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24 August 2026

ASX Release:

HKEX - Continuing Connected Transactions - Coal Sales Agreement

Authorised for lodgement by the Board of Yancoal Australia

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Yancoal Australia Ltd
ACN 111 859 119
兗煤澳大利亞有限公司*

(Incorporated in Victoria, Australia with limited liability)
(Hong Kong stock code: 3668)
(Australian stock code: YAL)

CONTINUING CONNECTED TRANSACTIONS REVISION OF ANNUAL CAP FOR THE GLENCORE FRAMEWORK COAL SALES AGREEMENT

Introduction

Reference is made to the announcement (the "**Announcement**") issued by Yancoal Australia Ltd (the "**Company**") on 15 January 2024 in relation to, among other things, the continuing connected transactions under the Glencore Framework Coal Sales Agreement, pursuant to which the Group agreed to sell coal to Glencore and/or its subsidiaries and/or its related entities during the three years ending 31 December 2026. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, the maximum annual transaction amount to be received by the Group from Glencore and/or its subsidiaries and/or its related entities for the year ending 31 December 2026 will not exceed US$350 million.

Revision of Annual Cap for the year ending 31 December 2026

In light of the market instability due to the conflict in the Middle East resulting in the increased likelihood of Glencore purchasing coal on the spot market and the increased spot sales by HVO Coal Sales Pty Ltd through the first half of 2026, to ensure sufficient headroom remains under the cap to enable the transactions under the Glencore Framework Coal Sales Agreement to continue through to the end of 2026, the Company estimates that the annual cap for the year ending 31 December 2026 previously set out in the Announcement will have to be increased. The aggregate transaction amounts under the Glencore Framework Coal Sales Agreement for the six months ended 30 June 2026 was approximately US$215 million. Accordingly, on 19 August 2026, the Company revised the annual cap for the transactions under the Glencore Framework Coal Sales Agreement for the year ending 31 December 2026 from US$350 million to US$750 million.

All other terms of the Glencore Framework Coal Sales Agreement remain unchanged, and its major terms were set out in the Announcement.

**For identification purposes only*

The revised annual cap has been determined with reference to (i) the historical transaction amounts, in particular the actual transaction amounts for the six months ended 30 June 2026; (ii) the expected spot demand for coal from Glencore and/or its subsidiaries and/or its related entities for the second half of 2026; and (iii) the estimated sale price of the coal taking into consideration the recent fluctuation in coal prices globally.

The Company has a system to monitor its continuing connected transactions and has in place appropriate internal controls to ensure that the transaction amounts for the continuing connected transactions do not exceed the annual caps.

Reasons for, and Benefits of, the Glencore Framework Coal Sales Agreement

The Company's principal business activity is the production of thermal and metallurgical coal. Glencore has been a consistent, and one of the major customers of the Company since 2017. The Company believes that through supplying coal to Glencore in the Company's ordinary and usual course of business, the Company could maintain its good business relationship with Glencore, further expand its business operation and generate revenue.

Directors' Confirmation

The Directors (including the independent non-executive Directors) are of the view that the terms of the Glencore Framework Coal Sales Agreement (including the revised annual cap) are fair and reasonable, the transactions are in the ordinary and usual course of business of the Group, on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole.

None of the Directors has a material interest in the Glencore Framework Coal Sales Agreement and the transactions contemplated thereunder, and therefore no Director abstained from voting on the relevant resolution of the Board in respect of the revised annual cap under the Glencore Framework Coal Sales Agreement and the transactions contemplated thereunder.

Listing Rules Implications

As at the date of this announcement, Anotero Pty Ltd ("**Anotero**"), a wholly-owned subsidiary of Glencore, (i) holds 49% of the interest in HV Operations Pty Ltd and HVO Coal Sales Pty Ltd, being subsidiaries of the Company, and (ii) has a 49% participating interest in the HVO JV, the unincorporated joint venture holding the Hunter Valley mining operations, in which the Company holds a 51% participating interest. Accordingly, Anotero is a connected person of the Company by virtue of being a substantial shareholder of the Company's subsidiaries and Glencore will be a connected person of the Company by virtue of being an associate of a connected person of the Company.

As the continuing connected transaction under the Glencore Framework Coal Sales Agreement is between the Group and a connected person at the subsidiary level, on normal commercial terms or better, the Directors have approved the transaction and the independent non-executive Directors have given the confirmation required under Rule 14A.101 of the Listing Rules, the revision of the annual cap for the year ending 31 December 2026 under the Glencore Framework Coal Sales Agreement is only subject to reporting, announcement and annual review requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Information in relation to the Company and Glencore

The Company's principal business activity is the production of thermal and metallurgical coal for use in the power generation and steel industries in Asian markets. The shares of the Company have been listed on the Australian Securities Exchange and the Hong Kong Stock Exchange since 2012 and 2018, respectively.

Glencore is a member of Glencore plc, which is one of the largest global diversified natural resource companies in the world. The shares of Glencore plc are listed on the London Stock Exchange and the Johannesburg Stock Exchange.

By order of the Board
Yancoal Australia Ltd
Gang RU
Chairman

Hong Kong, 24 August 2026

As of the date of this announcement, the executive Director is Mr. Ning Yue, the non-executive Directors are Mr. Gang Ru, Mr. Jiuhong Wang, Mr. Xiaolong Huang, Mr. Zhiguo Zhao and Ms. Ping Nie and the independent non-executive Directors are Mr. Gregory James Fletcher, Ms. Debra Anne Bakker and Mr. Peter Andrew Smith.