contributed increased ROM coal volumes. Throughout the quarter, wash plant feed rates and yield tracked to target, delivering saleable coal volumes ahead of plan for the quarter.

### **Yarrabee**

Yarrabee operated to plan for the first two months of the quarter then closed out the period with strong ROM coal and saleable coal production figures in March. Wash plant availability, feed sources, yield and bypass volumes were actively managed throughout the quarter to optimise production.

### **Middlemount**

Middlemount encountered wet weather and lightning delays during the quarter. Elevated production in late 2024 resulted in the mine having less flexibility to respond to these delays. There were additional negative impacts associated with wash plant throughput rates and yield. The team has developed a recovery plan to improve performance through the remainder of the year.

### **Ashton**

Ashton began the quarter with a longwall move and scheduled wash plant maintenance. The longwall restarted ahead of schedule in February and immediately delivered good operational performance. Late in the quarter poor roof conditions impacted production, but a recovery was effectively implemented with no ongoing disruption expected.

### **Stratford Duralie**

Mining ceased in 2Q 2024, and mine closure activities are now underway, with a focus on decommissioning, landform shaping and water management.

## DEVELOPMENT PROJECTS and EXPLORATION

The MTW underground mine pre-feasibility studies are subject to further assessments, which should enable a feasibility study to commence in 2025. Should the development proceed, this project could significantly extend the future production profile (without change to annual production limits).

At HVO, the Joint Venture is working through the approvals process to allow operations to continue within the existing mining lease footprint, with an 18-month extension (to December 2026) expected to be approved in the coming weeks.

The NSW Department of Planning, Housing and Infrastructure is continuing assessment of Moolarben's OC3 Extension Project, which, if approved, would add 30 million tonnes to the mine's aggregate life of mine ROM production (without change to annual production limits).

The Stratford Renewable Energy Hub Project is subject to ongoing feasibility assessment, commercial viability evaluation, and both internal and external approval processes.

Yancoal incurred \$0.72 million in exploration capital expenditure during the period at HVO and Moolarben. The exploration work comprised 16 core and non-core boreholes for a total of 2,005 metres drilled.<sup>5</sup> Drilling was focused on structure and coal quality for both sites.

## CORPORATE ACTIVITY

Yancoal released its 2024 Financial Results and associated announcements on 20 February 2025. This included the declaration of a fully-franked final dividend of A\$0.52 per share: ex-dividend date was 13 March 2025; record date was 14 March 2025; and payment date is 30 April 2025.

## CONFERENCE CALL FOR ANALYSTS AND INVESTORS

The Company will host an audio conference call for analysts and investors. We will provide comments on the quarterly performance and conduct a 'Question and Answer' session.

Date: Monday, 28 April 2025

Time: 11:00am Sydney, 9:00am Hong Kong

Webcast: <https://edge.media-server.com/mmc/p/huebxicu>

Participants are encouraged to use the webcast link to pre-register for the conference call. There is an option to have the hosting company call participants directly at the scheduled start time.

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

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<sup>5</sup> Reported expense is Yancoal's attributable share. Hole count and drill metres are on a 100% basis.